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**F. No. 6/27/2024 - DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi – 110001**

Dated: 24.09.2025

**FINAL FINDINGS
Case No. – AD(OI) – 25/2024**

Subject: Anti-dumping investigation into imports of “Resorcinol” originating in or exported from China PR and Japan.

A. BACKGROUND OF THE CASE

F. No. 6/27/2024-DGTR: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also 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 also referred to as the Anti-Dumping Rules or the Rules).

1. Whereas, Atul Limited (hereinafter referred to as the “applicant” or the “domestic industry”) filed an application, before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of anti-dumping investigation concerning imports of Resorcinol (hereinafter also referred to as the “product under consideration” or the “subject goods”) from China PR and Japan (hereinafter also referred to as the “subject countries”).
2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority issued a public notice vide Notification No. 6/27/2024-DGTR dated 30th September 2024, published in the Gazette of India, initiating anti-dumping investigation concerning imports of the product under consideration from China PR and Japan in accordance with Rule 5 of the Anti- Dumping Rules to determine the existence, degree and effect of any alleged dumping of the subject goods and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

A. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:
- a. The Authority notified the Embassies of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra.
 - b. The Authority issued a public notice dated 30th September 2024, published in the Gazette of India, Extraordinary, initiating anti-dumping investigation concerning import of subject goods from the subject countries.
 - c. The Authority sent a copy of the initiation notification to the Governments of the subject countries, through their Embassies in India, known producers and exporters from the subject countries, known importers / users and the domestic industry as well as other interested parties, as per the email addresses made available by the applicant and requested them to make their views in writing within the prescribed time limit.
 - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Governments of the subject countries, through their Embassies 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.
 - e. The Authority sent exporter's questionnaire to the following known producers/exporters to elicit relevant information in accordance with Rule 6(4) of the Rules:
 - i. Apelo Pharmaceutical Co., Ltd
 - ii. Buipo International
 - iii. Changshan Haicheng Chemical Co Ltd
 - iv. East West Corporation
 - v. Farmasino Co Ltd
 - vi. Hangzhou Better Chemtech Ltd
 - vii. Hangzhou Verychem Science and Technology Co Ltd
 - viii. Kenko Corporation
 - ix. Shanghai Amino-Chem Co., Ltd
 - x. Sojitz Corporation
 - xi. Sumitomo Chemical Co. Ltd.
 - xii. Zhejiang Hongsheng Chemical Co., Ltd.
 - f. The Embassies of the subject countries in India were requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit.
 - g. In response to the initiation of the subject investigation, the following producers/exporters from the subject countries have responded by filing questionnaire response:
 - i. Zhejiang Hongsheng Chemical Co., Ltd.
 - ii. Changshan Haicheng Chemical Co., Ltd.
 - iii. Zhejiang Dystar Trading Co., Ltd.

- iv. Amino-Chem (HK) Co Limited
- v. Sojitz Corporation
- vi. Sumitomo Chemical Co. Ltd.
- vii. B.R. Chemicals
- viii. Songwon International – Japan K.K.
- ix. East West Corporation
- x. Inabata & Co. Ltd.
- xi. Sumika Chemtex Co. Ltd.
- h. The Authority sent Importer's and 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.
 - i. Anil Organics
 - ii. Aries Dye Chem Industries
 - iii. Aries Organics Private Limited
 - iv. Asiatic Colour-Chem Industries Pvt. Ltd.
 - v. Black Rose Industries Private Limited
 - vi. Cavendish Industries Limited
 - vii. Chemspark India Private Limited
 - viii. Endorse Chemicals LLP
 - ix. Innovassynth Technologies (India) Limited
 - x. J.K. Tyre & Industries Limited
 - xi. Madura Industrial Textiles Limited
 - xii. Rajsha Chemicals Private Limited
 - xiii. Roha Dye Chem Private Limited
 - xiv. Saraf Chemicals Private Limited
 - xv. Siddharth Colorchem Private Limited
 - xvi. Singh Plasticisers and Resins (India) Private Limited
 - xvii. Somu Organo Chem Private Limited
 - xviii. Songwon Specialty Chemicals India Private Limited
 - xix. SRF Limited
 - xx. Techno Waxchem Private Limited
- i. In response to the initiation of the subject investigation notification, following importers/users have responded by filing questionnaire response:
 - i. Black Rose Industries
 - ii. Somu Organo Chem Private Limited
 - iii. Taoka Chemical India Private Limited
 - iv. Techno Waxchem Private Limited
 - v. Alps Chemicals Pvt Ltd
- j. The Authority made available non-confidential version of the evidence presented by various interested parties. A list of all interested parties was uploaded on the DGTR website, along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties.
- k. Request was made to DG Systems to provide the transaction-wise details of imports of subject goods for the injury period and also the period of investigation. The

Authority has relied upon the DG Systems data for computation of the volume of imports and required analysis after due examination of the transactions.

- l. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to the interested parties to present their views orally in a public hearing held on 7th March 2025. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.
- m. Due to the change in the Designated Authority, a second oral hearing was conducted on 4th July 2025, which was attended by all the interested parties. The interested parties who presented their views in the oral hearing were requested to file written submissions of their views expressed orally, followed by rejoinder submissions.
- n. The non-injurious price (NIP) based on 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 (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- o. The period of investigation (POI) for the purpose of present investigation is 1st April 2023 to 31st March 2024. The examination of trends in the context of injury analysis covered the periods FY 2020-21, 2021-22, 2022-23 and the period of investigation.
- p. 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.
- q. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties.
- r. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government to all interested parties on 8th September 2025. The Authority has examined all the post-disclosure comments made by the interested parties in these final findings to the extent deemed relevant. Any submission which was merely a reproduction of the previous submission and which had been adequately examined by the Authority has not been repeated for the sake of brevity.
- s. The Authority has considered all the relevant arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
- t. An opportunity was provided by the Authority to all interested parties to give their comments on the scope of the product under consideration and PCN methodology.
- u. ‘***’ in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

- v. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 83.69.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. At the stage of initiation of the present investigation, the following was considered as the scope of the product under consideration.

“The product under consideration is Resorcinol. The product under consideration is also known as 1,3-benzenediol; 1,3-dihydroxybenzene; 3-Hydroxyphenol; Resorcin Meta-Dihydroxybenzene and has a chemical formula C₆H₆O₂. The CAS number of the product under consideration is 108-46-3. The product under consideration comes in form of white to off-white flakes and is water soluble and conducive to derivatisation”

B.1. Views of other interested parties

5. The other interested parties have not made any submissions with regard to the scope of the product under consideration and like article.

B.2. Views of the domestic industry

6. The following submissions have been made by the domestic industry with regard to the product under consideration and like article:
- There are three manufacturing processes, namely, Sulphonation-fusion process; Hydroperoxidation process; and MPDA hydrolysis process in order to manufacture the subject goods. The domestic industry uses Sulphonation-fusion process. The subject goods manufactured using different process are identical, have same specifications, and cater to the same consumers.
 - The product produced by domestic industry is like article to the product imported from the subject countries.

B.3. Examination by the Authority

7. The product under consideration in the present investigation is Resorcinol, also known as 1,3-benzenediol; 1,3-dihydroxybenzene; 3-Hydroxyphenol; Resorcin Meta-Dihydroxybenzene in the market parlance and has a chemical formula C₆H₆O₂.
8. The product under consideration can be manufactured using three manufacturing processes which include Sulphonation-fusion process, Hydroperoxidation process and MPDA hydrolysis process. The applicant has submitted that it is using Sulphonation-fusion process in order to manufacture the subject goods. The Authority notes that use of different production processes does not lead to any difference in the final product. The

subject goods manufactured using different production processes are used for the same application and in the same manner, and there are no differences between the characteristics of the final product manufactured using different processes.

9. The product under consideration is classified under Chapter 29 of Schedule I to the Customs Tariff Act, 1975 under the HS Code 2907 2100. The Customs classification is only indicative and not binding on the scope of the product under consideration in the present investigation.
10. The Authority notes that there are no significant differences in the product produced by the domestic industry and the goods imported from the subject countries. The product produced by the domestic industry and imported from the subject countries are comparable in terms of physical & chemical properties, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Even though there are different manufacturing process involved for production of the subject goods, the end product has comparable specifications and is used interchangeably. In view of the same, the product manufactured by the domestic industry is considered as like article to the product imported into India.

C. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

C.1. Views of other interested parties

11. No submissions have been made by the other interested parties with regard to the scope of domestic industry and standing.

C.2. Views of the domestic industry

12. The following submissions have been made by the domestic industry with regard to the scope of domestic industry and standing:
 - i. The applicant is the sole producer of the subject goods in India and its production constitutes the entire Indian production for the subject goods.
 - ii. The applicant has not imported the subject goods from the subject countries during the period of investigation.
 - iii. The applicant imported negligible quantity of subject goods from its related party in China during 2021-22.
 - iv. The applicant should be considered eligible to constitute domestic industry in the present investigation.

C.3. Examination by the Authority

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

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

14. The Authority notes that the application for initiation of the present investigation was filed by Atul Limited which is the sole producer of the subject goods in India. The applicant has submitted that it has not imported the product under consideration from the subject countries during the period of investigation. The Authority notes that that the applicant has a related entity in China PR. The applicant has submitted that it has imported a negligible quantity of [***] MT of these product under consideration from the related party during 2021-22 for R&D purposes. The Authority notes that the imports were made prior to the period of investigation, and thus, the applicant is eligible to constitute domestic industry.
15. In view of the foregoing, the Authority holds that the applicant constitutes domestic industry under Rule 2(b) of the Anti-Dumping Rules and the application satisfies the requirement of standing in terms of Rule 5(3) of the Anti-Dumping Rules.

D. CONFIDENTIALITY

D.1. Views of other interested parties

16. The following submissions have been made by the other interested parties with regard to confidentiality:
 - i. The applicant has withheld key data, including segregated sales trends, amortization expenses, indexed cost breakdowns, etc., raising concerns about excessive confidentiality and transparency.
 - ii. The applicant has claimed excessive confidentiality regarding country-wise price undercutting, claiming the same as irrelevant in light of cumulative assessment, even when the Authority itself has disclosed country-wise price undercutting in case of Single Mode Optical Fiber, Electrogalvanized Steel and Jute products.
 - iii. The applicant has failed to disclose the source of normal value for Japan, and the adjustments made to third-country export price for arriving at the ex-factory normal value.
 - iv. As opposed to the submissions by the domestic industry, information with regard to affiliations of Black Rose, units linked to product under consideration, related company, channels of distribution and impact calculation is business sensitive information and cannot be shared.
 - v. Black Rock has provided reasonable summary of response regarded alleged injury to the domestic industry.

D.2. Views of the domestic industry

17. The following submissions have been made by the domestic industry with regard to confidentiality.
- i. The other interested parties have claimed publicly available information such as list of products sold confidential and have violated the requirements of Trade Notice 10/2018.
 - ii. Information which is normally disclosed in the final findings, such as channel of distribution and name of producers from which the subject goods have been purchased has been claimed confidential.
 - iii. A number of interested parties have provided post-invoicing discounts to the customers but have claimed the type of discounts as confidential.
 - iv. Information with regard to adjustments claimed for fair comparison has been claimed confidential.
 - v. The other interested parties have filed belated submissions on confidentiality.
 - vi. The information with regard to determination of normal value for Japan has been provided to all the interested parties.
 - vii. Since all the conditions of cumulation have been met in the present investigation, there is no need for providing country wise price undercutting.
 - viii. The adjustments to third country export price for Japan have been made as per the facts available.

D.3. Examination by Authority

18. The information provided by all the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality 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. The arguments of the parties with regard to confidentiality have also been examined hereinbelow.
19. The Authority notes that as per the initiation notification issued by the Authority, the deadline to file submissions on confidentiality was 7 days from the date of receipt of the non-confidential documents. The Authority notes that a number of interested parties have filed belated submissions on confidentiality.
20. With regard to the submissions that the applicant has not provided information with regard to determination of normal value for Japan, the Authority notes that the said information was provided as addendum to the application and was circulated to all interested parties.
21. With regard to the submissions that the other interested parties have failed to disclose certain information in their responses, the Authority notes that the interested parties have

justified the confidentiality claimed by them. Further, no prejudice has been caused to the interest of the domestic industry due to non-disclosure of such information.

22. As regard submissions that the domestic industry has not provided country-wise price undercutting, the domestic industry has already provided the same vide letter dated 7th December 2024.
23. The other interested parties have submitted that the domestic industry has not provided the adjustments made to the third country export price of Japan for determination of normal value. The Authority notes that the domestic industry has provided the information filed on record in this regard in the non-confidential version. The adjustments made for export price were already disclosed. The Authority notes that the normal value for Japan has been determined based on the response filed by the cooperating producer. Hence, no prejudice has been caused to the interest of the other interested parties by non-disclosure of such information.

E. MISCELLANEOUS SUBMISSIONS

E.1. Views of other interested parties

24. The following miscellaneous submissions have been made by the other interested parties.
 - i. Provisional duties are not warranted as the applicant has not demonstrated intensified imports, or urgent need for prevention of injury due to financial distress.
 - ii. In the previous investigation, benchmark form of duty for a tenure of 3 years was effective. The subject imports entered the domestic market at fair prices during the tenure of the previous duty and the domestic industry did not seek a sunset review. The same should be levied in the present investigation as well.
 - iii. The previous duty become redundant as the prices of Resorcinol increased significantly due to demand-supply gap in the market created due to closure of US plant.
 - iv. Anti-dumping duty, if imposed, should be done for a tenure of 2 years only. Even in the last investigation, there was no sunset review conducted which shows that the domestic industry was not suffering any injury. Post 2 years, a sunset review may be conducted, and the duty may be extended only if the domestic industry has supplied to all users and has not focused on captive consumption.
 - v. The applicant has not relied on DGCI&S data without proper reasoning for the same. This is an attempt to claim a higher quantum of import at a lower price.
 - vi. The application does not provide sufficient information to justify initiation of investigation.
 - vii. The investigation has been initiated without sufficient evidence of dumping as the applicant has not provided the details of export price for Japan to third country.

E.2. Views of the domestic industry

25. The following miscellaneous submissions have been made by the domestic industry.
- i. As opposed to the submissions by the other interested parties, there is no legal requirement to show intensified injury to justify interim duty.
 - ii. Contrary to the submissions of the other interested parties, reference price duty was ineffective in addressing dumping and injury as the reference price remained below the cost of production of the domestic industry. The domestic industry did not suffer injury during the said period due to other factors.
 - iii. The Authority may call for DG Systems or DGCI&S data and corroborate the data provided by the domestic industry.
 - iv. The other interested parties have not provided any information with regard to the claim that the application does not provide sufficient information to justify initiation.
 - v. There is no justification for imposition of anti-dumping duty for a period lesser than 5 years. This is especially relevant in the present case wherein; the Chinese Government has maintained fair prices in its domestic market by imposing anti-dumping duty on imports from Japan. The other interested parties are free to approach the Authority for conducting a mid-term review post 2 years, in case of change in circumstances.

E.3. Examination by the Authority

26. With regard to the submissions that there was no evidence for initiation of the investigation, the Authority notes that the applicant had provided prima facie evidence of dumping, injury and causal link. Only after undertaking prima facie examination of the evidence provided and duly satisfying itself with regard to the accuracy and adequacy of the evidence provided, the Authority initiated the present investigation. No information has been provided by other interested parties which would lead the Authority to conclude that the prima facie opinion drawn by it was erroneous.
27. The other interested parties have submitted that in case, anti-dumping duty is levied, the same should be for 2 years, and the duty should be in the form of a reference price. The Authority shall consider the tenure for which duty should be recommended and form thereof, if and when it concludes that there is a need for imposition of duty in the present case.
28. With regard to the submissions that the domestic industry has not relied upon the DGCI&S data, the Authority notes that certain products, falling outside the scope of the present investigation, are also being imported under the HS Code applicable to the product under consideration. The interested parties, including the domestic industry, do not have access to transaction wise DG Systems or DGCI&S data. The domestic industry has provided volume and value of imports, as per information reasonably available to it. However, for the purpose of the present investigation, the Authority has relied upon the DG Systems data. Hence, no prejudice has been caused to the interest of any interested parties by reliance by the domestic industry on market intelligence data.

NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

E.4. Views of other interested parties

29. The following submissions have been made by the other interested parties, with reference to determination of normal value, export price and dumping margin.
- i. China should not be treated as a non-market economy since Article 15 of the Accession Protocol has expired on 11th December 2016. As such, the practice of determining ‘surrogate country’ for normal value determination should not be used. Reference can be made to the recent Appellate Body report in EC-Fasteners (China).
 - ii. India is bound by the principle of “pacta sunt servanda” as a member of WTO and must recognize China’s full market economy status from 11th December 2016. It cannot invoke domestic law as a justification for failure to perform.
 - iii. Until recently, US and EU also share the understanding that China should be treated as economic treatment post 2016. The explanatory memorandum issued by EU also shows that it shall treat China as a non-market economy for only 15 years after China enters the WTO. However, based on a bilateral agreement, the White House continues to treat China as a non-market economy.
 - iv. The normal value for Japan and export price for both subject countries should be based on the questionnaire responses filed by participating producer/exporters.
 - v. The Japanese domestic market is not perfectly competitive and is influenced by presence of SCC being the sole established manufacturer and thus, normal value for the producer should be determined based on its cost of production and reasonable profits.
 - vi. Taoka Japan is not a producer of resorcinol but manufactures modified Resorcinol Formaldehyde Resin. Further, Taoka Japan did not export to India during the period of investigation.
 - vii. The applicant’s price claims are flawed, with inflated normal value calculations and unsubstantiated ocean freight adjustments.
 - viii. The dumping margin claimed by the domestic industry is exaggerated. The domestic industry claimed normal value based on their cost, without any adjustment for different production process between their cost and other producers.

E.5. Views of the domestic industry

30. The domestic industry has submitted as follows with reference to determination of normal value, export price and dumping margin.
- i. China PR should be treated as a non-market economy in accordance with Article 15(a)(i) of China’s Accession Protocol and the normal value should be determined in terms of Annexure I, Rule 7 of the AD Rules.
 - ii. Since the provisions of Article 15(a)(i) of China’s Accession Protocol continue to remain in force, the producers in China PR are required to show that market economy conditions prevail.

- iii. The Appellate Body in EC – Fasteners did not deal with specifically whether the entire provisions of Article 15(a) or only the provisions of Article 15(a)(ii) shall lapse on the expiry of 15 years.
- iv. In all recent investigations, the Authority has considered China PR to be a non-market economy.
- v. Contrary to the claims of the interested parties, European Union and USA continue to disregard domestic sales and cost of China PR. While China had approached the WTO Dispute Settlement Body regarding the same, but later suspended it.
- vi. As opposed to the submissions of the other interested parties, China PR should not be treated as market economy as the Chinese producers have failed to establish that market economy conditions exist in their domestic market. The Chinese producers have not even filed market economy questionnaire response.
- vii. The normal value has been provided by the domestic industry based on the information available at the time of filing the application.
- viii. The claim of the Japanese producer that the market price is influenced by it being a sole producer, shows abuse of dominant position by the Japanese producer. However, there is no evidence that the consumers in Japan or competition authorities in Japan have investigated such abuse. The normal value for the producer must be determined as per provisions of Annexure-I and profits should be determined on the basis of sales made in ordinary course of trade.
- ix. The adjustments made by the domestic industry for determining net export price are as per information available. The other interested parties have not provided any evidence in this regard.
- x. The response filed by Sumitomo Chemical Company should not be accepted as its related party, Taoka Chemical Company, has failed to participate in the present investigation. As per the website of the said entity, it is a producer of the product under consideration.
- xi. The foreign producers are providing post invoicing discounts and have compensatory agreements with the customers. The Authority may verify the same.
- xii. Techno Waxchem has imported resorcinol from Chinese exporter and exported the downstream product to the same entity. The price at which the downstream product has been exported to China PR is much lower than the price at which it has exported the same product to other countries. Further, Techno Waxchem has imported the subject goods at a higher price as compared to export of downstream product to China PR.
- xiii. The price of imports by Black Rose are not reliable as it has an exclusive trading agreement with the Japanese producers. The import price of the product produced by the Japanese producers when imported from traders is much lower than the import price of Black Rose which has imported the said product directly from the producer. The price of SCC must be examined, and it must be ensured that the same is at arm's length.
- xiv. The dumping margin is positive and significant.

E.6. Examination by the Authority

31. With regard to the submissions that the response filed by Sumitomo Chemical Company (“SCC”) should not be accepted as its related producer has not participated, the Authority notes that the related party of SCC is not engaged in manufacturing of the subject goods. Thus, there is no need for the said producer to participate in the present investigation.
32. With regard to the submissions that there is a compensatory agreement and the producers are providing post invoicing discounts, the Authority notes that the export price has been determined based on verified information of the cooperating producers / exporters.
33. Under section 9A(1)(c), the 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.”
34. The Authority notes that the following exporters of the subject goods have filed exporter’s questionnaire responses:
 - i. Zhejiang Hongsheng Chemical Co., Ltd.
 - ii. Changshan Haicheng Chemical Co., Ltd.
 - iii. Zhejiang Dystar Trading Co., Ltd.
 - iv. Amino-Chem (HK) Co Limited
 - v. Sojitz Corporation
 - vi. Sumitomo Chemical Co. Ltd.
 - vii. B.R. Chemicals
 - viii. Songwon International – Japan K.K.
 - ix. East West Corporation

- x. Inabata & Co. Ltd.
- xi. Sumika Chemtex Co. Ltd.

E.7. Determination of Normal value and Export Price

E.7.1. Normal value for China PR

35. 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.

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

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

(d). Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be

terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the 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."

36. The applicant has cited and relied upon Article 15(a)(i) of China's Accession Protocol. The applicant has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product with regard to the manufacturing, the production and the sale of the product under consideration. It has been stated by the applicants that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- I to the Rules.
37. None of the sampled producers have claimed market economy treatment in the present case. Accordingly, the normal value has been determined in accordance with paragraph 7 of Annexure I of the Rules which state as follows.

"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."

38. The applicant has claimed that the normal value should be determined on the basis of price payable in India. The other interested parties have not adduced any other basis, amongst that listed under paragraph 7 of Annexure I of the Rules, which may form basis of determination of normal value. The Authority has therefore, determined normal value as per the price payable in India, based on cost of production of the applicant, duly adjusted for selling, general and administrative expenses and reasonable profits.

E.7.2. Export price for China PR**Export price for Zhejiang Hongsheng Chemical Co., Ltd.**

39. During the period of investigation, Zhejiang Hongsheng Chemical Co., Ltd. (Hongsheng) has exported *** MT to India, of which *** MT has been exported directly. The remaining volume has been exported through Changshan Haicheng Chemical Co., Ltd. (Haicheng Chemical), and Zhejiang Dystar Trading Co., Ltd. (Dystar) further through Amino-Chem (HK) Co Limited (Amino HK) and Sojitz Corporation (Sojitz).

Hongsheng → Unrelated customers in India

Hongsheng → Haicheng Chemical (unrelated) → Unrelated customers in India

Hongsheng → Dystar (related) → Amino HK (related) → Sojitz (unrelated) → Unrelated customers in India

40. All the aforesaid exporters and traders have cooperated before the Authority. The Authority has determined the net export price based on the price charged from the first unrelated customer to India. The producer and exporters claimed adjustment on account of ocean freight, insurance, port and handling charges, inland freight, bank charges and credit cost. The same have been allowed after desk verification. Further, losses of related exporters/trader have been adjusted. The landed price has been determined based on the price charged from the unrelated customer in India. The net export price so determined is mentioned in the table below.

Export price for other producers/exporters in China PR

41. The export price for all other non-cooperating producers and exporters of China has been determined based on facts available and the same is mentioned in the dumping margin table below.

E.7.3. Normal value for Japan**Normal value for Sumitomo Chemical Co. Ltd.**

42. During the period of investigation, Sumitomo Chemical Co. Ltd. (Sumitomo) has exported *** MT of the product under consideration to India, while selling *** MT of the subject goods in the domestic market. The Authority notes that the domestic sales are sufficient in volumes when compared with exports to India, to determine the normal value based on domestic selling price. Sumitomo Chemical Co. Ltd. has sold the like article to related and unrelated customers in the domestic market. For related traders, the Authority has considered the resale price by the traders.

43. To determine the normal value, the Authority has conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods. Normal value has been determined based on the price of sales in the domestic market. SCC has claimed price adjustments on account of domestic insurance, inland freight, handling and loading charges and credit cost. The adjustments claimed have been allowed after desk verification. Thus, the normal value at ex-factory level has been calculated as mentioned in the dumping margin table below.
44. With regard to the submissions that reasonable profits should be taken to determine normal value for SCC as the domestic market is influenced by SCC being a sole manufacturer, the Authority notes that there is no evidence of the fact that the said producer is charging unreasonable profits in its domestic market. The normal value has been determined as per the Anti-Dumping Rules.

Normal value for other producers/exporters in Japan

45. The normal value for all other non-cooperating producers and exporters of Japan has been determined based on facts available and the same is mentioned in the dumping margin table below.

E.7.4. Export price for Japan

Export price for Sumitomo Chemical Co. Ltd.

46. Sumitomo has exported *** MT of the product under consideration to India, of which *** MT has been exported directly. The remaining volume has been exported through B. R. Chemicals (BRC) and East West Corporation (East West), and Songwon International – Japan K.K (Songwon). Songwon International – Japan K.K has, in turn, sold the goods to an affiliate, Songwon Specialty Chemicals-India Private Limited (Songwon India). The channels of exports are summarized below.

Sumitomo → Unrelated customers in India

Sumitomo → BRC (unrelated) → East West (unrelated) → Unrelated customers in India

Sumitomo → Songwon (unrelated) → Songwon India (related to Songwon) → Unrelated customers in India

47. All the aforesaid exporters, traders and related importer have cooperated before the Authority. The Authority has determined the net export price based on the price charged from the first unrelated customer. Further, adjustment has been made for the loss faced by the related importer of Songwon. The parties have claimed adjustments for ocean freight, ocean insurance, inland insurance, inland transportation, handling and transportation charges, finance / bank charges and credit cost. The adjustment claimed have been allowed by the Authority after desk verification. The net export price determined is mentioned in the table below.

Export price for other producers/exporters in Japan

48. The export price for all other non-cooperating producers and exporters of Japan has been determined based on facts available and the same is mentioned in the dumping margin table below.

E.8. Dumping margin

49. Considering the normal value constructed as provided above, and export price as determined, the dumping margin determined for the subject country is as follows:

Dumping Margin Table

SN	Name of Producer	Normal Value	Export Price	Dumping Margin	Dumping Margin	Dumping Margin
		(USD/MT)	(USD/MT)	(USD/MT)	(%)	(Range)
A	China PR					
1	Zhejiang Hongsheng Chemical Co., Ltd.	***	***	***	***%	25-35
2	Others	***	***	***	***%	35-45
B	Japan					
3	Sumitomo Chemical Co. Ltd.	***	***	***	***%	30-40
4	Others	***	***	***	***%	50-60

F. ASSESSMENT OF INJURY AND CAUSAL LINK**F.1. Views of other interested parties**

50. The following submissions have been made by the other interested parties with regard to injury and causal link:
- Consideration of 2020-21 as base year for injury analysis is incorrect as the prices during this period were very abnormally high due to INDSPEC's resorcinol plant shut down and impact of COVID-19.
 - Cumulative assessment should not be done in the present case as the imports from China have increased till 2022-23, the imports from Japan have declined. Further, import price from Japan is higher than import price from China.
 - The imports from Japan have declined post-duty expiry of anti-dumping duty which shows absence of volume injury.
 - The volume of imports has declined in India while the demand has increased.
 - Loss in the market share of the domestic industry, if any, is on account of increased imports from China.

- vi. The applicant has not provided information relating to price undercutting for first three years of injury period. In absence of such data, a causation analysis cannot be completed.
- vii. The price undercutting claimed by the domestic industry is 0-10%, which shows that there no significant price disparity between selling price of the domestic industry and landed price of imports.
- viii. The prices of Black Rose are much higher than the prices of the domestic industry.
- ix. The applicant has aggressively reduced its prices forcing other suppliers in the market to reduce their prices in order to maintain market share.
- x. The applicant has consistently been reducing its prices since the base year but is not gaining market share, which indicates that the customers are willing to import at higher prices as the applicant is an unreliable supplier.
- xi. The increase in cost of sales of the domestic industry in the period of investigation is not in line with cost movement of other producers. The price of Benzene, the raw material constituting 50-60% of the cost, has declined during the injury period.
- xii. The prices of subject goods from Japan remained stable in comparison to prices of both Atul and subject goods from China. Due to price pressure created by domestic industry and Chinese exporters, SCC was forced to reduce its prices in the period of investigation.
- xiii. The applicant was able to increase its sales despite a decline in demand.
- xiv. Atul has been more focused on production of its downstream products and exports and does not cater to the Indian market. Even when anti-dumping duties were in force, Atul's market share remained in the range of 10-20%.
- xv. The domestic industry has shown improvement across key economic indicators, including production, and capacity utilization, undermining claims of material injury. Imports declined while domestic production rose, indicating no causal link between imports and losses.
- xvi. The inventories of the domestic industry have increased as it continued to increase its production despite decline in demand.
- xvii. While the number of employees has declined, the salary and wages have increased. The Authority may examine the same.
- xviii. The return on capital employed of the domestic industry declined due to increase in net fixed assets.
- xix. While the capital employed has increased, the installed capacity has remained unchanged. There is substantial increase in depreciation and net fixed assets. This raises questions on the credibility of data.
- xx. The reduction in profitability is due to aggressive trade distortive pricing strategy of the applicant.
- xxi. The Authority should verify the quantity of subject goods used captively, its valuation, the decision to sell the subject goods in the market or to use them captively, and the profitability of downstream products.

- xxii. The domestic industry's cost trends deviate from global patterns, with declining raw material prices contradicting rising production costs. Improved economic indicators, batch production inefficiencies, and outdated technology explain losses. The same was also acknowledged by the domestic industry in its AGM.
- xxiii. The applicant is facing injury on account of inefficient production process as sulphonation process is highly capital- and labour-intensive process, requires higher investment cost, has low-cost recovery through its by-products, higher utility cost and lower yield. As compared to this, SCC uses Hydroperoxidation process.
- xxiv. Use of obsolete technology cannot be considered as an inherent feature of the domestic industry as it has an option of improving its production process. Since development of technology is a relevant factor, it must be considered that use of obsolete technology is causing injury to the domestic industry.
- xxv. Injury to the domestic industry may be due to factors such as increased raw material costs, changes in market demand or inefficiencies in operation cost, and issues in inventory management.
- xxvi. The decline in profits was caused by an increase in the cost of sales due to increase in depreciation. Further, the domestic industry reduced its selling price despite low volume of imports.
- xxvii. Injury on account of decline in demand should not be attributed to imports. The reason for the decline in demand has also not been provided.
- xxviii. The applicant misrepresented operational stability, as its annual report confirms a month-long shutdown in 2020.
- xxix. The Authority may analyse other factors such as geographical location, challenges in raw material sourcing, high borrowing costs causing injury to the domestic industry.
- xxx. Factors such as Russia-Ukraine crisis, which have led to adverse effects on global demand and unprecedented increases in raw material and indirect material prices may have caused injury to the domestic industry.
- xxxi. The injury to the domestic industry is due to normalization of market post developments such as closure of Indspec, USA in 2017 leading to shortage of the product and increase in price and imposition of anti-dumping duty between 2018-2021. Post COVID, the number of suppliers increased leading to normalization of price.
- xxxii. Prices globally have reduced which is evident from the fact that the domestic industry exports to Pirelli Tyre Co., Ltd in China. The prices of these exports have been reducing since 2021 and reached \$4.99/Kg during the period of investigation.
- xxxiii. The high injury margin claimed is on account of high cost and non-injurious price claimed by the domestic industry.
- xxxiv. The non-injurious price should be adjusted with regard to cost of by-product generated at par with value of by-product generated through other production process. The cost of utilities should be decreased by 8-10% to reflect cost of hydroperoxidation process.

- xxxv. A return of 22% should not be allowed on capital employed because such return is being allowed even on the debt portion of capital employed. Further, such return is very high in an era of global recession. A return of 22% on capital employed implies an effective profit on net worth of 27.15% to 41.41% depending upon the debt equity ratio.
- xxxvi. Return on capital employed of 22% should not be considered for determination of non-injurious price as the average return in the industry is not more than 10%. The EU for determination of price that would remove injury considers profit margin that could reasonably count on under normal conditions of competition, and in absence of dumping.
- xxxvii. The Drugs (Prices Control) Order, 1987 forms the basis of considering return at 22%. However, even such order considers that return of 14% may be allowed on net worth, or a return of 22% may be allowed on capital employed.
- xxxviii. A return of 22% was appropriate in the past when the interest rate was 18% and the corporate tax rate was 40%-50%. However, now that the interest rate has declined to 10% and corporate tax rate has declined 25%, such return is unjustified.
- xxxix. In the case of Bridgestone tire manufacturing, the CESTAT observed that adoption of a return of 22% on capital employed is not appropriate as inflates the injury margin. Similar view was taken by the CESTAT in the case of Houston Corporation versus Designated Authority.

F.2. Views of the domestic industry

- 51. The following submissions have been made by the domestic industry with regard to the injury and causal link:
 - i. Contrary to the submissions of the other interested parties, all conditions for cumulative assessment have been met. Thus, the Authority may undertake cumulative assessment of injury.
 - ii. As opposed to the submissions of the other interested parties, movement of imports between the subject countries, inter-se changes in volume are not relevant and does not show lack of volume affect or injury. None of the other interested parties have shown that there is no need for cumulative assessment.
 - iii. There is a demand-supply gap in the country. Till the time the imports were fulfilling the demand-supply gap, the domestic industry was not suffering injury. However, the imports have increased at low-prices to take away the market share of the domestic industry.
 - iv. The volume of imports has further increased post the period of investigation and has taken away the market share of the domestic industry.
 - v. The subject imports are undercutting the prices of the domestic industry.
 - vi. Price undercutting has increased post the period of investigation.
 - vii. Price undercutting analysis is only relevant for the period of investigation and not for the injury period.

- viii. As opposed to the submissions of the other interested parties, the price undercutting is not high as resorcinol is a commodity product and the domestic industry is forced to match the prices of imports.
- ix. The landed price of the subject imports has declined significantly over the injury period. The decline in landed price is not commensurate to change in cost of raw material.
- x. The landed price in India has declined more than the decline in export price globally.
- xi. The gap between the variable cost of the domestic industry and landed price of the subject imports has declined.
- xii. The domestic industry is not aware of prices or cost structure or prices of Black Rose. As opposed to the submissions of the other interested parties, only the price of the exporter is relevant and not the unrelated Indian trader. This is due to the fact that the Indian industry is competing with prices of the exporter as nothing bars the importer from purchasing from another source in the absence of dumping. Even in case of a related importer, the Authority does not consider resale price for injury analysis.
- xiii. As opposed to the submissions by the other interested parties, the capacity of the applicant is less than the Indian demand and hence, has no incentive to reduce prices.
- xiv. Positive price undercutting shows that prices were reduced by exporters and not the domestic industry.
- xv. The subject imports have suppressed and depressed the prices of the domestic industry.
- xvi. The cost of raw material has increased over the injury period as evident from the import price of raw material.
- xvii. The domestic industry was forced to reduce its prices in order to keep its plant operational and maintain a market share. In case, the domestic industry would not have reduced prices, it would have suffered in terms of domestic sales and market share.
- xviii. The domestic industry has reduced its cost by making investments in effluent treatment plant which has resulted in decline in conversion cost. Even though the conversion cost has declined, the domestic industry has not benefitted from such decline as it has been forced to reduce selling price more than such decline.
- xix. As opposed to the submissions by the other interested parties, SCC is making huge profits in its domestic market and hence, even if it is selling at losses in the export market, its viability is good. Thus, SCC has reduced price in India.
- xx. As opposed to the submissions of the other interested parties, the benchmark form of duty was ineffective as the benchmark was below the cost of production of the domestic industry. The domestic industry has been able to improve its economic parameters due to absence of dumping during the tenure of the anti-dumping duty.
- xxi. The domestic industry was able to increase its sales only due to selling the subject goods at losses.

- xxii. The domestic sales of the domestic industry and market share has decline post the period of investigation.
- xxiii. Despite having capacity to cater to more than 50% market share, the market share held by the domestic industry is much less.
- xxiv. The inventories of the domestic industry have increased significantly over the injury period and the inventory holding period of the domestic industry has increased.
- xxv. Increase in inventory despite demand-supply gap itself establishes injury to the domestic industry. In case, there was no dumping in India, the domestic industry would have been able to liquidate its entire stock.
- xxvi. The domestic industry has incurred losses in the period of investigation. The domestic industry has recorded a negative return on capital employed during the period of investigation.
- xxvii. The injury to the domestic industry is evident from decline in profits, cash profits, return on investment and growth.
- xxviii. The profitability of the domestic industry has further declined post period of investigation.
- xxix. The domestic industry has incurred losses even before providing for interest. Thus, it has not even earned enough to meet its interest obligations.
- xxx. Contrary to the submissions by other interested parties, there is no aggressive trade distorting pricing by the domestic industry. This is evident from the fact that there are only three producers globally and the demand in India is more than the capacity of the domestic industry.
- xxxi. As opposed to the submissions of the other interested parties, if return on investment is determined by considering NFA of the base year, the same will still show a significant deterioration over the injury period.
- xxxii. The present situation is not conducive of any new investments. The domestic industry has been able to survive as its plant is fully depreciated. In case of a new investment, the producer will not be able to earn any return on investment.
- xxxiii. As opposed to the submissions of the other interested parties, the claim of injury is based on actual records of the applicant. The exporters have not established based on its data that the decline in export price is due to decline in cost and its domestic selling price.
- xxxiv. As opposed to the submissions of the other interested parties, even the PBDIT of the domestic industry, which does not include depreciation, has also declined. Thus, the injury is not due to increase in depreciation. In any case, depreciation is a bonafide expense of the domestic industry and cannot be disregarded.
- xxxv. Contrary to the submissions of the other interested parties, the injury to the domestic industry is not due to decline in demand as the demand in India is much higher than the capacities of the applicant.
- xxxvi. The other interested parties have identified inherent features of the domestic industry. Since there is no change in such factors over the injury period and the applicant was profitable in the past, injury is not attributable to such factors.

- xxxvii. The claim that the technology used by domestic industry is obsolete is a mere statement as the other interested parties have not provided even a single factor making such technology obsolete.
- xxxviii. Difference in technology of SCC and the applicant is irrelevant as the other interested parties have been dumping in India irrespective of the technology used.
- xxxix. While the other interested parties have pointed out shutdown in 2020, which was due to COVID-19, as a reason for injury, injury has been claimed in the period of investigation and not in 2020.
- xl. Contrary to the submissions of the other interested parties, there is no impact of Russia-Ukraine crisis on the domestic industry. Further, increase in raw material cost should lead to increase in prices of the subject goods in normal business scenario. The decline in prices is due to dumping in India.
- xli. As opposed to the submissions of the other interested parties, injury to the domestic industry is established by comparison of period of investigation with any of the previous year and not just the base year.
- xlii. Contrary to the submissions that price reduction is due to normalization of markets, the producers in the subject country are dumping the product in India due to which the prices have reduced in India.
- xliii. The applicant has been able to fetch fair prices in China as the Government of China has maintained fair prices in domestic market and has imposed anti-dumping duty on imports from Japan into China.
- xliv. The non-injurious price should be determined as per Annexure III. Contrary to the submissions of the other interested parties, Annexure III requires Authority to consider the financial data of the applicant only.
- xlvi. The other interested parties have considered artificial debt equity ratio for submissions regarding return on capital employed. The actual ratios may be quite different.
- xlvi. Reference to Drugs Control Order, 1987 is not appropriate as it allowed an addition to the total cost of production. However, the Authority considers an artificially suppressed cost and therefore, non-injurious price may not even allow recovery of full cost of the domestic industry.
- xlvi. Principles laid down by CESTAT with regard to consideration of 22% return on capital employed should be followed for determination of non-injurious price. In Bridgestone Tyre Manufacturing case, the other interested parties had brought evidence that global returns were lower. Post this decision, the CESTAT has held 22% return is justified in a number of decisions.
- xlvi. Contrary to the submissions by the other interested parties, there is a difference between determination of fair selling price by EU and the Indian Authority. EU determines the fair selling price based on total cost of production without adjustments for optimisation of raw materials, utilities and capacities and all expenses incurred by the domestic industry. Therefore, fair selling price considered by EU, allows full recovery of cost plus some profit.

F.3. Examination by the Authority

52. The Authority has examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The analysis made by the Authority hereunder addresses the various submissions made by the interested parties.
53. With regard to the submission that 2020-21 should not be considered as the base year as the prices were abnormally high during this period, the Authority notes that for the purpose of injury analysis, comparison has been made by 2020-21, 2021-22 and 2022-23. The domestic industry shows deterioration in performance as compared to any of the previous years. Thus, the injury to the domestic industry is not just based on comparison with the base year.
54. The Authority further notes that while the landed price of the subject imports has remained higher than the cost of sales of the domestic industry in the injury period including 2020-21, 2021-22 and 2022-23, it has declined to a point below the cost of sales of the domestic industry in the period of investigation. The said landed price cannot be considered to be due to normalization of market post closure of the US producer. Further, as per the responses filed by the producers in the subject countries, the said producers are dumping the product under consideration in India. Thus, in any case, such prices cannot be considered fair in the Indian market.
55. With regard to the submissions that the prices normalized in the period of investigation due to increase in the number of suppliers post COVID-19, the Authority notes there are only three producers of the subject goods including the applicant. All three producers have been in operation since a long time and no new producer has set up production of the subject goods post COVID-19. Thus, the submission that the prices declined due to increase in suppliers is incorrect.
56. With regard to the submissions that the prices of Black Rose should be considered for injury analysis and not that of the exporter, the Authority notes that in order to conduct injury analysis, the Authority considers the import price into India and the price at which the domestic industry is competing with the imports. The Authority further notes that while Black Rose is an exclusive trader for the producer in Japan, the domestic industry actually competes with the import price of the producer and exporters from Japan. This is evident from the fact that in the absence of dumping, the importers in India were free to source from the domestic industry.
57. With regard to the submissions that there is doubt on credibility of data submitted by the applicant as installed capacity has remained unchanged while capital employed, net fixed assets and depreciation has increased, the Authority notes that the data submitted by the domestic industry has been verified. Further, the Authority has relied upon the verified data of the domestic industry for the purpose of the present investigation.

58. With regard to the submissions that there is demand-supply gap in India, the Authority notes that demand-supply gap is not a justification for dumping in India. The present investigation was initiated based on prima facie evidence of dumping of subject goods in India. Even though there is a demand-supply gap, dumping is an unfair trade practice due to which the sole producer in India is suffering material injury. The response filed by the foreign producers and exporters shows that the dumping margin is positive and significant.
59. As regard the submissions that the Authority should verify the profitability of the downstream product of the domestic industry, the Authority notes that the present investigation has been initiated with regard to dumping of subject goods from the subject countries and the injury suffered by the domestic industry due to such dumping. Since the Authority has examined dumping, injury and causal link with regard to the subject goods, there is no requirement to check the profitability of the downstream product. Further, the Authority notes that there is no evidence on record to show that the applicant benefitted in the downstream product during the time the prices of product under consideration were higher.

F.3.1.Cumulative assessment of injury

60. Article 3.3 of WTO agreement and para (iii) of Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigation, the Authority will cumulatively assess the effect of such imports, in case it determines that:
- a. The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article, and
 - b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.
61. In the instant case, volume of imports and dumping margin from each of the subject countries is more than the *de-minimis*. Further, the imports from the subject countries and the product manufactured by the domestic industry have inter-se comparable properties and is being used for the same applications and by the same segment of customers. Thus, the subject imports are competing in the Indian market inter-se as well as with the subject goods manufactured by the domestic industry.
62. With regard to the submissions that the import price from one of the subject countries was higher than other subject country and that imports from one of the countries has increased while the other has declined, the Authority notes that there is no requirement to assess the same for cumulation of imports. The Authority notes that in all

investigations where imports from more than one country are simultaneously being assessed, the import price from one of the countries will always be higher than the other.

63. The Authority thus, concludes that it would be appropriate to undertake cumulative assessment of injury in the present investigation for the following reasons.
- The subject goods are being dumped into India from the subject countries.
 - The margin of dumping from each of the subject countries is more than the *de minimis* limits prescribed under the Rules.
 - The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
 - Cumulative assessment of the effects of import is appropriate as the imports from the subject countries not only directly compete with the imports from each of the subject countries but also the like articles offered by the domestic industry in the Indian market.

F.3.2. Volume effect of the dumped imports

a) Assessment of demand / apparent consumption

64. The Authority, for the purpose of the present investigation, has defined demand or apparent consumption of the product in India as the sum of domestic sales of the Indian producers and imports from all sources. The demand so assessed is given in the table below.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Excluding Captive					
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	118	110	151
Imports from subject countries	MT	4,199	4,951	5,013	4,211
Imports from other countries	MT	11	3	21	-
Total demand	MT	***	***	***	***
Trend	Indexed	100	118	118	107
Including Captive					
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	109	115	140
Imports from subject countries	MT	4,199	4,951	5,013	4,211
Imports from other countries	MT	11	3	21	-
Total demand	MT	***	***	***	***
Trend	Indexed	100	115	118	111

65. The Authority notes that the demand for the subject goods in India including captive consumption as well as excluding captive consumption has increased year on year till 2022-23. The demand has declined in the period of investigation as compared to the previous year. However, the demand including and excluding captive consumption has remained high in the period of investigation as compared to demand in the base year.

b) Import Volumes from the subject countries

66. With regard to the volume of the imports, the Authority is required to consider whether there has been a significant increase in imports, either in absolute terms or relative to production or consumption in India. The import volumes from subject countries during the injury period was as follows:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Imports from subject countries	MT	4,199	4,951	5,013	4,211
Imports from China PR	MT	1,809	2,453	2,443	1,709
Imports from Japan	MT	2,390	2,498	2,571	2,502
Imports from other countries	MT	11	3	21	-
Total Imports	MT	4,210	4,954	5,034	4,211
Subject imports in relation to					
Domestic production	%	***	***	***	***
Trend	Indexed	100	96	107	82
Consumption/Demand	%	***	***	***	***
Trend	Indexed	100	100	101	94
Total imports	%	99.7%	99.9%	99.6%	100%

67. The Authority notes that:
- The volume of imports from the subject countries increased in 2021-22 and 2022-23 as compared to the base year but declined thereafter in the period of investigation. The volume of subject imports has remained higher in the POI than that in the base year.
 - Imports in relation to production and consumption have also declined over the injury period.
 - The imports from subject countries account for entirety of imports into India during POI.
68. With regard to the submissions that the imports from Japan have declined post expiry of anti-dumping duty, the Authority notes that the imports from Japan have increased over the injury period. In any case, since all conditions for cumulative assessment have met in the present investigation, there is no requirement for examining trend of imports from individual subject countries.

F.3.3. Price effect of the dumped imports

69. With regard to the price effect of the imports from the subject countries, it is required to be analysed whether there has been a significant price undercutting by the alleged imports as compared to price of the like article in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the imports from the subject countries has been examined with reference to price undercutting, price suppression and price depression, if any.

a) Price undercutting

70. For the purpose of price undercutting analysis, the selling price of the domestic industry has been compared with the landed price of imports from subject countries. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade.

Particulars	Unit	China PR	Japan	Subject countries
Selling price	₹/MT	***	***	***
Landed price	₹/MT	4,70,672	4,46,947	4,56,574
Price undercutting	₹/MT	***	***	***
Price undercutting	%	***	***	***
Price undercutting	Range	0-10%	0-10%	0-10%

71. The Authority notes that the subject imports are priced below the selling price of the domestic industry. The price undercutting from all subject countries is positive and significant.

b) Price suppression/depression

72. In order to determine whether the dumped imports are depressing the domestic prices to a significant degree or whether the effect of such imports is to suppress price to a significant degree or prevent price increase which otherwise would have occurred in normal course, the Authority has examined the changes in the costs and prices of the domestic industry over the injury period.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	130	147	122
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	87	78	57

Landed price	₹/MT	7,26,622	6,55,797	6,39,486	4,56,574
Trend	Indexed	100	90	88	63

73. The Authority notes that while the cost of sales of the domestic industry has increased over the injury period, the selling price has declined significantly. The landed price has also declined over the injury period. Further, while both cost of sales and selling price has declined in the period of investigation as compared to the previous year, the selling price has declined more than decline in cost of sales. Thus, landed price of subject imports has suppressed and depressed the prices of the domestic industry.
74. With regard to the submissions that the domestic industry has reduced prices forcing the exporters to reduce prices, the Authority notes that the demand in India is higher than the capacities of the domestic industry. In such a case, there is no incentive for the domestic industry to reduce prices. In any case, the landed price of the subject imports is priced below the cost of sales of the domestic industry which has forced the domestic industry to sell at prices below its cost of sales and incur financial losses.
75. The Authority notes that the cost of raw material has increased over the injury period except in POI. However, the selling price of the domestic industry as well as the landed price of subject imports has declined. Further, the gap between the raw material cost of the domestic industry and landed price of subject imports has declined over the injury period.

Particulars	Unit	2020-21	2021-22	2022-23	2023-24
Landed price	₹/MT	7,26,622	6,55,797	6,39,486	4,56,574
Raw material cost	₹/MT	***	***	***	***
Trend	Indexed	100	141	125	69
Selling Price	₹/MT	***	***	***	***
Gap between landed price and raw material cost	₹/MT	***	***	***	***
Trend	Indexed	100	66	57	41

F.3.4.Economic parameters of the domestic industry

76. Annexure II to the Anti-Dumping Rules require that the determination of the injury shall involve an objective examination of the consequent impact of dumped imports on the domestic producers of the subject goods. With regards to the consequent impact of these imports on the domestic producers of subject goods, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry would include an objective unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, actual and potential negative effects on cash flow,

inventories, employment, wages, growth, ability to raise capital investments. Accordingly, performance of the domestic industry has been examined over the injury period.

a) Production, capacity, capacity utilization and sales volumes

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Installed Capacity	MT	***	***	***	***
Trend	Indexed	100	100	100	100
Production	MT	***	***	***	***
Trend	Indexed	100	123	112	122
Capacity utilization	%	***	***	***	***
Trend	Indexed	100	123	112	122
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	118	110	151
Export sales	MT	***	***	***	***
Trend	Indexed	100	133	73	86
Captive Consumption	MT	***	***	***	***
Trend	Indexed	100	102	120	132

78. The Authority notes that:

- The installed capacity of the domestic industry has remained stable throughout the injury period.
- The production, capacity utilization as well as domestic sales of the domestic industry has increased over the injury period.
- The export sales of the domestic industry increased in 2021-22 as compared to previous year and declined thereafter. The export sales have declined over the injury period.
- The captive consumption of the domestic industry has increased year on year over the injury period.

79. Authority notes that despite of 22% increase in the production in the POI from the base year, domestic sales of domestic industry have increased by 51% in the POI from the base year. This is in contradiction to the submission of the interested parties that domestic industry is an unreliable supplier. Further, the demand quantified by the Authority includes both captive consumption of the applicant and merchant demand. In case, the applicant ceases captive consumption of the subject goods, it will have to import the subject goods in India. In such a case, captive consumption of the applicant does not change the merits of the present investigation.

80. It is also seen that the captive consumption of the domestic industry increased by 32% over the injury period, however, domestic sales of the domestic industry increased by 51% over the injury period.
81. The Authority notes that the domestic industry has submitted that due to increase in low-priced imports, the domestic sales and market share of the domestic industry has declined post period of investigation.

b) Market share in demand

82. Market share of the imports and domestic industry is given in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Domestic industry	%	***	***	***	***
Trend	Indexed	100	100	93	141
Subject imports	%	***	***	***	***
Trend	Indexed	100	100	101	94
Other imports	%	***	***	***	***
Trend	Indexed	100	50	200	0

83. The Authority notes that the market share of the domestic industry declined slightly in 2022-23 and increased thereafter in the period of investigation. The applicant has submitted that the market share of the domestic industry has increased as the domestic industry has sold at losses due to the presence of low-priced imports in India. Due to this, the market share of the domestic industry has increased and that of the subject imports has declined in the period of investigation.
84. With regard to the submissions that the applicant is an unreliable supplier as it has not gained market share even though it has reduced prices, the Authority notes that the market share of the domestic industry has increased in the period of investigation as it significantly compromised on its profitability.

c) Inventories

85. Inventory position of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Opening Inventory	MT	***	***	***	***
Closing Inventory	MT	***	***	***	***
Average Inventory	MT	***	***	***	***
Trend	Indexed	100	160	313	249

86. The Authority notes that the inventories of the domestic industry has increased significantly over the injury period. While there is ample demand in India, the domestic industry has suffered due to accumulation of inventories.

d) Profitability, cash profits and return on capital employed

87. Profits, cash profits and return on capital employed of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	130	147	122
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	87	78	57
Profit / (loss)	₹/MT	***	***	***	(***)
Trend	Indexed	100	45	10	(6)
Profit / (loss)	₹ Lacs	***	***	***	(***)
Trend	Indexed	100	53	11	(9)
Cash profits	₹ Lacs	***	***	***	***
Trend	Indexed	100	57	17	0.89
Return on capital employed	%	***	***	***	(***)
Trend	Indexed	100	42	7	(6)

88. The Authority notes that:

- The profitability of the domestic industry has declined significantly in the POI as compared to the previous year as well as the base year. While the domestic industry was earning profits during the previous years, it has incurred financial losses during the period of investigation.
- The cash profits have followed the same trend and has declined year on year throughout the injury period. Cash profits earned by the domestic industry were lowest during the period of investigation.
- The return on capital employed of the domestic industry has also declined throughout the injury period. The domestic industry has recorded negative return on capital employed during the period of investigation.

89. With regard to the submissions that the return on capital employed has declined only due to increase in net fixed assets, the Authority notes that the domestic industry has incurred losses during the period of investigation. The return on capital employed is negative considering net fixed assets for any of the previous periods as well. Thus, the decline in return on capital employed is not due to increase in net fixed assets.

90. As regard the contention that the profitability of the domestic industry has declined due to increase in depreciation cost, the Authority notes that the EBDITA of the domestic industry, which does not include depreciation, has also declined over the injury period. Thus, the decline in profitability of the domestic industry is not due to increase in depreciation cost. Further, the domestic industry has submitted that post period of investigation, the profitability of the domestic industry has further declined.

Particulars	Unit	2020-21	2021-22	2022-23	POI
EBDITA	₹/MT	***	***	***	***
Trend	Indexed	100	48	15	1

e) Employment, productivity and wages

91. The Authority has examined the information relating to employment, wages and productivity, as given below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
No. of employees	Nos.	***	***	***	***
Trend	Indexed	100	94	95	94
Productivity per day	MT/Day	***	***	***	***
Trend	Indexed	100	123	112	122
Productivity per employee	MT/Nos	***	***	***	***
Trend	Indexed	100	131	118	130
Wages	₹ Lacs	***	***	***	***
Trend	Indexed	100	103	108	120

92. The Authority notes that the number of employees of the domestic industry have declined slightly over the injury period. The productivity as well as salary and wages of the domestic industry have increased.

f) Growth

Particulars	Unit	2020-21	2021-22	2022-23	POI
Installed Capacity	%	-	-	-	-
Production	%	-	23	(9)	9
Domestic sales	%	-	18	(7)	38
Profit / (loss) per unit	%	-	(55)	(78)	(162)
Cash profits	%	-	(52)	(68)	(96)
Return on capital employed	%	-	(58)	(83)	(188)

93. The Authority notes:
- The capacity of the domestic industry has not changed over the injury period.

- b. The volume parameters of the domestic industry showed positive growth in 2021-22 but declined in 2022-23. The volume parameters show a positive growth in the period of investigation. The domestic industry has submitted that the volume parameters have shown positive growth as the domestic industry has compromised on its profitability.
- c. The profitability parameters of the domestic industry show a negative growth year on year, throughout the injury period.

g) Factors affecting prices

- 94. Since the price of subject imports is below the selling price as well as cost of sales of the domestic industry, the same has created a strain on the prices of the domestic industry. Further, the imports are priced below the non-injurious price of the domestic industry. Due to this, the domestic industry has not been able to price its product commensurate to change in its cost of sales. Therefore, the imports from the subject countries are impacting the prices of the domestic industry.

h) The magnitude of dumping

- 95. The Authority notes that the subject goods are being dumped in India from the subject countries. The dumping margin is positive and significant.

i) Ability to raise capital investments

- 96. The Authority notes that the profitability of the domestic industry has declined significantly in the period of investigation. The return on capital employed of the domestic industry was negative in the period of investigation. In such a case, the ability of the domestic industry to raise capital investment has been adversely impacted. The Authority further notes that the present prices are not conducive of any new investments.

j) Magnitude of Injury Margin

- 97. The Authority has determined the non-injurious price for the domestic industry on the basis of the principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the subject goods has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject countries for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials, the utilities and the production capacity by the domestic industry over the injury period have been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on the average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was

allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and is being followed.

98. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.
99. As regard the contention that 22% return on capital employed is unwarranted, the Authority notes that it is a consistent practice of the Authority to determine the non-injurious price of the domestic industry based on reasonable return on capital employed, which is 22%, barring when there is evidence on record that 22% should not be considered and some other figure is more appropriate. In the present case, no evidence has been provided by other interested parties that a return of less than 22% would be appropriate for the product under consideration. The observations of the Hon'ble CESTAT in the Bridgestone case were specific to the use of 22% ROCE in determining price underselling, not its appropriateness in computing the Non-Injurious Price (NIP). Moreover, the Bridgestone decision predates the introduction of Annexure-III to the AD Rules, rendering reliance on it by other interested parties unjustified. In the subsequent Merino Panel Products case, the CESTAT upheld the practice of the Authority of applying a 22% return on capital employed.
100. With regard to the submission the non-injurious price should be adjusted to reflect cost of hydroperoxidation process, the Authority notes that the non-injurious price is determined as per the provisions of Annexure III to the Anti-Dumping Rules. As per Annexure III, the data of the domestic industry has to be considered.
101. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below: -

SN	Name of Producer	NIP	Landed Price	Injury Margin	Injury Margin	Injury Margin
		USD/MT	USD/MT	USD/MT	%	Range (%)
A	China PR					
1	Zhejiang Hongsheng Chemical Co. Ltd	***	***	***	***%	15-25
2	Others	***	***	***	***%	30-40
B	Japan					
3	Sumitomo Chemicals Co. Ltd	***	***	***	***%	15-25
4	Others	***	***	***	***%	35-45

F.3.5.Non-attribution analysis and casual link

102. Having examined the existence of injury, volume and price effects of dumped imports on the prices of the domestic industry, the Authority has examined whether injury to the domestic industry can be attributed to any factor, other than the dumped imports, as listed under the Rules:

a. Volume and value of imports from third countries

103. It is noted that subject imports constitute entirety of imports into India during the period of investigation. Therefore, the injury is not attributable to imports from third countries.

b. Contraction in demand

104. The demand for the subject goods has declined over the injury period. However, the demand in India is much higher than the capacities of the domestic industry. Hence, the injury to the domestic industry is not attributable to contraction in demand.

c. Pattern of consumption

105. There has been no material change in pattern of consumption of the product under consideration, which could have caused injury to the domestic industry.

d. Conditions of competition and trade restrictive practices

106. There are no trade restrictive practices or conditions of competition, which may have cause injury to the domestic industry.

e. Developments in technology

107. There has been no change in technology for production of the subject goods, due to which the domestic industry could have suffered injury.

108. With regard to the submissions that the injury is due to inefficient production process of the domestic industry, the Authority notes there is no change in the production process employed by the domestic industry during the injury period. The production process of the domestic industry is an inherent feature of the domestic industry. The Authority notes that non-attribution analysis is not required to be conducted for factors inherent to the domestic industry, which have remained unchanged over the period. The domestic industry has not suffered injury in the previous year even though it was operating with the same technology and production process as that in the period of investigation. Thus, injury is not attributable to the inherent feature of the domestic industry.

f. Productivity

109. The total production of the domestic industry including production for captive consumption has increased over the injury period. Thus, injury cannot be due to decline in productivity.

g. Export performance of the domestic industry

110. The injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

h. Performance of other products

111. The injury suffered cannot be attributed to the performance of other products of the company, as the domestic industry has segregated and provided information with regard to the like article only.

i. Shut down of other producers globally and COVID-19

112. With regard to the submissions that the injury to the domestic industry is due to COVID-19 and increase in suppliers post COVID-19, the Authority notes that there are only three producers of the subject goods globally. Further, the demand in India is higher than the capacity of the Indian industry. Thus, there has neither been increase in number of suppliers nor there is oversupply in the market causing injury to the domestic industry.
113. The Authority further notes that the US based producer shut down in 2017. Any impact of such shutdown would have been relevant in the past. There is no evidence of impact of such shutdown on the domestic industry in the period of investigation.

j. Increased cost of raw material due to Russia-Ukraine crisis

114. The other interested parties have submitted that injury is due to increase in cost of raw material due to Russia-Ukraine crisis. The Authority notes that there is no evidence on record that Russia-Ukraine crisis led to an adverse impact on the domestic industry. In any case, such impact is applicable to all producers globally and not just the domestic industry.
115. The Authority further notes that in a normal business scenario, the selling price of the subject goods should fluctuate in accordance with the price of the raw material. The same has not been observed in the present case. As noted hereinabove, while cost of sales has increased, the selling price has declined. Thus, no injury is attributable to price of raw material.

G. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

G.1. Submissions by other interested parties

116. The other interested parties have made the following submissions with regard to the Indian industry's interest:
- i. The applicant's impact analysis focuses only on the tyre industry, ignoring other affected sectors like dyes, pharmaceuticals, and agrochemicals. Increased resorcinol costs will raise prices across multiple industries, worsening inflation and reducing competitiveness.

- ii. The domestic industry has miscalculated the impact of anti-dumping duties on the tyre industry instead of immediate downstream users.
- iii. The domestic industry has calculated the impact of duties based on SION norms but have only considered consumption of Resorcinol in the tyre, while ignoring consumption of resins and fabric, which are produced using and dipped in Resorcinol, respectively.
- iv. Imposition of duties would lead to increase in cost of the subject goods by 10-15% and would result in reduction of profits of downstream users by 90-100%.
- v. Imposing duties would allow Atul to dominate the domestic market, disadvantaging competitors in downstream products. Atul's refusal to supply certain buyers and its preference for exports further justifies the need for continued imports.
- vi. With the closure of INDSPEC plant in 2017, there are only three resorcinol manufacturers in the world (China, Japan and India) and thus, there is no question of subject imports obliterating imports from other countries.
- vii. Atul lacks the capacity to meet domestic demand and does not offer a stable supply chain. In contrast, importers provide reliability, ensuring smooth industrial operations. Anti-dumping duties would lead to price hikes, supply disruptions, and reduced trust in Indian suppliers.
- viii. During the global resorcinol shortage in 2017, the domestic industry increased its prices and refused to supply volumes to the users. The Japanese producer supplied the product under consideration to Indian users in the said period. Imposition of anti-dumping duty will make the user industry uncompetitive in the global market.
- ix. Despite the imposition of anti-dumping duties, the applicant did not make effort to increase its production capacity to cater to the Indian demand. The actual remedy to the domestic industry will be reduced demand-supply gap. During the oral hearing, while the applicant submitted that it is planning capacity expansion, no concrete details have been shared. In the absence of capacity expansion, the present case should be terminated in the interest of users.
- x. Indian resorcinol behaves differently in dye synthesis as compared to imported resorcinol, hence forcing users to depend on imports to meet their requirements.
- xi. The domestic industry relies on the outdated sulfonation fusion process, which is environmentally harmful.
- xii. In its user profitability analysis, the domestic industry wrongly mentioned figures relating to Techno Waxchem in 'crores' when they were in 'lakhs'.

G.2. Submissions by the domestic industry

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

- i. Public interest must be determined with regard to interests of (a) the domestic producer of like article, (b) the domestic consumers of the product, (c) the upstream and downstream industries in both the producing and consuming industry, and (d) the general public.

- ii. The impact quantified by the domestic industry is for the major consumer segment for the product under consideration. While the other interested parties have claimed higher impact in other segments, the users in such segments have not participated in the present investigation.
- iii. The impact cannot be calculated on the immediate downstream industry as it passes on the increase in cost of the product under consideration to its downstream industry. This is evident from the fact that the profitability of Techno Waxchem has not been adversely impacted due to high prices of the product under consideration in the past. The impact has thus, been calculated on the industry which bears the impact of the anti-dumping duty.
- iv. Since the product is not sold at retail level and the prices of the tyre industry does not fluctuate due to change in price of resorcinol, there will be no adverse impact on the final consumer of the product.
- v. The impact has been quantified with regard to increase in cost of the product under consideration in the downstream product. All other parameters have been kept at the same level.
- vi. Since resorcinol is a commodity product, there is no difference between the subject goods supplied by the domestic industry and those imported from the subject countries. The consumers are able to switch the suppliers based on the prices being offered.
- vii. As opposed to the submissions of the other interested parties, imposition of anti-dumping duty will not unduly benefit the applicant for downstream products as it transfers the subject goods for downstream production at market driven prices.
- viii. The applicant has refused supply only in cases where the consumers demanded unfairly low prices. The consumers have taken price quotes from the applicant and negotiated prices with the exporters.
- ix. Post closure of the US producer, the consumers approached Atul as there was lack of supply globally. While the applicant was unable to supply at that point as it was catering to regular customers, it shows importance of domestic production in the country.
- x. As opposed to the submissions of the other interested parties, the increase in prices post closure of the US producer was due to the demand-supply forces in the market. The price of the subject goods increased not only for the domestic producer but for producers globally and even producers from China and Japan increased prices. Similar situation may be created if dumping is not checked and the domestic industry is forced to cease production.
- xi. The applicant has expanded capacities as compared to the period in the previous investigation. The applicant has further planned on expansion of capacities.
- xii. As opposed to the submissions of the other interested parties, even if the domestic industry did not plan capacity expansion, it does not preclude the domestic industry from seeking remedy against unfair trade practices.
- xiii. China maintains fair market conditions in its domestic markets which is evident from the fact that it has imposed anti-dumping duty on imports from Japan. Further,

in the past, there was an anti-dumping duty imposed by China on imports from USA as well.

- xiv. Contrary to the submissions of the other interested parties, demand-supply gap cannot be a reason for non-imposition of duties. Imposition of anti-dumping duty will not lead to ban on imports into India. The Authority in a number of previous cases, wherein there was a demand-supply gap, has recommended imposition of anti-dumping duty.
- xv. Contrary to the submissions of the other interested parties, imposition of anti-dumping duty will not make downstream industry uncompetitive as only the Indian downstream industry has access to lower priced raw material as compared to downstream industry in other countries. Further, for the purpose of exports, the downstream industry can import the product under advance authorisation without payment of anti-dumping duty.
- xvi. As opposed to the submissions that domestic product behaves differently for dye synthesis, the domestic industry has been supplying to customers in dye synthesis segment.
- xvii. The product is highly capital intensive and the market situation is not conducive of any new investments.
- xviii. Contrary to the submissions of the domestic industry, since there are only 3 manufacturers globally, it is important to establish fair market prices in India, in order for the domestic industry to maintain its viability.
- xix. The small-scale users are able to purchase smaller quantities from the domestic industry. However, they will not be able to directly import such small quantities and will be forced to pay higher prices to the traders.
- xx. The combined capacity of Chinese and Japanese producers is higher than the domestic demand in their country. India is a lucrative market due to which producers in the subject countries have reduced prices for exports to India.
- xxi. Contrary to the submissions of the other interested parties, the plant of the applicant has not been found harmful by the competent authorities in India.
- xxii. Since the product under consideration forms insignificant part of tyre industry, the tyre manufacturers as well as tyre cord fabric manufacturers have not participated in the present investigation.
- xxiii. Techno Waxchem exports the subject goods to China at prices much lesser than that to other countries. There is either a compensatory agreement or there are high margins involved in the product which allows Techno Waxchem to charge lesser prices.
- xxiv. The economic parameters of the domestic industry have been adversely impacted in the period of investigation due to imports at low prices. The volume as well as price parameters have further deteriorated post period of investigation.
- xxv. The applicant promotes Aatma Nirbhar Bharat and domestic procurement of raw material.

G.3. Examination by the Authority

118. The Authority notes that the primary objective of anti-dumping duties is to rectify the injury inflicted upon the domestic industry by the unjust 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 countries arbitrarily, rather it is a mechanism to ensure a level playing field. The Authority acknowledges that the imposition 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 intact by the imposition of these measures. The imposition of anti-dumping measures serves to prevent the accrual of unfair advantages through dumping practices. Thus, anti-dumping duties are not a hindrance but a facilitator of fair-trade practices.
119. 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.
120. The Authority notes that the product under consideration is a commodity product which is evident from the fact that the landed price and selling price of the domestic industry move in tandem. Since it is a commodity product, the users are able to switch suppliers easily and there are no long approval requirements.
121. There are only three producers of the subject goods globally. The Authority notes that while the domestic industry has the capacity to cater to [***]% of the total demand in India, its market has been below ***% during the period of investigation. There are no alternative sources of supply available for the downstream industry. Thus, in such a case, it is essential to maintain the viability of the domestic industry.
122. The Authority notes that there is a demand-supply gap in India and there is a need for further investments in production of the product under consideration. The domestic industry has submitted that the plant for production of the product under consideration is highly capital intensive. In order to produce the subject goods, a producer is required to invest ₹ [***] crores for a capacity of [***] MT for a brown field investment. The Authority notes that the return on capital employed of the domestic industry is negative and thus, investment for any new plant is not feasible.
123. The Authority notes that the domestic industry has shared plans for capacity expansion in order to bridge the demand-supply gap. However, such investments are not possible due to the current market situation. The domestic industry has incurred financial losses, cash losses and recorded a negative return on capital employed. In such a situation, the applicant or any other producer is not likely to invest in India.

124. With regard to the submissions that there is demand-supply gap in India, the Authority notes that demand-supply gap is not a justification for dumping in India. The Authority has determined the dumping margin based on the response filed by the foreign producers and exporters. The dumping margin is positive and significant. Further, demand-supply gap in India does not bar the Authority from recommending imposition of anti-dumping duty.
125. The other interested parties have stated that the domestic industry has refused supply of the product to the downstream industry. The domestic industry has submitted that the refusal to supply was due to extreme shortage of the material globally at the time of closure of the US producer, however, even at that time, the domestic industry did not refuse supply to regular customers. The domestic industry has further stated that the submissions have been made by users who have always relied upon imports of the product and approached the domestic industry only during the shortage period. The Authority notes there is a demand-supply gap in India. Imposition of anti-dumping duty will not restrict the imports of the product into India but only ensure that the same are available at fair prices.
126. With regard to the submissions that the applicant focuses on captive consumption and export market, the Authority has already noted that the demand-supply gap does not bar the Authority from recommending imposition of anti-dumping duty.
127. With regard to the submissions that imposition of anti-dumping duty will lead to increase in cost of the downstream industry making it unviable, the Authority notes that viability of the downstream industry cannot be dependent upon dumped prices of the product under consideration. In any case, as per the evidence on record, the immediate downstream industry for the product under consideration is pass through in nature. The prices of the downstream product changes with change in price of the product under consideration.
128. The Authority notes that China has imposed anti-dumping duty on imports of the product under consideration from Japan in order to maintain fair prices in its own market. Thus, protecting the sole producer of the product under consideration in China.
129. With regard to the submissions that the applicant is competing with downstream manufacturers and will unduly benefit by imposition of anti-dumping duty, the Authority notes that there is no evidence on record to show that the applicant benefitted during the time the prices of product under consideration were higher. Further, the domestic industry has submitted that it transfers product under consideration to the downstream industry at market driven prices. Thus, there will be no unfair advantage to the applicant in the downstream product.
130. With regard to the submissions of the other interested parties that imposition of anti-dumping duty will make downstream industry uncompetitive, the Authority notes that

the product under consideration is currently available to the Indian downstream industry at dumped prices. There are only three manufacturers of the product under consideration globally. Since the price of the product under consideration in China PR and Japan is higher than the price of the product under consideration in India, the Indian user industry will not become uncompetitive viz-a-viz downstream industry in other countries. With regard to performance of downstream industry in export market, the Authority notes that in order to export the downstream product, the user industry can import the product under consideration under advance license without payment of anti-dumping duty.

131. With regard to the submissions that Indian resorcinol behaves differently for dye synthesis, the Authority notes that as per evidence on record, the domestic industry has been supplying the subject goods to dye synthesis segment. Since the users have purchased the subject goods from the domestic industry regularly, there is no doubt on acceptability of the product manufactured by the domestic industry for the said segment.

H. POST DISCLOSURE COMMENTS

H.1. Submissions by other interested parties

132. The other interested parties have made the following submissions on the disclosure statement issued:
- i. The petition does not contain the evidence of adjustments claimed for determination of normal value and the applicant has claimed excessive confidentiality in this regard.
 - ii. The Authority has not provided the reason for disparity in imports from Japan provided in the disclosure statement and that provided by the applicant in the application.
 - iii. The prices in Japan are higher due to SCC being the only producer in the country. SCC is able to charge premium in the domestic market as it is the sole supplier in Japan.
 - iv. Price undercutting should be assessed for the complete injury period.
 - v. The decline in prices in the Indian market is due to normalization of market which is evident from the fact that the export price of the domestic industry has also declined.
 - vi. During 2021-22 there were additional suppliers from China in the global market due to extended shut down and lower demand in China. This led to additional supplies in the global market which normalized the price of resorcinol.
 - vii. SCC has been forced to reduce price in the Indian market due to price war between the applicant and the Chinese producer. This is evident from the fact that the import price from Japan remained stable till 2022-23 but the landed price and the selling price of domestic industry declined even in this period.
 - viii. The increase in inventories of the applicant is due to overlooking the market dynamics and it being an unreliable supplier.

- ix. The applicant has been able to increase its market share despite keeping its prices above the prices of subject imports. Thus, the market share of the applicant is not affected due to price of imports.
- x. The Authority has not provided any reason for absurd movement in the NFA and depreciation of the applicant.
- xi. While Authority has relied upon the post period of investigation data of the domestic industry, however, landed price and dumping has not been examined for the post period of investigation.
- xii. The Authority has not analysed the submissions of the other interested parties regarding inefficient technology. The injury to the domestic industry is only due to the production technology used.
- xiii. The injury to the domestic industry is due to decline in demand. While the applicant may not have suffered volume injury as demand is higher than the capacities of the domestic industry, it lowered its prices to attract customers.
- xiv. While the Authority has noted that increase in raw material prices due to Russia-Ukraine conflict would impact all producers globally, such increase did not impact SCC as it produces benzene captive. However, the applicant purchases benzene.
- xv. The applicant did not supply the subject goods in increased quantities in the merchant market when the anti-dumping duty was in force and there was a supply shortage in the market. The applicant remained focused on captive consumption and export market.
- xvi. The cost of sales of the domestic industry is higher due to its inefficient production process. Imposition of anti-dumping duty will unnecessarily penalize the user industry.
- xvii. Since there are limited number of producers globally, the market is tightly regulated. Imposition of anti-dumping duty will adversely impact the users in India by inflating the prices of the subject goods.
- xviii. Levy of 20% anti-dumping duty will increase the cost of downstream product by 13-18%.
- xix. Benchmark duties were effective in the past which is evident from the fact that these were neither reviewed nor extended as there was no injury to the domestic industry.
- xx. The importers request that ad-valorem duties should be levied. Since the price of subject goods fluctuate, imposition of fixed or reference price duties will be punitive to the users.
- xxi. Reso-tar is a by-product of the subject goods and acts as a direct 1:1 substitute for the subject goods in the production of certain resins. The applicant uses it captive and does not sell it in the merchant market. The Authority may check the cost of domestic industry and whether recovery of such cost has been considered.

H.2. Submissions by the domestic industry

133. The domestic industry has made the following submissions on the disclosure statement issued:
- i. There appears to be an error in calculation of non-injurious price while comparing with the claim of domestic industry in terms of methodology in deriving per unit cost of utility, treatment of export incentive and calculation of working capital for the PUC.
 - ii. The applicant had provided evidence with regard to post invoicing discounts and compensatory agreements entered into by the producers in the subject countries. The applicant requests that the same should be considered.
 - iii. The applicant has expanded capacities prior to the injury period and is planning further capacity expansion. However, the subject goods are capital intensive in nature, and the present market situation is not conducive of any further investments.
 - iv. The domestic industry has been forced to export the subject goods due to lack of market of its product in India. Even after selling at losses and exporting the subject goods, the inventories of the domestic industry have increased.

H.3. Examination by the Authority

134. The Authority has examined the post disclosure submissions made by the domestic industry and the other interested parties and notes that a number of submissions are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and the domestic industry and those backed up with evidence have been considered relevant by the Authority are examined below.
135. With regard to the submissions of the other interested parties, that the applicant has not disclosed the evidence of adjustment in export price, the Authority notes that for the purpose of the present investigation, the Authority has determined export price based on the response filed by the cooperating producer. Further, the adjustments made to export price were specified in the Disclosure Statement.
136. The other interested parties have submitted that the Authority has not provided the reason for disparity between the import volume filed by the applicant and that considered by the Authority, the Authority notes that while the applicant has relied on its market intelligence for assessing the volume of imports, the Authority has relied upon DG Systems data in the disclosure statement issued.
137. As regard the submissions that the prices in Japan are higher due to SCC being the sole producer and supplier in the country, the Authority notes that no cogent evidence of the same was provided by the producer. Further, the producer did not provide any evidence to demonstrate that the prices in the domestic market are inordinately high. Mere fact that

a producer is a sole producer in the country cannot be considered as resulting in prices being overstated, as the product can always be imported into the country, in competition to the domestic goods. Therefore, the fact that a sole producer exists in the market does not imply absence of competition. In view of the same, the Authority does not find any merit in the arguments of the interested parties in this regard.

138. As regard the submissions that price undercutting has not been determined for the injury period as a whole, the Authority notes that the price undercutting is determined only for the period of investigation as that dumping and injury to the domestic industry is determined with respect to POI, and trends of injury are determined for the injury period. Further, the Authority has examined price suppression and depression for the injury period as a whole.
139. With regard to the submissions that normalization of market is evident from the fact that the export price of the domestic industry has declined, the Authority notes that the prices in China PR and Japan are higher than that in India which is evident from the response filed by the producers from the subject countries. In such a situation, even if the prices globally have declined, there is evident dumping in the Indian market. The Authority further notes that the domestic industry has exported the subject goods at prices above its cost of sales while it has sold the subject goods in the domestic market at prices below its cost of sales. Thus, the domestic industry is still earning profits in the export market. In such a case, the injury to the domestic industry is due to dumping in India and not due to normalization of market.
140. With regard to the submissions that there were additional supplies in 2021-22 due to shutdowns and decline in demand in China PR, the Authority notes that there is no evidence of decline in demand in China PR. Further, even if there was a decline in demand in 2021-22, there is no evidence of such decline in the period of investigation which would have led to decline in prices in India. Further, it is evident from the responses filed by the producers in the subject countries that such producers are dumping the subject goods in India. Thus, the decline in prices in the Indian market is due to dumping.
141. As regard the submissions that SCC has been forced to reduce prices due to price war between the domestic industry and Chinese producers, the Authority notes that the landed price from Japan is lower than that from China. In such a case, it cannot be concluded that the decline in price from SCC is due to decline in prices from other producers. In any case, the producer from Japan is dumping in the Indian market which is evident from the fact that dumping margin is positive and significant based on the response filed by the said producer.

142. With regard to the submissions that the producers in the subject countries are providing post invoicing discounts and have entered into compensatory agreement, the Authority notes that the information filed by the cooperative producers has been verified. The Authority has determined dumping margin based on the verified data.
143. The other interested parties have submitted that there has been no impact of import price as the domestic industry has been able to increase its market share even though its selling price is above the import price. The Authority notes that the domestic industry has sold at losses during the period of investigation. Due to sales at losses, the domestic industry has been able to increase its market share. Even though the domestic industry has sold at losses, its inventories have increased over the injury period.
144. As regards the submissions that the inventories of the domestic industry have increased due to overlooking the market dynamics and being an unreliable supplier, the Authority notes that in a situation where the market share of the domestic industry has increased, it cannot be considered that the domestic industry was an unreliable supplier. Further, there is ample demand in the market for the domestic industry to utilise its complete capacities. However, even though it has not utilised its total capacities, the inventories have increased. Even though the domestic industry has sold at losses, its inventories have increased as the landed price was undercutting the prices of the domestic industry. This shows that the domestic industry is unable to sell its product in the Indian market due to dumping in India.
145. With regard to reliance on post period of investigation data, the Authority notes that the domestic industry has suffered material injury due to dumping during the period of investigation. Thus, there is no need for examination of data post period of investigation.
146. With regard to the submissions that the cost of the domestic industry is due to obsolete production process, the Authority notes that the domestic industry has submitted that the production process followed by it is stable, efficient and more environment friendly. Further, it has been submitted that the capex investment in the sulphonation fusion process is lower. Further, as per the evidence on record the raw material cost of the applicant is lower by ₹ [***] per kg as compared to SION norms. Thus, it cannot be said that the production process of the domestic industry is inefficient. Further, as noted in the relevant paragraphs, the domestic industry has not suffered injury in any of the previous years even though it was using the same production process.
147. As regard the submissions that the injury to the domestic industry is due to decline in demand leading to decline in selling price of the domestic industry to attract customers, the Authority notes that the decline in selling price of the domestic industry is due to

dumping in India. The landed price of the subject imports is undercutting the prices of the domestic industry. Since the subject goods are a commodity product, the domestic industry has been forced to reduce prices below its cost of sales to retain its market share.

148. With regard to the submissions that the injury to the domestic industry is due to increase in price of raw material due to Russia-Ukraine conflict, the Authority notes that the raw material cost of the domestic industry has declined in the period of investigation. The difference between the landed price and raw material cost has declined. Thus, the injury to the domestic industry is not attributable to increase in raw material cost.
149. With regard to increase in depreciation and NFA, the Authority notes that it has verified the methodology for allocation and apportionment of expenses and finds that these are in accordance with the principles of Annexure III to the Anti-Dumping Rules and as per the General Cost Accounting Principles. Further, as noted in the relevant part, the injury to the domestic industry is not due to increase in depreciation as PBDIT, which does not account for depreciation and interest, has also declined.
150. The other interested parties have submitted that the market share of the domestic industry did not increase even though there was shortage in the market and anti-dumping duty was in force. The Authority notes that there is no evidence on record to show that the market share of the domestic industry did not increase at that time. Further, there is a demand-supply gap in India. Imposition of anti-dumping duty does not restrict imports into India. Thus, even if the market share of the domestic industry does not improve, it will be able to sell its product at fair prices post imposition of anti-dumping duty.
151. As regard the submissions that there are a limited number of producers in the Indian market and imposition of anti-dumping duty will inflate the costs of the downstream industry, the Authority notes that the downstream industry in India have access to the subject goods at prices much less than the price of the subject goods in other countries. This is evident from the fact that the producers in subject countries are selling the subject goods at prices higher than price of imports into India. Imposition of anti-dumping duty will not lead to any disadvantage to the downstream industry in India. On the other hand, imposition of anti-dumping duty will remedy the injury to the domestic industry. Since there is only a single producer in India, it is essential to maintain the viability of such producer.
152. With regard to the submissions that imposition of anti-dumping duty will lead to 15-18% increase in the cost of the downstream product, the Authority has already noted in the relevant section that the downstream industry is pass through in nature. In such a situation there will be no impact on the downstream industry. Further, there is no evidence on

record that the anti-dumping duty previously levied on the product under consideration adversely impacted the downstream industry. The Authority also notes that the price of the subject goods was higher in the past. However, there is no evidence of adverse impact on the performance of the downstream industry during such period.

153. The Authority notes that as per the evidence on record, the applicant had expanded capacities prior to the injury period. Further, the applicant has provided evidence showing its intention to expand capacities further. The applicant has submitted that an investment of ₹ [***] Crores or ₹ [***] Lakhs per MT is required in order to set up a new brownfield plant for production of subject goods. Since the applicant has suffered financial losses as well as cash losses during the period of investigation, the present market situation is not conducive of any further investment.
154. With regard to error in calculation of non-injurious price (NIP) while comparing with the claim of domestic industry in terms of methodology in deriving per unit cost of utility, treatment of export incentive and calculation of working capital for the PUC, the Authority notes that the non-injurious price has been determined based on the data relating to cost of production provided by the domestic industry for the POI and injury period which was duly verified on sample basis, applying the principles of Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules, 1995. For determining the NIP, the best utilisation of the production capacity, raw materials and utilities has been considered over the injury period. As regards methodology for determination of working capital for the PUC, the consistent practice of the Authority to determine working capital for PUC in case of multi product company, has been followed in this case.
155. With regard to the form of anti-dumping duty, the Authority has recommended imposition of benchmark form of duty in the present investigation. Such form of duty will ensure fair prices are restored in India and the injury to the domestic industry is remedied.
156. With regard to the submissions that the Authority should verify the recovery of by-product, the Authority notes that the domestic industry has consumed the by-product captively. The Authority has determined the cost of production of the domestic industry after taking into account the credit for such by-product.

I. CONCLUSIONS AND RECOMMENDATIONS

157. After examining the submissions made by all the interested parties and issues raised therein; and considering the facts available on record, the Authority concludes that:

- i. The product under consideration is Resorcinol, also known as 1,3-benzenediol; 1,3-dihydroxybenzene; 3-Hydroxyphenol; Resorcin Meta-Dihydroxybenzene in the market parlance and has a chemical formula $C_6H_6O_2$.
- ii. The product under consideration can be produced either using Sulphonation fusion process, Hydroperoxidation process or MPDA Hydrolysis process. However, there are no differences between the characteristics of the final product whether produced using Sulphonation-fusion, Hydroperoxidation, or MPDA hydrolysis processes.
- iii. The domestic industry has produced like article to the subject goods being imported into India. The Authority notes that despite there being different manufacturing processes for the production of the subject goods, the end product is used interchangeably.
- iv. The applicant had imported a negligible quantity of the product under consideration from its related entity in China PR during the injury period for research and development purposes. Since such imports were negligible in quantity and were made prior to the period of investigation, the Authority holds that such imports do not hamper the eligibility of the applicant to constitute domestic industry for the purpose of the present investigation.
- v. The applicant is the sole producer of the subject goods in India and thus, accounts for entire domestic production in India. The applicant constitutes domestic industry as per Rule 2(b).
- vi. The Authority has relied upon the DG Systems data for the purpose of the present investigation.
- vii. The dumping margin for all producers from the subject countries is positive and significant.
- viii. The Authority has undertaken cumulative assessment of injury as all the conditions of cumulative assessment have been met in the present investigation.
- ix. The domestic industry has suffered material injury due to dumping in India. The same is evident from the following.
 - a. The volume of subject imports increased till 2022-23, but declined in the period of investigation. However, the volume of imports in the period of investigation was higher than the volume of imports in the base year.
 - b. The subject imports account for entirety of imports into India.
 - c. The price undercutting from all subject countries is positive and significant.
 - d. The subject imports have suppressed and depressed the prices of the domestic industry. While the cost of sales of the domestic industry has increased, the selling price have declined over the injury period due to decline in landed price of imports. While both cost of sales and selling price of the domestic industry has declined in the period of investigation as compared to the previous year, decline in selling price was more than the decline in cost of sales.
 - e. The domestic industry has been forced to reduce its selling prices to a point below its cost of sales.
 - f. The profitability of the domestic industry has declined significantly over the injury period.

- g. The cash profit and return on capital employed of the domestic industry have also declined over the injury period.
- h. The domestic industry has incurred financial losses and cash losses during the period of investigation.
- i. The domestic industry has recorded a negative return on capital employed during the injury period.
- j. The prices of the domestic industry have been adversely impacted due to subject imports which are priced below the cost of sales of the domestic industry.
- k. The ability of the domestic industry to raise capital investment has been adversely impacted as the domestic industry has incurred financial losses, cash losses and recorded a negative return on capital employed.
- x. The landed price of imports is below the non-injurious price of the domestic industry. The injury margin determined is positive and significant.
- xi. The injury to the domestic industry is due to dumping in the Indian market. No other known factor has caused injury to the domestic industry.
- xii. There is no evidence of impact of COVID-19 or the shutdown of the producer in the US on the performance of the domestic industry.
- xiii. Imposition of anti-dumping duty will not be against public interest. The Authority notes the following in this regard.
 - a. Imposition of anti-dumping duty will provide a fair playing field to the Indian industry.
 - b. The product under consideration is a commodity product, allowing users to switch suppliers as required.
 - c. The domestic industry has the capacity to cater to [***%] demand in India, however, its share has remained below ***%.
 - d. The subject goods are produced globally by only three producers. Given the lack of sufficient alternate sources of supply, maintaining the economic viability of the domestic industry is of critical importance.
 - e. Demand-supply gap does not justify dumping. In any case, the imports are in excess of the demand-supply gap.
 - f. Imposition of anti-dumping duty will not restrict imports into India.
 - g. The domestic industry has already expanded capacities prior to the injury period. The domestic industry has further plans of capacity expansion.
 - h. The current market situation is not feasible for fresh investment. In case, the situation is not remedied, the domestic industry will be forced to cease production which will lead to increase in the demand-supply gap in India.
 - i. In case of cessation of production by the domestic industry, the Indian importers will be totally dependent upon imports as there will be no source of domestic supply in the country.
 - j. The downstream industry can import the subject goods from the subject countries under advance authorization scheme for exporting the downstream product. Hence, the users will not become uncompetitive in the global market.

158. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury 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, Authority considers it necessary and recommends imposition of anti-dumping duty on imports of subject goods from the subject countries.
159. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of 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 duties on import of subject goods originating in or exported from the subject countries for a period of 5 years, from the date of notification to be issued in this regard by the Central government, as the difference between the landed value of subject goods and the reference price indicated in column 7 of the table below, provided the landed value is less than the value indicated in column 7.

Duty Table

SN	Heading	Description	Country of Origin	Country of export	Producer	Reference price	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	2907 21 00	Resorcinol	China PR	Any country including China PR	Zhejiang Hongsheng Chemical Co., Ltd.	6244	MT	USD
2.	-do-	-do-	China PR	Any country including China PR	Any other than that mentioned at S.N. 1	6244	MT	USD
3.	-do-	-do-	Any country other than	China PR	Any	6244	MT	USD

			China PR and Japan					
4.	-do-	-do-	Japan	Any country including Japan	Sumitomo Chemical Co. Ltd.	6244	MT	USD
5.	-do-	-do-	Japan	Any country including Japan	Any other than that mentioned at S.N. 4	6244	MT	USD
6.	-do-	-do-	Any Country other than China PR and Japan	Japan	Any	6244	MT	USD

160. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act

J. FURTHER PROCEDURE

161. An appeal against the order of the Authority arising out of the final findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.

(Siddharth Mahajan)
Designated Authority