

**Case No. AD(SSR) 01/2026**

**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**

**Final Findings in the sunset review investigation concerning imports of Aceto Acetyl
Derivatives of Aromatic or Heterocyclic Compounds also known as ‘Arylides’ from
China PR.**

F. No. 7/04/2026-DGTR
Government of India
Ministry of Commerce & Industry
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Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi – 110001

Dated: ____ October, 2026

NOTIFICATION
FINAL FINDINGS
Case No. AD(SSR) 01/2026

Subject: Final Findings in the sunset review investigation concerning imports of Aceto Acetyl Derivatives of Aromatic or Heterocyclic Compounds also known as ‘Arylides’ from China PR.

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A. INTRODUCTION

F. No. 7/04/2026-DGTR – Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the “Anti-Dumping Rules” or “the Rules”) thereof.

1. The Designated Authority (hereinafter referred to as “Authority”) received an application from M/s Laxmi Organic Industries Limited (hereinafter referred to as the ‘applicant’ or the ‘domestic industry’) seeking initiation of a sunset review for extension and enhancement of the anti-dumping duty imposed on imports of Aceto Acetyl Derivatives of Aromatic or Heterocyclic Compounds also known as “Arylides” (hereinafter to be referred to as the “subject goods” or the “the product under consideration” or “PUC”), originating in or exported from China PR (hereinafter referred to as the “subject country”).
2. On the basis of *prima facie* evidence submitted by the applicant, the Authority issued a public notice vide notification no. 7/04/2026- DGTR dated 19th March 2026 published in the Gazette of India, Extraordinary, initiating the subject investigation. The investigation was initiated in accordance with Section 9A (5) of the Act read with Rule 23 of the Rules to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry and if there is a need for continued imposition of the anti-dumping duties.

B. BACKGROUND OF THE CASE

3. The original anti-dumping investigation concerning imports of product under consideration from China PR was initiated by the Authority vide Notification No. F. No. 6/28/2020-DGTR dated 21st August 2020. Pursuant to a duly substantiated application filed by the domestic industry and after detailed examination, the Authority concluded that the imports from the subject country have caused material injury to the domestic

industry. Accordingly, the Authority, vide final finding dated 19th August 2021, recommended imposition of anti-dumping duty. Subsequently, the Ministry of Finance vide notification 60/2021-Customs (ADD) dated 14th October 2021 imposed duties on the imports of subject goods.

4. In terms of Section 9A (5) of the Act, any anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such an imposition. Further, Rule 23(1B) of the Rules provides as follows:

“any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated Authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry”

5. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.
6. The scope of the present review covers all aspects of the final finding dated 19th August 2021, and Notification No. 60/2021-Customs (ADD) dated 14th October 2021.

C. PROCEDURE

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

C.1 Initiation

- i. Prior to initiation of the investigation, the government of the subject country was notified through its embassy in India about the receipt of the present anti-dumping application.
- ii. The interested parties were informed of the initiation of the investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject country, known importers of the subject goods in India and other interested parties, as per the information made available in the application.
- iii. In accordance with Rule 6, upon examination of the application and finding *prima facie* evidence of dumping, injury, likelihood and causal link, the Authority issued a notification no. 7/04/2026- DGTR dated 19th March 2026, published in the Gazette of India Extraordinary, initiating the sunset review anti-dumping

investigation concerning the imports of the product under consideration from the subject country.

C.2 Period of Investigation and Injury Period

- iv. The period of investigation (POI) for the purpose of the present investigation is 1st October 2024 to 30th September 2025 (12 months). The examination of trends in the context of injury analysis covers the years 2022-23, 2023-24, 2024-25 and the period of investigation.

C.3 Import Data

- v. A request was made to the DG System to obtain transaction-wise import data of the subject goods for the injury period. The data was received and has been relied upon for the necessary analysis after due examination of the transactions.

C.4 Circulation of non-confidential version of the application

- vi. In accordance with Rule 6(3), a copy of the non-confidential version of the application was provided to the government of the subject country through its embassy in India, known producers/exporters of the subject goods and to other interested parties who requested in writing a copy of the application.

C.5 Participation by Exporters of Subject Country

- vii. In accordance with Rule 6(4) of ADD Rules, Exporter's Questionnaires were sent to the following producers and exporters to seek information regarding the normal value and net export price for the investigation.

SN	Producers/exporters
1	Chemscapes APS
2	Cychem Company Ltd
3	Hangzhou Dinghao Chemical Co Ltd
4	Hangzhou Dingsheng Chemical Co Ltd
5	Hangzhou Paramount Product Corporation
6	Nanjing Skyfly Chemical Co Ltd
7	Nantong Acetic Acid Chemical Co Ltd
8	Nantong Boost Import And Export Co Ltd
9	Qingdad Haiwan Group Co Ltd
10	Qingdao Haiwan Speciality Chemical Co Ltd
11	Qingdao Langke Co Ltd

12	Shanghai Points Biopharmaceutical Co Ltd
13	Synchem International Co Ltd
14	Unique Chemical Ltd
15	Vita International Ltd

- viii. Exporter's Questionnaires were also sent to the government of the subject country through its embassy in India. The government of the subject country was requested to forward the Initiation Notification and the exporter's questionnaires to the producers/exporters of the subject goods in their respective country and advise them to respond to the questionnaire within the prescribed time limit.
- ix. In response to the above, the following producers/exporters from the subject country have responded and filed the exporter's questionnaire response:

SN	Producers/exporters
1	Nantong Acetic Acid Chemical Co Ltd
2	Qingdao Haiwan Speciality Chemical Co Ltd

C.6 Participation by Importers/Users

- x. In accordance with Rule 6(4) of the Rules, Importer's Questionnaires were also sent to the following known importers/users of the product under consideration in India calling necessary information:

SN	Names of importers and users in India
1	Advaitya Dye Chem
2	Anil Organics
3	Aries Organics Pvt Ltd
4	Asahi Tennants Color Pvt Ltd
5	Crystal Orgochem Pvt Ltd
6	Hercules Pigments Pvt Ltd
7	Heubach Colorants India Ltd
8	Hubergroup India Pvt Ltd
9	Kushan Impex
10	Kwalichem Pvt Ltd
11	Labdhi International Pvt Ltd
12	Mishika Consultants
13	N S Exports

14	Neeljyot Chemicals
15	Prasad International Pvt Ltd
16	Rajesh Dye Chem
17	Sudarshan Chemical Industries Ltd
18	Vibfast Pigments Pvt Ltd
19	Vijay Chemical Industries
20	Vipul Organics Ltd

- xi. In response to the above, none of the importers/users from India have responded or filed importer/user questionnaire response.

C.7 Registered Interested Parties

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

C.8 Economic Interest Questionnaire

- xiii. An economic interest questionnaire was issued to all the known producers and exporters, importers, and the domestic industry. The economic interest questionnaire was also shared with the administrative line ministry. Economic interest questionnaire was filed by the domestic industry, Nantong Acetic Acid Chemical Co Ltd and Qingdao Haiwan Speciality Chemical Co Ltd.

C.9 Oral Hearing

- xiv. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 12th June 2026. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.

C.10 Other Procedures

- xv. Foreign producers, exporters and other interested parties who have not responded, or have not supplied information relevant to this investigation, have been treated as non-cooperative interested parties.
- xvi. The non-confidential version of the submissions filed by the various interested parties was made available to all participating interested parties. A list of all the interested parties was uploaded on the DGTR website along with the request therein to all of them to email the non-confidential version of their submissions to all the other interested parties.

- xvii. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, such parties have been considered as non-cooperative and the findings have been recorded on the basis of the facts available.
- xviii. In accordance with Rule 7, the information provided by the interested parties on confidential basis was examined with regard to the sufficiency of such confidentiality claims. On being satisfied, the confidentiality claims have been accepted wherever warranted, and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xix. An economic interest questionnaire along with initiation notification was also shared with the Ministry of Chemicals & Fertilizers vide email dated 20th March, 2026. However, no response/comments have been filed by the line ministry in the present case.
- xx. In accordance with Rule 8, verification of the data provided by the domestic industry and other interested parties was conducted to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.
- xxi. The non-injurious price has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the domestic industry and having regard to the Generally Accepted Accounting Principles (GAAP) and as per the principles laid down in Annexure III of the Rules.
- xxii. All the arguments raised and information provided by all the interested parties to the extent that the same is supported with evidence and considered relevant to the present investigation have been considered.
- xxiii. “***” in these final findings represents information furnished by an interested party on a confidential basis and so considered under the Rules.
- xxiv. The exchange rate adopted for the subject investigation is 1 US\$=Rs 86.76, being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the period of investigation. The same rate has been applied throughout these final findings.
(Source: <https://foservices.icegate.gov.in/#/services/viewExchangeRate>)

C.11 Disclosure statement and post-disclosure comments

- xxv. In accordance with Rule 16 of the Rules, the Authority issued the disclosure statement containing the essential facts under consideration to all interested parties on 1st October 2026, and the interested parties were allowed time up to 7th October 2026 to file their comments thereon. Post-disclosure comments have been received from the domestic industry, Nantong Acetic Acid Chemical Co. Ltd. and Qingdao

Haiwan Specialty Chemicals Co., Ltd. The Authority has examined the post-disclosure comments in these final findings to the extent considered relevant. Any submission which is merely a reiteration of an earlier submission, and which has already been adequately examined, has not been repeated for the sake of brevity.

D. PRODUCT UNDER CONSIDERATION

D.1 Submission of the other interested parties

8. The other interested parties have not made any submissions with regards to the product under consideration and like articles.

D.2 Submission of the domestic industry

9. The domestic industry has made the following submissions with regard to the product under consideration and like articles:
 - i. Since the present investigation is a sunset review investigation, the scope of product under consideration remains the same as in the original investigation.
 - ii. The domestic industry is producing a like article to the product under consideration.

D.3 Examination by Authority

10. The present investigation is a sunset review investigation and the scope of the product under consideration remains the same as defined in the original investigation. The product under consideration as defined in the original investigation and considered at the stage of initiation is reproduced hereunder –

“8. The product under consideration in the present investigation is “Aceto Acetyl Derivatives of aromatic or heterocyclic compounds” or “Arylides”. The following forms of arylides are included within the scope of the present investigation whilst all other forms are excluded: a. Acetoacetanilide or AAA; b. Acetoacet metaxylidide or AAMX; c. Acetoacet-o-anisidide or AAOA; d. Acetoacet-O Toluidide or AAOT; e. Acetoacet-O-chloroanilide or AAOCA.”

“9 there can be various kinds of Aceto Acetyl Derivatives of aromatic or hetrocyclic compounds produced and sold globally. Following are the other known derivatives that are produced in India, however, are beyond the scope of the product under consideration as these are speciality custom made products, produced in small volume, as per the specific requirements of the customers and there are no known imports of such arylides:

- (i) AAP A - Acetoacet-p-anisidide*
- (ii) AAPCA - Acetoacet-p-chloroanilide*
- (iii) NA CSA - Acetoacet-p-cresidine-o-sulfonic acid*
- (iv) AAPCOA - Acetoacet-p-chloro-o-anisidide*
- (v) Cl-DAEP - N, N ' - (2-chloro-1,4-phenylene) bis (3-oxobutaneamide)*
- (vi) AASP - Pot 4 Acetoacetylaminobenzenesulfonate*

(vii) AAPT-Aceto Acet P-Toluidide

Following are the other known Aceto acetyl derivatives of aromatic or hetrocyclic compounds that are being imported in small volume but have not been included in the scope of product under consideration for the reason being these are also custom-made product types and are not being manufactured by the domestic industry.

i. 2',5'-Dimethoxy-4'-chloro-Acetoacetanilide, Napthol ASIRG and

ii. 5-Acetoacetyl aminobenzimidazolone, 5-AABI"

11. The following PCN has been formed based on product types included within the product scope:
 - i. Acetoacetanilide or AAA;
 - ii. Acetoacet-meta-xylylide or AAMX;
 - iii. Acetoacet-o-anisidide or AAOA;
 - iv. Acetoacet-O-Toluidide or AAOT;
 - v. Acetoacet-O-chloroanilide or AAOCA.
12. None of the importers, exporters and other interested parties have advanced any argument with regard to the scope of the product under consideration and like article. Thus, the Authority is of the view that the scope of the product under consideration in the present review investigation remains the same as that in the original investigation and as considered at the stage of initiation notification.
13. The major raw materials used in the production of Aceto Acetyl Derivatives of aromatic or heterocyclic compounds” or “Arylides” is Glacial Acetic Acid. Glacial Acetic Acid is used to produce Diketene (intermediate), which is further used to produce different arylides using different aromatic compounds. The manufacturing process involves azo coupling of aromatic amines with Diketene. The product under consideration is primarily used as intermediates to essentially make different kinds of yellow pigments. It is also used in orange, red pigments and agrochemical sector.
14. The product under consideration is classified under Chapter 29 of Customs Tariff Act, 1975 under the sub heading 292429. It is seen that subject goods have been imported under other codes, namely, 2924 29 20, 2924 29 90 and 2924 29 30 during the period of investigation. It is also noted that the customs classification is indicative only and is in no way binding on the scope of the subject investigation.
15. The prescribed unit of measurement for the product under consideration is metric tons (MT), and the same has been adopted for this investigation.
16. In the absence of comments by any interested party on scope of the product under consideration, the Authority confirms the same scope as defined in the original investigation which is reproduced below.

The product under consideration in the present investigation is “Aceto Acetyl Derivatives of aromatic or heterocyclic compounds” or “Arylides”. The following forms of arylides are included within the scope of the present investigation whilst all other forms are excluded: a. Acetoacetanilide or AAA; b. Acetoacet metaxylidide or AAMX; c. Acetoacet-o-anisidide or AAOA; d. Acetoacet-O Toluidide or AAOT; e. Acetoacet-O-chloroanilide or AAOCA.”

17. It is noted that the subject goods produced by the domestic industry and those imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. Accordingly, it is noted that the product produced by the domestic industry are ‘like article’ to the product under consideration imported from the subject countries in terms of Rule 2(d) of the Rules and the scope of product under consideration remains the same as defined in the original investigation.

E. SCOPE OF DOMESTIC INDUSTRY AND STANDING

E.1 Submission of the other interested parties

18. The other interested parties have not made any submission with respect to the domestic industry and standing.

E.2 Submission of the domestic industry

19. The domestic industry has made the following submission with respect to the domestic industry and standing:
- The applicant is the sole producer of the subject goods in India.
 - The applicant has neither imported the subject goods from subject country nor is related to any importer in India or producer/exporter from subject country.

E.3 Examination by the Authority

20. Rule 2(b) of the anti-dumping rules defines domestic industry as below:

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

21. The application has been filed by M/s Laxmi Organic Industries Limited. There is no other producer of the subject goods in India. The applicant has not imported the subject

goods from the subject country and is not related to any exporter in the subject country or importer in India.

22. Accordingly, the Authority holds that the applicant constitutes domestic industry within the meaning of Rule 2(b) of the Rules. The application has been filed satisfying the requirement of Rule 5.

F. MISCELLANEOUS ISSUES AND CONFIDENTIALITY

F.1 Submission of the other interested parties

23. The other interested parties have made the following submission with respect to miscellaneous issues and confidentiality:
- Unreliable import data used by applicant.
 - The application does not contain adequate evidence of dumping and/or injury to justify initiation.
 - Anti-dumping duty should expire after 5 years as a rule and continuation of duty is an exception.
 - Continuation of anti-dumping duties is permissible only where there exists sufficient, positive and credible evidence demonstrating the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry.

F.2 Submission of the domestic industry

24. The domestic industry has made the following submission with respect to miscellaneous issues and confidentiality:
- The applicant had relied on the import data as per secondary sources. There is no sufficient evidence brought forward by the interested party showing how the import data of the applicants is unreliable. The interested party could have assisted the Authority by providing the information on actual export data from China. However, the party has failed to do so.
 - The initiation notification itself records that Authority has after examining the duly substantiated application and the prima facie evidence, initiated the sunset review.

F.3 Examination by the Authority

25. The non-confidential version of the information provided by various interested parties was made available to all interested parties as per Rule 6(7) and Trade Notice 10/2018 dated 7th September 2018.
26. Rule 7 of the Rules provide that:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule12,sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by

any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

27. The submissions made by the domestic industry and the other interested parties concerning confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. It is seen that the domestic industry and interested parties have claimed confidentiality on information, such as production, capacity, capacity utilization, sales volumes, market share, stocks, selling price, costs, profits, cash profits, return on investment, non-injurious price, cost of production related information, normal value, export price, dumping margin, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers names, etc. It is also seen that wherever information is for injury period, the same has been provided on an indexed basis. Information such as normal value, non-injurious price and price undercutting has been disclosed in the range.
28. The interested parties have claimed confidentiality on various supporting documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same have been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible to summary and have given reasons why summarisation is not possible.
29. The Authority has examined each claim of confidentiality having regard to the nature of the information and the reasons furnished by the party concerned. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.

30. With regard to the submissions that unreliable import data has been relied upon by the domestic industry, it is noted that a plain reading of the initiation notification shows that the Authority has relied upon the import data obtained from the DG Systems for the purpose of initiation. There is nothing on record to indicate that the domestic industry insisted upon the exclusive use of its own import data for the proposed determination. Accordingly, the contention in this regard is not found to be substantiated.
31. With regards to the submissions made by the other interested parties that the domestic industry has not brought any substantive evidence to justify initiation of the present investigation and the Authority has not carried out appropriate scrutiny of facts, it is seen the domestic industry had provided sufficient information to justify initiation and the investigation was initiated by the Authority after satisfying that there was sufficient prima-facie evidence to justify initiation.
32. With regards to the submission of the interested parties that termination of anti-dumping duty after five years is a rule and continuation is an exception, the Authority notes that Section 9A(5) and Rule 23 of the Anti-dumping Rules provide as follows:

*RULE 23. Review. - [(1) Any anti-dumping duty imposed under the provision of section 9A of the Act, **shall remain in force, so long as and to the extent necessary, to counteract dumping, which is causing injury.***

(1A) The designated authority shall review the need for the continued imposition of any anti-dumping duty, where warranted, on its own initiative or upon request by any interested party who submits positive information substantiating the need for such review, and a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty and upon such review, the designated authority shall recommend to the Central Government for its withdrawal, where it comes to a conclusion that the injury to the domestic industry is not likely to continue or recur, if the said anti-dumping duty is removed or varied and is therefore no longer warranted.

33. The Authority observes that, in terms of the applicable provisions of the Anti-Dumping Rules, an anti-dumping duty is intended to remain in force for such period as is necessary to counteract the dumping that is causing injury to the domestic industry. The imposition and continuation of anti-dumping duty is, therefore, intended to address the injurious effects of dumped imports. Rule 23(1) provides that a duty shall remain in force so long as, and to the extent, necessary to counteract dumping which is causing injury. While Section 9A (5) provides for imposition of anti-dumping duty for a period of five years, it expressly preserves continuation where a review establishes that expiry would be likely to lead to continuation or recurrence of dumping and injury. Further, the practice is not peculiar to India but is followed globally. The domestic industry has provided a list of products on which various Authorities have globally extended anti-dumping measures for a period as high as 20 years.

G. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN IN RESPECT OF IMPORTS INTO INDIA.

G.1 Submission of the other interested parties

34. The other interested parties have made the following submissions concerning normal value, export price and dumping margin:
- i. The domestic industry has wrongly claimed that the subject country is a non-market economy.
 - ii. Normal value for participating producers may be determined based on the cost records maintained by them.

G.2 Submission of the domestic industry

35. The domestic industry has made the following submissions concerning normal value, export price and dumping margin:
- i. Since China is presumed to be a non-market economy, Chinese producers are required to establish that their domestic industry operates under market economy conditions.
 - ii. None of the Chinese producers in the present investigation have filed a market economy treatment (MET) questionnaire. Therefore, the Authority must determine the normal value in accordance with Paragraph 7 of Annexure I to the Anti-Dumping Rules.

G.3 Examination by the Authority

G.3.1 Normal Value.

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

- i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
- ii) When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either: (a) comparable representative price of the like article when exported from the exporting country or territory to 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 profit, 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.

37. The Authority notes the following relevant provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules with regard to the determination of normal value for China PR.

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

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

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

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

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

38. At the stage of initiation, the Authority proceeded with the presumption of treating China PR as an NME country. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information on whether their data/information could be adopted for normal value determination. The Authority vide email dated 20th March, 2026 sent copies of the market economy treatment/ supplementary questionnaire to all the known producers/exporters in China PR to provide relevant information in this regard.

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

“(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 nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

40. It is noted that while the provision contained in Article 15 (a)(ii) of the Accession Protocol to the WTO Anti-Dumping Agreement have expired on 11th December 2016, the provision under Article 2.2.1.1 of WTO anti-dumping agreement read with obligation under 15(a)(i) of the Accession Protocol require the criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through information/data to be provided in the supplementary questionnaire on claiming the market economy status.

41. It is noted that paragraph 7 of Annexure I to the Rules stipulates three methods of constructing the normal value for non-market economies: (a) on the basis of price or

constructed value in a market economy third country; (b) export price from a third country to other countries, including India; and (c) on any other reasonable basis. The Authority notes that under the provisions of paragraph 7 of Annexure-I to the AD Rules, the normal value must first be determined on the basis of the price or constructed value in a surrogate country, or the price of the exports from such country to other countries, including India. However, when such basis is not possible, only then the Authority can determine normal value on any other reasonable basis, including the price paid or payable in India.

42. The response to exporter's questionnaire has been filed by the following producers/exporters from China PR.

SN	Producers/exporters
1	Nantong Acetic Acid Chemical Co Ltd
2	Qingdao Haiwan Speciality Chemical Co Ltd

43. At the stage of initiation, the Authority proceeded with the presumption of treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information on whether their data/information could be adopted for normal value determination. The Authority sent copies of the market economy treatment/supplementary questionnaire to all the known producers/exporters in China PR to provide relevant information in this regard.
44. All interested parties, including domestic industry, have not provided any information on record which would allow determination of normal value based on price or constructed value in a market economy third country, the normal value could not be determined based on prices or cost in market economy. It is also seen that no information has been provided on the export price from a market economy third country to other countries, including India. The product under consideration does not have dedicated code and considering that the product involves PCN mix, the export price from a market economy country cannot be considered as a basis to arrive at normal value. In view of this, the normal value has been determined based on the price payable in India, having regard to to the cost of production of the domestic industry in India, duly adjusted for selling, general and administrative expenses and a reasonable profit. The normal value so determined is mentioned at the dumping margin table.

G.3.2 Export Price.

a. Nantong Acetic Acid Chemical Co Ltd

45. Nantong Acetic Acid Chemical Co Ltd, the producer and exporter of the subject goods in China PR, has filed questionnaire response. During the period of investigation, Nantong Acetic Acid Chemical Co Ltd has exported *** MT of the subject goods to India directly. The producer/exporter has claimed adjustments on account of ocean freight, marine

insurance, inland transportation, port and other related expenses and the same has been allowed after verification. Accordingly, PCN wise export price at ex-factory level has been determined and the weighted average export price has been determined after aggregating all PCNs at the ex factory level, and ex factory export price so determined is mentioned in the dumping margin table.

b. Qingdao Haiwan Speciality Chemical Co Ltd

46. Qingdao Haiwan Specialty Chemicals Co., Ltd., is a limited liability company incorporated under the Company Law of China . Qingdao Haiwan Speciality Chemical Co Ltd the producer and exporter of the subject goods in China PR, and has filed questionnaire response. During the period of investigation, Qingdao Haiwan Speciality Chemical Co Ltd has exported *** MT of subject goods of invoice value *** USD to unrelated buyers in India. directly. The producer/exporter has claimed adjustments on account of ocean freight, marine insurance, inland transportation, port and other related expenses and the same has been allowed after verification. Accordingly, PCN wise export price at ex-factory level has been determined and the weighted average export price has been determined after aggregating all PCNs at the ex factory level, and ex factory export price so determined is mentioned in the dumping margin table.

c. Non-cooperative producers/ exporters

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

G.3.3 Dumping Margin.

48. Considering the normal value and the export price for the product under consideration, the dumping margin for the product under consideration from the subject country has been determined as follows:

SN	Particulars	Normal value	Export price	Dumping margin		
		\$/MT	\$/MT	\$/MT	%	Range
1	Nantong Acetic Acid Chemical Co Ltd	***	***	***	***	10 - 20
2	Qingdao Haiwan Specialty Chemicals Co., Ltd.	***	***	***	***	50 - 60
3	All other producers/ exporters	***	***	***	***	80 - 90

It is seen that the dumping margin is more than *de-minimis* for the producers/exporters from China PR.

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1 Submission of the other interested parties

49. The other interested parties have made the following submissions with regard to injury and causal link:

- i. Imports into India from China PR have increased with the increase in demand and have decreased with decrease in demand during the injury period.
- ii. Applicant's capacity position has remained static for a long period, while demand in India has increased.
- iii. There is a clear demand and supply gap, which underscores and validates the necessity for imports from the subject country.
- iv. Domestic industry is increasing its exports and is more focused on exports market.
- v. Domestic industry's sales performance reflects strong growth as the domestic sales increased by ***% and export sales increased by ***% during the injury period.
- vi. Significant volume of imports under advance authorization cannot be considered for assessment of likelihood.
- vii. The annual report also states that the company achieved "resilient growth", with volumes rising ***% and EBITDA increasing by ***% to ₹*** Mn, supported by a PAT margin of ***%. It further notes that the specialties segment recorded ***% revenue growth and ***% volume growth.
- viii. Uniform application of a 22% ROCE results in unreasonable and inflated profits, distorts the non-injurious price, and has been questioned by CESTAT. A reasonable return must instead be based on actual profitability under normal competitive conditions.
- ix. Trends do not support a conclusion that the domestic industry is commercially collapsing or is likely to suffer recurrence of material injury merely because the current duty expires.
- x. The available evidence suggests that any financial challenges faced by the domestic industry arise from factors unrelated to subject imports and not from any adverse volume effects caused by imports from China PR.
- xi. Net fixed assets of the domestic industry have increased without any increase in the capacity. If the increase in the net fixed assets is due to revaluation of assets, it must be discarded for the purpose of determination of non-injurious price.
- xii. The original duty was imposed in a materially different factual matrix. While the domestic industry had suffered significant injury during that investigation which led to imposition of duties, the performance has improved drastically which does not warrant imposition of duties.

H.2 Submission of the domestic industry

50. The domestic industry has made the following submissions with regard to injury and causal link:

- i. The claim that the imports increased due to demand and supply gap is misleading. The demand supply gap in the period of investigation is [***] MT whereas the import volume from China is [***] MT.
- ii. The demand for the subject good has increased over the injury period.
- iii. The volume of subject imports has increased by 18% over the injury period.
- iv. A significant volume of subject goods is imported under advance license scheme for export purposes.
- v. Imports have had a depressing effect on the domestic market even in case of individual product type.
- vi. The production volume has declined in the period of investigation.
- vii. Capacity utilization has also declined in the period of investigation.
- viii. The market share of imports continues to be significant despite the duties being in force.
- ix. The ROI followed the same trend as that of profits and declined by ***%.
- x. The domestic industry was earning cash profits until 2024-2025, however, it has suffered cash losses in the period of investigation.
- xi. The level of inventories with the domestic industry has increased in spite of the increased demand.
- xii. With dumping in the period of investigation, subject imports have again negatively impacted the growth of the domestic industry in terms of profits, cash flow and ROI during the injury period.
- xiii. The imposition of anti-dumping duty has allowed the applicant to survive in the domestic market. Prior to the imposition of anti-dumping duty, the adverse effect of dumping was felt on the both the volume and price parameters of the applicant.
- xiv. Over the injury period, the economic parameters of the applicant, including capacity, production, capacity utilization, domestic sales, market share, cash profit, profit before interest and tax and return on investment, inventory and growth have all shown considerable improvement.
- xv. Authority has consistently recognized that imports under duty exemption schemes cannot be disregarded for dumping and injury analysis.
- xvi. Imports under advance authorization must be taken into account because such imports adversely affect the opportunities available to the domestic industry to increase its supplies, thereby reducing the effective demand available to the domestic industry
- xvii. Fluctuation in capital employed for domestic operations is on account of decline in export sales, and increase in domestic sales of the domestic industry, and not due to any disproportionate revaluation undertaken by the applicant.
- xviii. When seen on per unit basis, it would be seen that the net fixed assets have increased only by Rs [***] per MT. This increase is also because certain capital expenditures are incurred in the plant which may not result in any change in the capacity of the plant but will result in increase in costs.

H.3 Examination by the Authority

51. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles...*”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry, such as production, capacity utilisation, sales volume, inventory, profitability, net sales realisation, the magnitude and margin of dumping, etc., have been considered in accordance with Annexure II of the Anti-Dumping Rules.
52. Various submissions made by the domestic industry and other interested parties on injury and causal link have been examined and analyzed considering the facts available on record and applicable laws. The injury analysis by the Authority ipso facto addresses submissions made by the domestic industry and other interested parties.
53. With regards to the submission that Imports into India from China PR have increased with the increase in demand and have decreased with decrease in demand during the injury period. The Authority observes that while there is a demand-supply gap, however it does not justify dumping. The Authority is of the view that the exporters are free to export the product at fair prices but not at dumped price.
54. With regards to the submission that significant volume of imports under advance authorization cannot be considered for assessment of likelihood, it is seen that the imports under duty exemption schemes cannot be disregarded for dumping and injury analysis. The Authority is of the view that imports adversely affect the opportunities available to the domestic industry to increase its supplies, thereby reducing the effective demand available to the domestic industry. Accordingly, the existence of a significant volume of imports under advance authorization is highly relevant to the likelihood analysis.
55. With regard to exclusion of imports under advance license for dumping and injury determination, it is noted that these imports have been taken into account for the purpose of working out dumping and injury as these dumped imports adversely affect the opportunities available to domestic industry to increase their supplies to these exporters and to that extent, the demand of the subject goods declines. It is noted that it is the consistent practice of the Authority to include imports under duty exemption for the purpose of assessment of injury to the domestic industry.
56. With regard to submission of the interested parties on improvement in performance as compared to the original investigation, the Authority considers that improvement in

performance of the industry is a consequence of anti-dumping duty in force. The requirement of an original investigation is different from the subset review investigation. The requirement in a sunset review investigation is to prove that the expiry of the duty is likely to lead to continuation of dumping and injury to the domestic industry. With respect to the injury determination, if the anti-dumping duty has had the desired effect, the condition of the domestic industry would be expected to have improved during the period the anti-dumping duty was in effect. The Authority draws reference to the decision of CESTAT in the case of Kalyani Steel Limited vs Designated Authority 2006 (203) ELT418 (Tri – Delhi) reproduced below.

“15.1 Any one or more factors may sufficiently demonstrate injury to domestic industry. Decisive injury demonstrated by adverse effect of dumped imports on price would not be brushed aside by counting some marginal improvements of economic factors and indices on the state of industry due to imposition of the anti-dumping duty.”

57. The Authority has examined the injury parameters objectively, considering the facts and arguments submitted by the domestic industry and other interested parties. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

H.3.1 Volume effect of the dumped imports.

a. Assessment of demand/consumption

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

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Imports from subject country	MT	3,546	3,610	4,605	4,358
2	Imports from other countries	MT	742	200	120	120
3	Sales of domestic industry	MT	***	***	***	***
	Trend	Trend	100	129	145	143
4	Total demand		***	***	***	***
	Trend	Trend	100	112	136	123

59. The data shows that the demand of the product under consideration has increased over the injury period but has slightly declined in the period of investigation. Over the injury period, the demand for the product has increased by ***%.

b. Imports in absolute and relative terms

60. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute

terms or relative to production or consumption in India. For the injury analysis, the Authority has relied on the DG system import data. The information is as below:

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Imports from subject country	MT	3,546	3,610	4,605	4,358
2	Imports from other countries	MT	742	200	120	120
3	Subject imports in relation to					
A	Indian production	%	***	***	***	***
	Trend		100	81	88	88
B	Indian consumption	%	***	***	***	***
	Trend	Index	100	94	102	99
C	Total imports	%	***	***	***	***
	Trend	Index	100	115	118	118

61. It is noted that:

- i. The subject imports increased from 2022-23 to 2024-25 but declined in the period of investigation. The volume of subject imports has increased by 18% over the injury period.
- ii. The imports from the subject country, in relation to Indian production, remained significant throughout the injury period. Such imports accounted for ***% of Indian production in the base year and ***% during the period of investigation.
- iii. The imports from the subject country, in relation to Indian consumption, were ***% in the base year and ***% during the period of investigation. While the ratio witnessed marginal fluctuations during the intervening years, it remained at a significant level throughout the injury period.
- iv. Imports from other countries declined from 742 MT in the base year to 120 MT during the period of investigation, indicating that imports from non-subject countries remained negligible throughout the injury period.
- v. The imports have remained consistent, in absolute and relative terms, despite the duties being in force and sufficient capacity with the domestic industry.

H.3.2 Price effect of the dumped imports

62. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

a. Price undercutting

63. Price undercutting has been determined for each type of subject arylides by comparing the net sales realization of the domestic industry with the landed price of the imports for the period of investigation. The table below shows the price undercutting from the subject country.

SN	Product	Import volume	Net sales realization	Landed value of imports	Price undercutting		Range
		MT	Rs/MT	Rs/MT	Rs/MT	%	
1	AAA	1,819	***	***	***	***	10-20
2	AAMX	862	***	***	***	***	20-30
3	AAOA	688	***	***	***	***	10-20
4	AAOCA	176	***	***	***	***	20-30
5	AAOT	814	***	***	***	***	20-30
6	Total	4,358		***	***	***	20-30

64. It is seen that the landed value of imports is below the domestic industry's net sales realization for all grades indicating that imported goods undercut the domestic industry prices. The margin of price undercutting is considered significant.

b. Price suppression and depression

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

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Cost of sales	Rs / MT	***	***	***	***
	Trend	Index	100	91	87	85
2	Selling price	Rs / MT	***	***	***	***
	Trend	Index	100	84	82	77
3	Landed Value	Rs/MT	229,543	195,543	186,172	180638
	Trend	Index	100	85	81	79

66. The data indicates **both price suppression and price depression** during the period under consideration. Selling price declined from Rs. ***/MT in 2022-23 to Rs. ***/MT during the POI, representing a decline of about ***% (index 100 to 77). During the same period, cost of sales declined by about ***% (index 100 to 85), while landed value declined by about ***% (index 100 to 79). Accordingly, the selling price has declined at a faster rate than the cost of sales, indicating **price suppression**, while the significant decline in the selling price over the period indicates **price depression**.

H.3.3 Economic parameters of the domestic industry

67. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below. The Authority has examined the injury parameters objectively, taking into account various facts and arguments made by the interested parties in their submissions.

a. Production, capacity, capacity utilisation and domestic sales

68. The Authority has considered capacity, production, capacity utilization and domestic sales of the domestic industry over the injury period.

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Capacity	MT	***	***	***	***
	Trend	Index	100	100	100	100
2	Total Production (PUC+NPUC)	MT	***	***	***	***
	Trend	Index	100	126	147	139
3	Capacity utilisation	%	***	***	***	***
	Trend	Index	100	126	147	139
4	Production of PUC	MT	***	***	***	***
	Trend	Index	100	125	148	140
5	Domestic sales	MT	***	***	***	***
	Trend	Index	100	129	145	143

69. It is seen that:

- The capacity of the domestic industry has remained unchanged throughout the injury period.
- The production and capacity utilisation of the domestic industry improved from 2022-23 till 2024-25 but has declined in the period of investigation. Over the injury period, the production and capacity utilisation of the domestic industry has improved.
- The production of the product under consideration has increased till 2024-25 but declined in the period of investigation.
- Domestic sales increased from 2022-23 to 2024-25 but has marginally declined during the period of investigation.
- The imposition of anti-dumping duty has allowed the domestic industry to increase its production and its domestic sales.

- vi. Although the domestic industry has consistently maintained its installed capacity throughout the injury period, the decline in production, capacity utilisation and domestic sales during the period of investigation indicates that it has not been able to utilise its installed capacity to its optimum level despite the existence of sufficient demand in the domestic market.

b. Market share of all suppliers.

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

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Subject country	%	***	***	***	***
	Trend	Index	100	96	108	96
2	Other countries	%	***	***	***	***
	Trend	Index	100	27	11	15
3	Domestic industry	%	***	***	***	***
	Trend	Index	100	115	106	117

71. It is seen that:

- The market share of the domestic industry increased in 2023-24, declined in 2024-25 but has increased again in period of investigation.
- The market share of the imports from subject country declined in 2023-24, increased in 2024-25 but has declined again in the period of investigation.
- The market share of the subject imports is significant despite the duties being in force.

c. Profitability, cash profit and return on capital employed.

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

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Profit/ Loss	Rs/MT	***	***	***	***
	Trend	Index	100	-45	-11	-77
2	Profit/ Loss	Rs lakhs	***	***	***	***
	Trend	Index	100	-58	-16	-110
3	PBIT	Rs lakhs	***	***	***	***
	Trend	Index	100	-19	-2	-78
4	Cash profit	Rs lakhs	***	***	***	***
	Trend	Index	100	5	48	-33

5	ROI	%	***	***	***	***
	Trend	Index	100	-18	-2	-79

73. It is seen that:

- i. The domestic industry was making profits in 2022-23 but due to the decline in the prices of subject imports, the profits of the domestic industry significantly declined and turned into losses thereafter. The profit turned negative in 2023-24, with losses declining in 2024-25 but increasing thereafter in the period of investigation.
- ii. A similar trend has been seen in the profit before interest. Both cash profits and PBIT have declined and have turned into cash losses and negative return on investment in the period of investigation.
- iii. Return on investment was positive in 2022-23, turned negative in 2023-24, improved marginally in 2024-25 and further declined in the period of investigation.

d. Inventories

74. The inventory position with the domestic industry over the injury period is given in the table below:

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Opening Inventory	MT	***	***	***	***
	Trend	Index	100	115	98	151
2	Closing Inventory	MT	***	***	***	***
	Trend	Index	100	85	106	118
3	Average inventory	MT	***	***	***	***
	Trend	Index	100	99	102	133

75. It is noted that the average inventory has increased significantly in the period of investigation. The level of inventories have increased with the domestic industry despite there being an increase in demand in the period of investigation.

e. Employment, wages and productivity

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

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	No. of employees	Nos.	***	***	***	***
	Trend	Index	100	102	98	97
2	Salary and wages	Rs Lacs	***	***	***	***

	Trend	Index	100	133	112	113
3	Productivity per day	MT/day	***	***	***	***
	Trend	Index	100	125	148	140
4	Productivity per employee	MT/employee	***	***	***	***
	Trend	Index	100	123	151	145

77. It is observed that the number of employees has increased in 2023-24 and declined thereafter in 2024-25, and further declined marginally in the period of investigation. The salary and wages paid also increased in 2023-24 and declined thereafter.
78. The productivity per day and productivity per employee increased till 2024-25 but declined in the period of investigation.

f. Growth

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

SN	Particulars	Unit	2023-24	2024-25	POI
1	Production (PUC)	Y/Y	25%	18%	-5%
2	Domestic sales	Y/Y	29%	12%	-1%
3	Profit before tax - Profit before tax - Rs lakhs	Y/Y	-158%	73%	-599%
5	Profit before interest - Rs lakhs	Y/Y	-119%	88%	-3211%
6	Cash profits - Rs lakhs	Y/Y	-95%	921%	-169%
7	ROCE	Y/Y	-118%	89%	-3903%

80. It is observed that the domestic industry recorded positive growth in volume parameters the year 2023-24, but price parameters declined. The volume and price parameters showed positive growth in 2024-25. It is however seen that both volume and price parameters recorded a negative growth in period of investigation.

g. Ability to raise capital investment

81. It is noted that there is a demand and supply gap in the country. It is also noted that the profitability and return on capital employed of the domestic industry has declined and the domestic industry was operating with losses during the period of investigation. Therefore, the ability to raise capital investment has been severely impacted, preventing the domestic industry from expanding its capacity.

h. Factor affecting the domestic prices.

82. The examination of DG System imports data shows that the landed price of imports from the subject country is below the selling price and cost of sales of the domestic industry. As a result, the domestic industry was compelled to reduce its selling price, which fell below the cost of sales. This had a significant adverse impact on the profitability of the domestic industry. The fact that the domestic industry has incurred losses and recorded a negative return on investment during the period of investigation clearly demonstrates the adverse effects of continued dumped imports.

i. Magnitude of dumping

83. It is seen that there is continued dumping of the subject goods in India from the subject country.

I. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY**I.1 Submission of the other interested parties**

84. The other interested parties have made the following submissions with regards to likelihood of injury:
- i. No likelihood of continuation or recurrence of dumping and injury.
 - ii. Exports to India have a minor share, major sales are to domestic market.
 - iii. Inconsistent with the suggestion that Nantong has spare capacity or redirected exports to India.
 - iv. The likelihood analysis advanced by the domestic industry is based largely on assumptions regarding Chinese capacities, inventories and future export behavior.
 - v. Mere existence of capacity or exports in third-country markets cannot establish likelihood of injury.
 - vi. The Authority is required to examine whether there is positive evidence showing that expiry of duties would likely result in increased dumped imports causing material injury to the domestic industry. No such evidence has been placed on record.

I.2 Submission of the domestic industry

85. The domestic industry has made the following submissions with regard to likelihood of injury:
- i. Dumping has continued post the imposition of anti-dumping duty, itself establishes the likelihood of dumping in event of expiry of measures.
 - ii. Qingdao Haiwan Specialty Chemicals Co. Ltd.'s exports to third countries have decreased in the period of investigation. However, the exports to India have substantially increased.
 - iii. Qingdao Haiwan Specialty Chemicals Co. Ltd.'s price has declined for the domestic market as well, the export price to India has declined at a higher rate as compared to the domestic selling price.

- iv. Imports of the product under consideration from the subject country have continued to enter India in significant volumes. Even after the imposition of anti-dumping duties in 2021, the volume of imports has remained significant and constitutes 40% of the demand.
- v. Subject imports registered an overall increase from the base year to the period of investigation. The fact that imports increased when duties were in place, establishes the likelihood of further increase in event of expiry of measures.
- vi. In the original investigation, the Authority found positive price undercutting in the range of 0-20% across all PCNs. The price undercutting has increased significantly and now ranges from 10-30% across PCNs.
- vii. This price depression is likely to continue or intensify if anti-dumping measures lapses, which will in turn aggravate material injury to the domestic industry.
- viii. The Indian market is highly price sensitive, with consumers making procurement decisions primarily on the basis of price. Imports enter at prices lower than the cost of sales of the domestic industry and if duties are not continued, the domestic industry will have to either reduce its selling price and suffer even higher losses or lose sales volumes and consequently market share.
- ix. Capacities in China are higher than the demand in those countries. Against current capacity of 267.8 KT, the demand in China is only around 136.6 KT. The fact that the capacities are such high, establishes that with the cessation of duties, the producers will flood the Indian market.

I.3 Examination by the Authority

- 86. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure - II (vii) of the anti-dumping rules. and other relevant factors brought on record by the interested parties.
- 87. The present investigation is a sunset review of duties imposed on the imports of the product under consideration from China PR. Under the Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuance or recurrence of dumping and injury to the domestic industry.
- 88. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia, for factors which could be taken into consideration, viz.
 - a. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.
 - b. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.

- c. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices and would likely increase demand for further imports; and
 - d. Inventories of the article are being investigated.
89. The Authority has, *inter alia*, considered the above requirements and in order to determine whether dumping is likely in the event of cessation of anti-dumping duty, and if so, whether the same is likely to cause injury to the domestic industry in case of cessation of anti-dumping duty.

a. Continued dumping.

90. The table below shows the dumping margin determined by the Authority in the original investigation and the present investigation in case of imports from China.

SN	Particulars	UOM	Original investigation	Present investigation
1	Nantong Acetic Acid Chemicals Co Ltd	%	20-30%	10-20%
2	Qingdao Haiwan Specialty Chemicals Co Ltd	%	30-40%	50-60%
3	All others	%	40-50%	80-90%

91. The table shows that the dumping from China has continued. The continuation of dumping in the current period shows the likelihood of dumping in event of expiry of measures.

b. Rate of increase of dumped imports into India.

92. The information on the DGCI&S transaction wise import data is given below.

SN	Particulars	UoM	2022-23	2023-24	2024-25	POI
1	Imports from China PR	MT	3,546	3,610	4,605	4,358
2	Imports in relative terms					
a	Production	%	***	***	***	***
	Trend	Index	100	81	88	88
b	Consumption	%	***	***	***	***
	Trend	Index	100	94	102	99

93. It is seen from the above table that the import volume in relation to production and consumption first declined, then increased and then has further declined. It is, however, seen that the imports continue to remain significant.

c. Freely disposable capacity available with the producers in the subject country.

94. The information on freely disposable capacity has been calculated based on the response filed by the participating producers and is shown below.

SN	Particulars	Capacity (PUC)	Production (PUC)	Idle capacity	Range
1	Nantong Acetic Acid Chemicals Co Ltd	***	***	***	
2	Qingdao Haiwan Specialty Chemicals Co Ltd	***	***	***	
3	Total	***	***	***	
4	Demand in India			***	
5	Idle capacity as % of demand in India			***	130-140

Source: Appendix 1 of the EQR filed by the two participating producers from China PR.

95. The data furnished by the participating producers from China PR indicates a combined capacity of ***** MT** against production of ***** MT**, resulting in **idle capacity of *** MT** during the POI. The idle capacity of the participating producers is thus equivalent to approximately *****% of the Indian demand of *** MT**. This substantial unutilised capacity indicates significant potential with the responding producers to increase exports to India and is therefore a relevant factor in assessing the likelihood of increased imports and consequent injury to the domestic industry.

d. Export orientation of the producers in the subject country.

96. The information on production and total exports is given below. The information has been calculated from the response filed by the participating producers.

SN	Particulars	Production PUC (MT)	Total exports PUC (MT)	Export orientation %	Range (%)
1	Nantong Acetic Acid Chemicals Co Ltd	***	***	***	30-40
2	Qingdao Haiwan Specialty Chemicals Co Ltd	***	***	***	10-20
3	Total	***	***	***	20-30

Source: Appendix 1 of the EQR filed by the two participating producers from China PR.

97. The participating producers from China PR exported ***** MT**, accounting for approximately *****% of their total production of *** MT**, indicating that their production is predominantly oriented towards the domestic market. However, given their **significant unutilised capacity**, the existing export orientation cannot be viewed in isolation. In the event of cessation of the existing anti-dumping duty, the producers may have the ability to redirect a part of their available capacity towards the Indian market, thereby increasing the potential for exports to India and exerting pressure on the domestic

industry. This factor, read with the substantial idle capacity already reported, is therefore relevant to the assessment of the likelihood of increased imports from China PR..

e. Third country injurious exports.

98. The table below shows the exports made to third countries by the responding producers from the subject countries and the volume of exports at injurious prices (exports below the non-injurious price).

SN	Subject countries	Total Exports (MT)	Exports below fair selling price (NIP) (MT)	Share of injurious exports (%)	Range
1	Nantong Acetic Acid Chemicals Co Ltd	***	***	***	90-100
2	Qingdao Haiwan Specialty Chemicals Co Ltd	***	***	***	80-90
3	Total	***	***	***	90-100

99. It is seen from the above table that
- In the case of Nantong Acetic Acid Chemicals Co Ltd, ***% of exports are below the non-injurious prices.
 - In the case of Qingdao Haiwan Specialty Chemicals Co Ltd, ***% of exports are below the non-injurious prices.

f. Conclusions on likelihood of continuation/recurrence of injury

100. Based on the above analysis, the Authority concludes as follows
- The imports originating from or exported from the subject country have continued to enter the domestic market at dumped prices
 - The imports originating from the subject country continue to maintain a significant market share within the Indian domestic market, and that in the event of the expiry or revocation of the anti-dumping measures currently in force, such imports are likely to exert a depressing influence on the prevailing price levels in the domestic market.
 - The information and data placed on record by the two participating exporters from the subject country shows that, the participating producers exported significant portion of their production during the period of investigation, and India was the principal destination of such exports, accounting for about ***% of their total exports.

- d. The information placed on record by the two participating producers further establishes that the said producers are operating with significant idle or underutilized production capacities, and that there exists a reasonable likelihood of an increase in export volumes in the event of the expiry of the anti-dumping measures currently in force.
 - e. On a cumulative basis of the two participating producers, ***% of the exports to third countries are priced below the non-injurious price.
 - f. The landed value of the subject imports during the period of investigation is below the cost of sales of the domestic industry. In light of the foregoing, the Authority is of the considered view that in the event of the expiry of the anti-dumping duty, the continuation or recurrence of dumped imports is likely to have a materially adverse effect on the performance, profitability, and overall economic condition of the domestic industry.
101. The Authority concludes that the investigation has shown that there exists sufficient evidence of likelihood of injury to the domestic industry in event of cessation of antidumping duty.

J. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

102. As per the Rules, the Authority is required to, inter alia, examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and a causal link has already been examined in the original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.
- a. Volume and price of imports from third countries.
103. Imports from other countries have not caused injury as they have been at higher prices and at de minimus levels.
- b. Contraction in demand.
104. The demand for the subject goods has increased over the period and is expected to continue the trend of growth. Therefore, no injury to the domestic industry is likely due to possible contraction in demand.
- c. Trade restrictive practices.
105. There is no trade restrictive practice that has caused or is likely to cause injury to the domestic industry.
- d. Development in technology.

106. Information on record shows that technology for the production of the product has not undergone any change. Therefore, technology cannot be a cause of injury to the domestic industry.

e. Export performance.

107. The domestic industry is largely into the domestic market. In any case, export performance has been segregated.

f. Performance of other products of the company.

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

K. MAGNITUDE OF INJURY MARGIN

109. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in AD Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry. The NIP has been considered for comparing the landed price from the subject countries for calculating the injury margin. For determining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on 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 NIP as prescribed in Annexure III to the AD Rules.

110. The landed price and non-injurious price determined above have been compared for the product under consideration. The weighted average of the injury margin determined for the producers/exporters is provided in the table below:

SN	Particulars	NIP (\$/MT)	Landed Price (\$/MT)	Injury Margin		
				(\$/MT)	%	Range
1	Nantong Acetic Acid Chemical Co Ltd	***	***	***	***	0 - 10
2	Qingdao Haiwan Speciality Chemical Co Ltd	***	***	***	***	30-40
3	All other producers/ exporters	***	***	***	***	80-90

L. INDIAN INDUSTRY INTEREST AND OTHER ISSUES

L.1 Submission of the other interested parties

111. The other interested parties have made the following submissions about the Indian industry's interest:
- i. Continuation of anti-dumping duties will not be in public interest.
 - ii. The subject imports are already subject to anti-dumping duties and basic custom duty of 7.5%.
 - iii. Continuation or enhancement of duties would increase input costs for downstream industries and consumers.

L.2 Submission of the domestic industry

112. The domestic industry has made the following submissions with regard to the Indian industry's interest:
- i. The applicant is currently executing an investment in a new plant at Dahej.
 - ii. The continuation of the duty on the product under consideration would be in the interests of the domestic manufacturers and consumers.
 - iii. The subject goods do not have any direct end-use application and must undergo further processing to be utilized.
 - iv. The impact of duties on downstream industries and end-consumers is negligible.
 - v. In the present investigation no user has participated. This establishes the absence of any adverse effect of anti-dumping measures.

L.3 Examination by the Authority

113. The Authority considered whether the recommendation for continuation of imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of various parties including the domestic industry, foreign producers and consumers.
114. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present review investigation, including possible effect of the anti-dumping duty on their operation. The Authority sought information on, inter-alia, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the anti-dumping duty on the consumers, the factors that are likely to accelerate or delay the adjustment to the new situation caused by the continuation of the anti-dumping duty.

115. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the imposition of the anti-dumping duties might affect the price levels of the product under consideration as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, the imposition of anti-dumping measures would prevent the decline in the performance parameters of the domestic industry caused as a consequence of low-priced imports from the subject country and help maintain the wider availability of choices to the consumers of the product under consideration.
116. None of the users have filed the prescribed economic interest questionnaire responses. In the absence of any quantified evidence demonstrating the adverse impact of anti-dumping duties, the Authority is unable to conclude that the imposition of anti-dumping duty would cause disproportionate harm to the downstream industry. Accordingly, the Authority has relied on the information available on record, including the data provided by the domestic industry, for the purpose of assessing the impact.
117. The domestic industry has quantified the impact of anti-dumping duty as below:

SN	Particulars	Unit	Coatings	Plastics	Ink
1	Lowest duty on arylides	%	24.79	24.79	24.79
2	Share of cost on account of arylides in total cost of pigment	%	10	10	10
3	Increase in pigment cost	%	2.48	2.48	2.48
4	Pigment price	Rs/Kg	550	550	550
5	Increase in pigment cost	Rs/Kg	13.63	13.63	13.63
6	Estimated price of downstream product	Rs/Kg	220	300	250
7	Share of cost on account of pigment in total cost of downstream product	%	7	18	13
8	Cost of pigment in downstream product	Rs/Kg	15.4	54	32.5
9	Increase in cost of pigment consumed in downstream product	Rs/Kg	0.38	1.34	0.81
10	Impact on downstream industry of pigments	%	0.17	0.45	0.32

118. The impact of anti-dumping duty is found to be negligible. The Authority further notes that the imposition of anti-dumping duty will not lead to scarcity of the subject goods in India. It is noted that anti-dumping duty does not restrict imports but ensures that imports are available at fair prices. The imposition of duty would, therefore, not affect the availability of the product. In any case, the capacity of the Indian industry is more than

sufficient to cater the entire Indian demand, thereby ensuring that there remains sufficient supply in the country.

M. POST-DISCLOSURE COMMENTS

119. The disclosure statement containing the essential facts under consideration of the Authority was issued to all interested parties on 1st October 2026. Comments on the disclosure statement have been received from the domestic industry, Nantong Acetic Acid Chemical Co. Ltd. (hereinafter referred to as "Nantong") and Qingdao Haiwan Specialty Chemicals Co., Ltd. (hereinafter referred to as "Qingdao Haiwan"). The comments are summarised and examined below.

M.1 Submissions of the other interested parties

120. Qingdao Haiwan has made the following submissions on the disclosure statement:

- i. The disclosure statement records substantial improvement in the economic parameters of the domestic industry over the injury period. Production increased by **%, production of the product under consideration by **%, domestic sales by **%, capacity utilisation by **% and productivity per employee by **%, along with an increase in market share. Such improvement does not mean that duties must automatically continue. Further, the deterioration in profitability, cash profits and return on investment in the period of investigation cannot automatically be attributed to imports without examining other relevant factors.
- ii. The allegation of the domestic industry recorded at para 85(ii) and (iii) of the disclosure statement, that the exports of Qingdao Haiwan to India increased while its exports to third countries declined, and that its export price to India declined at a higher rate than its domestic selling price, does not by itself establish selective dumping or targeting of the Indian market. Differences in volumes and prices across markets may arise on account of demand, product mix, customer requirements, contractual arrangements and market conditions. No adverse inference should be drawn on the basis of such comparison.
- iii. The import trends do not establish a likelihood of substantially increased imports. Imports from China PR fluctuated during the injury period and declined in the period of investigation as compared to 2024-25, and imports in relation to production and consumption did not show a consistent upward trend. The domestic industry increased its sales by **% as against an increase of **% in demand. Mere continuation of imports during the period of duty cannot establish likelihood.
- iv. The existence of idle capacity cannot by itself establish likelihood of increased exports to India. The assessment must consider producer-specific factors such as domestic demand, existing export commitments and alternative markets. The combined idle capacity of two producers cannot be treated as evidence of the likely export behaviour of Qingdao Haiwan.
- v. The disclosure statement itself shows that exports constituted only 15-25% of the production of the participating producers, who are predominantly oriented towards

the domestic market. The conclusion that the producers are substantially export oriented requires reconsideration.

- vi. Third-country export prices being below the non-injurious price of the Indian industry do not establish that such exports are dumped or that the goods would be exported to India at injurious prices. The comparison must account for differences in product type, market conditions, level of trade, freight and other adjustments, and must be undertaken on a producer-specific basis.
 - vii. Uniform application of a 22% return on capital employed inflates the non-injurious price and consequently the injury margin. The return allowed should be reconsidered and the non-injurious price and injury margin for Qingdao Haiwan should be recalculated.
 - viii. Non-participation of users cannot establish that continuation of duties would have no adverse impact on downstream industries. The assumptions of the domestic industry regarding the share of arylides in the cost of pigments should be examined. The domestic industry is the sole producer in India, and reasonable sourcing options for users should be preserved.
 - ix. Without prejudice, even if continuation of duty is considered appropriate, there is no justification for enhancing the existing duty. The Authority should consider the producer-specific dumping margin, injury margin and the existing level of duty, and the existing duty applicable to Qingdao Haiwan should be maintained without enhancement.
121. Nantong has made the following submissions on the disclosure statement:
- i. The disclosure statement records that Nantong filed the exporter's questionnaire response and that its export price was determined on the basis of its verified data after allowing the claimed adjustments. The Authority is requested to confirm its status as a cooperating producer/exporter in the final findings. In case of any change, a revised disclosure statement should be issued and an opportunity to comment should be provided.
 - ii. The net export price of USD ***/MT and landed value of USD ***/MT, as separately disclosed to Nantong vide email dated 4th October 2026, and the dumping margin of 10-20% and injury margin of 0-10% determined for Nantong, should be confirmed in the final findings. Any revision would require a revised disclosure.
 - iii. Section 9A(5) of the Act and Rule 23 of the Rules, read with Rule 17 which applies to reviews by virtue of Rule 23(3), and para 17.29 of the Manual of Operating Practice of the Authority, require that the quantum of duty in a sunset review be re-determined on the basis of the fresh margins. Mechanical continuation of the original duty would render the review futile. Reliance has been placed on the decisions of the Hon'ble CESTAT in *Indian Graphite Mfrs. Association v. Designated Authority*, (2006) 199 ELT 722, *Shanghai Fortune Chemical Company Ltd. v. Designated Authority*, 2016 (342) ELT 578 and *Robin Resources v. Designated Authority*, 2016 (342) ELT 118, and on the practice of the Authority in several sunset reviews including Atrazine Technical, CPVC, Zeolite 4A, PTFE,

- Amoxycillin, Aluminium Foil and Methylene Chloride, in which the duty was modified.
- iv. Since the injury margin determined for Nantong (0-10%) is lower than its dumping margin (10-20%), any duty recommended for Nantong should be confined to the injury margin. Continuation of the original duty rate of 26.64% applicable to Nantong would result in over-protection to the domestic industry.
 - v. The facts on record support recalibration of duty. There is a single domestic producer, demand has increased without any increase in capacity, and there is a demand-supply gap. The volume parameters of the domestic industry have improved. The landed value of imports in the present period of investigation (Rs. ***/MT) is higher than that in the original investigation (Rs. ***/MT), and the cost of sales of the domestic industry has declined by about ****% over the present injury period as against an increase of ****% during the injury period of the original investigation.

M.2 Submissions of the domestic industry

122. The domestic industry has made the following submissions on the disclosure statement:

- i. The Authority has rightly determined the scope of the product under consideration, the like article, and that the applicant constitutes the domestic industry under Rule 2(b) of the Rules.
- ii. There is a notable difference between the dumping margins and injury margins determined for Nantong and Qingdao Haiwan, although both producers have exported directly to unrelated customers in India. As per the market intelligence available with the domestic industry, the grade-wise landed prices and export prices of the two producers are in a similar range. The Authority is requested to re-examine the data of the producers and verify the same with the DG Systems data.
- iii. The anti-dumping duty has allowed the domestic industry to survive in the market. The purpose of a sunset review is to examine whether the situation would remain the same upon expiry of the duty. Being the sole producer, the domestic industry is compelled to match the prevailing prices, which are the prices of Chinese imports. This has been admitted by Qingdao Haiwan in its response, wherein it has stated that "the Petitioner has adjusted its selling prices based on the import prices of PUC from China".
- iv. The factors examined in the disclosure statement, namely continued dumping, increase in demand by 23%, increase in subject imports by 18%, positive price undercutting, price depression, losses, cash losses, negative return on investment and increase in inventories, establish continued injury. The domestic industry continues to suffer losses despite the duties in force, and the losses would be significantly higher in the event of expiry of duties.
- v. The likelihood of dumping and injury is established by continued dumping, imports catering to about 40% of the demand, idle capacity of the two participating producers equivalent to 130-140% of Indian demand, and exports of 15-25% of their production despite such idle capacity. The response of Qingdao Haiwan shows that its exports to India increased (index 100 to 284) while its exports to third

- countries declined (index 100 to 87), and that its export price to India declined at a faster rate than its domestic selling price, establishing selective dumping in the Indian market.
- vi. Continuation of duty is in public interest. The domestic industry is executing an investment of about Rs. *** crores in a new plant at Dahej with capacities dedicated to arylides, for which the environmental clearance has been placed on record. Valiant Advanced Sciences Private Limited is also in the process of potentially commencing manufacture of the subject goods, as evidenced by its Environmental Impact Assessment report. No user has participated in the investigation. The impact of the duty on downstream products is only 0.17% to 0.45%, and a significant share of imports is made under advance authorisation without payment of duty. Users such as Pidilite Industries Limited and Sudarshan Chemical Industries Limited have reported growth in their pigment business in 2024-25. A vibrant domestic industry is in the interest of consumers in terms of inventory management, lead time, foreign exchange risk and supply-chain resilience.
 - vii. Anti-dumping duty for a period of five years is necessary to enable the domestic industry to recover its profitability, improve its return on investment and implement its expansion plans.

M.3 Examination by the Authority

123. The Authority has examined the post-disclosure comments of the interested parties. Comments which are reiterations of earlier submissions and which have already been examined in the relevant sections of these findings are not being repeated for the sake of brevity. The issues raised for the first time in the post-disclosure comments, and considered relevant by the Authority, are examined hereunder.
124. As regards the request of Nantong and Qingdao Haiwan, the Authority confirms that both producers have been treated as cooperating producers/exporters, and that their individual export price, landed value, dumping margin and injury margin have been determined on the basis of their verified data. There is no change in the essential facts disclosed in respect of these producers except for one correction in the calculation of landed price and injury margin for Qingdao Haiwan, which has since been corrected.
125. As regards the request of the domestic industry to re-examine the difference in the margins determined for Nantong and Qingdao Haiwan, the Authority notes that the export price of each producer has been determined on a PCN-wise basis from its transaction-wise export sales to India as reported in its questionnaire response and verified by the Authority. The comparison furnished by the domestic industry is based on its own market intelligence estimates and not on the actual transaction data on record. The difference in the weighted average margins reflects the actual prices realised by each producer on its exports to India and its PCN mix. The Authority therefore does not find any reason to modify the margins determined. It may also be added that the export sales of both producers were reconciled with the DG Systems data.

126. As regards the contention of Qingdao Haiwan regarding improvement in the performance of the domestic industry, the Authority notes that the improvement in volume parameters has taken place while the anti-dumping duty was in force and reflects the intended effect of the duty. Notwithstanding the duty, the price parameters of the domestic industry have deteriorated. The selling price declined by about ***% over the injury period as against a decline of about ***% in the cost of sales. The domestic industry moved from profits in 2022-23 to losses in each subsequent year, and suffered cash losses and a negative return on investment in the period of investigation. The landed value of the subject imports, without considering the anti-dumping duty, is below both the cost of sales and the selling price of the domestic industry, and undercuts the domestic prices by ***% to ***% across all product types. Qingdao Haiwan has itself stated in its response that the domestic industry has adjusted its selling prices based on the import prices of the product from China, which confirms that the subject imports set the price in the Indian market. The non-attribution analysis in Section J above shows that no other factor has caused injury to the domestic industry. In a sunset review, the Authority is required to determine whether expiry of the duty is likely to lead to continuation or recurrence of dumping and injury, and improvement in certain parameters during the currency of the duty does not by itself negate such likelihood. The contention is therefore not accepted.
127. As regards the import trends, the Authority has not proceeded on the basis that the subject imports are increasing at an accelerating rate. The subject imports increased by 18% over the injury period notwithstanding the duties in force, and the decline in the period of investigation as compared to 2024-25 is only about 5%. The subject imports continued to account for about ***% of the Indian consumption. The higher growth in the sales of the domestic industry has been achieved in the presence of the anti-dumping duty. The likelihood of continuation or recurrence of dumping and injury has been examined on a cumulative consideration of all relevant factors, and not on the volume of imports alone.
128. As regards the contention that idle capacity should be examined on a producer-specific basis, the Authority notes that even on a producer-specific basis, the idle capacity of Qingdao Haiwan alone (*** MT) is about ***% of the Indian demand, and that of Nantong (*** MT) is about ***% of the Indian demand. These are only two of the producers of the subject goods in China PR. The domestic industry has further submitted that the capacity for the subject goods in China PR is about 267.8 KT as against domestic demand of about 136.6 KT, which has not been rebutted by any interested party with evidence. The availability of such freely disposable capacity, read with the price behaviour of the subject imports and the importance of the Indian market for these producers, is relevant to the likelihood analysis in terms of Annexure II (vii) of the Rules.
129. As regards export orientation, it is noted that out of the total exports of *** MT of the two participating producers, *** MT, i.e., about ***%, were exported to India. India accounted for about ***% of the exports of Nantong and about ***% of the exports of Qingdao Haiwan. India is, therefore, the principal export market of these producers. Read with the significant idle capacity available with them, this establishes the ability and the

incentive of these producers to increase exports to India in the event of cessation of the duty.

130. As regards the comparison of third-country export prices with the non-injurious price, the Authority notes that the analysis has been carried out on a producer-specific basis, as shown in the table in Section I above, on the basis of the export prices reported by the producers themselves in their questionnaire responses. The analysis is not a determination of dumping in third-country markets, but an indicator of the price levels at which the producers are willing to sell the subject goods. Even on a producer-specific basis, ***% of the third-country exports of Nantong and ***% of the third-country exports of Qingdao Haiwan were priced below the non-injurious price.
131. As regards the return of 22% on capital employed, the Authority notes that the non-injurious price has been determined in accordance with Annexure III to the Rules, which prescribes a reasonable return (pre-tax) of 22% on average capital employed for the product under consideration. The non-injurious price has been determined on the basis of the verified data of the domestic industry, considering the best utilisation of raw materials, utilities and production capacity over the injury period and excluding extraordinary and non-recurring expenses. The contention is therefore not accepted.
132. As regards public interest, the Authority notes that none of the users or importers participated in the present investigation or filed the economic interest questionnaire response, despite opportunity. No quantified evidence of adverse impact has been placed on record by any interested party. The Authority has examined the estimate furnished by the domestic industry and notes that even if the share of arylides in the cost of pigments were assumed at twice the level considered by the domestic industry, the impact on the cost of downstream products would remain below 1% (about 0.35% to 0.89%). Further, a significant volume of the subject goods is imported under the advance authorisation scheme without payment of anti-dumping duty, and the export-oriented production of pigments is therefore not affected. The Authority also notes the investment of about Rs. *** crores being made by the domestic industry in a new facility at Dahej and the proposed manufacture of the subject goods by Valiant Advanced Sciences Private Limited, which indicate that the measures have encouraged investment in the product in India. The duties recommended are the existing producer-specific duties, which have been in force for about five years without any user placing on record evidence of adverse impact, and users continue to have access to imports at fair prices. The contention of Qingdao Haiwan is therefore not accepted.
133. As regards the quantum of duty, the Authority notes that the present investigation is a sunset review under Section 9A(5) of the Act read with Rule 23 of the Rules, the purpose of which is to determine whether the expiry of the existing duty is likely to lead to continuation or recurrence of dumping and injury. Rule 23(1) provides that the duty shall remain in force so long as and to the extent necessary to counteract dumping which is causing injury. It is noted that the dumping margins and injury margins in the present

period of investigation have been determined in respect of imports which entered India while the anti-dumping duty was in force, and therefore reflect the pricing behaviour of the exporters under the discipline of the existing duty. The Authority has found that the subject goods continue to be exported at dumped prices, that the landed value of imports without the duty is below the cost of sales of the domestic industry, and that the domestic industry continues to suffer losses and a negative return on investment even with the duty in force. The Authority has further found significant freely disposable capacity with the producers in China PR, India being their principal export market, and third-country exports predominantly below the non-injurious price, which together indicate a likelihood of intensified dumping in the event of cessation of the duty. In these circumstances, the Authority considers that the existing duties imposed vide Notification No. 60/2021-Customs (ADD) dated 14th October 2021 continue to be necessary to counteract the likely dumping and injury. Accordingly, the request of Nantong that the duty be reduced to the level of its injury margin determined for the present period of investigation is not accepted. The Authority recommends continuation of the existing duties for all producers/exporters, which also addresses the request of Qingdao Haiwan that the existing level of duty applicable to it should not be enhanced.

134. As regards the request of the domestic industry for duties for a period of five years, the Authority considers it appropriate to recommend the duties for a period of five years in view of the findings above.

N. CONCLUSION AND RECOMMENDATION

135. After examining the submissions made by the interested parties and the issues raised therein, and considering the facts available on record, the Authority concludes that:
- i. The product under consideration is "Aceto Acetyl Derivatives of aromatic or heterocyclic compounds" or "Arylides", covering Acetoacetanilide (AAA), Acetoacet-meta-xylylide (AAMX), Acetoacet-o-aniside (AAOA), Acetoacet-o-toluidide (AAOT) and Acetoacet-o-chloroanilide (AAOCA). All other forms of arylides are excluded. The scope remains the same as in the original investigation.
 - ii. The product under consideration is classified under sub-heading 2924 29 of the Customs Tariff Act, 1975 and has been imported under tariff items 2924 29 20, 2924 29 30 and 2924 29 90. The customs classification is indicative only and is not binding on the scope of the product under consideration.
 - iii. The goods produced by the domestic industry are like article to the product under consideration imported from the subject country.
 - iv. M/s Laxmi Organic Industries Limited is the sole producer of the subject goods in India and constitutes the domestic industry within the meaning of Rule 2(b) of the Rules. The application satisfies the requirements of Rule 5 of the Rules.
 - v. Nantong and Qingdao Haiwan have participated in the investigation and filed exporter's questionnaire responses. None of the producers filed the market economy treatment questionnaire, and the normal value has been determined in accordance with para 7 of Annexure I to the Rules.

- vi. The dumping margins determined for Nantong (10-20%), Qingdao Haiwan (50-60%) and all other producers/exporters (80-90%) are positive, above de minimis and significant. The subject goods have continued to be exported to India at dumped prices despite the anti-dumping duty in force.
 - vii. The demand for the subject goods increased by about ***% over the injury period.
 - viii. The subject imports increased by 18% in absolute terms over the injury period and continued to account for about ***% of the Indian consumption despite the duties in force.
 - ix. The landed value of the subject imports is below the net sales realisation of the domestic industry for all product types, with price undercutting of ***% to ***%. The subject imports have had a depressing and suppressing effect on the domestic prices.
 - x. While the volume parameters of the domestic industry improved with the duties in force, the domestic industry suffered losses from 2023-24 onwards, cash losses and a negative return on investment in the period of investigation, and its inventories increased.
 - xi. The non-attribution analysis shows that no other known factor has caused injury to the domestic industry.
 - xii. The injury margins determined for Nantong (0-10%), Qingdao Haiwan (30-40%) and all other producers/exporters (80-90%) are positive.
 - xiii. There is likelihood of continuation of dumping and injury in the event of cessation of the duty, in view of the continued dumping, the significant idle capacity of the participating producers (130-140% of Indian demand), India being their principal export market, the landed value of imports being below the cost of sales of the domestic industry, the third-country exports of the participating producers being priced predominantly below the non-injurious price, and the increase in the exports of Qingdao Haiwan to India while its exports to third countries declined.
 - xiv. The impact of the duties on the users and downstream industry is negligible.
136. The Authority notes that the investigation was conducted in accordance with the applicable law. All interested parties were duly notified and were granted adequate opportunity to provide information and present their views on the matters under investigation, including dumping, injury, causal link, likelihood of continuation or recurrence of dumping and injury, and the impact of the measures on the Indian industry. The Authority has arrived at the conclusion that continuation of anti-dumping duty on the imports of the subject goods from the subject country is required.
137. Having regard to the likelihood of continuation or recurrence of dumping and injury established above, the Authority considers it necessary to recommend continuation of the anti-dumping duty imposed vide Notification No. 60/2021-Customs (ADD) dated 14th October 2021, at the existing rates. Accordingly, the Authority recommends continued imposition of definitive anti-dumping duty at the rates indicated in Column 7 of the duty table below, on all imports of the subject goods originating in or exported from the subject

country, for a period of five years from the date of the notification to be issued in this regard by the Central Government.

DUTY TABLE

SN	Tariff item	Description of goods	Country of origin	Country of export	Producer	Duty amount (as % of CIF value)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2924 29 20 and 2924 29 90	Aceto Acetyl Derivatives of aromatic or heterocyclic compounds or "Arylides"*	China PR	Any country including China PR	Qingdao Haiwan Specialty Chemicals Co., Ltd.	24.79%
2	-do-	-do-	China PR	Any country including China PR	Nantong Acetic Acid Chemical Co., Ltd.	26.64%
3	-do-	-do-	China PR	Any country including China PR	Any producer other than those at SN 1 and 2	44.90%
4	-do-	-do-	Any country other than China PR	China PR	Any	44.90%

**The product under consideration covers Acetoacetanilide (AAA), Acetoacet-meta-xylidide (AAMX), Acetoacet-o-anisidide (AAOA), Acetoacet-o-toluidide (AAOT) and Acetoacet-o-chloroanilide (AAOCA). All other forms of arylides are excluded.*

Note: The rates in Column 7 are the existing rates of anti-dumping duty imposed vide Notification No. 60/2021-Customs (ADD) dated 14th October 2021.

138. The anti-dumping duty shall be levied as a percentage of the CIF value of imports, i.e., the assessable value of the subject goods including insurance and freight. The duty shall be payable in Indian currency, and the rate of exchange applicable for the purpose of calculation of the duty shall be the rate specified in the notification of the Government of India issued from time to time under Section 14 of the Customs Act, 1962, the relevant date for determination of the rate of exchange being the date of presentation of the bill of entry under Section 46 of the said Act.
139. The application of the individual duty rates specified for the companies mentioned in the above duty table shall be conditional upon presentation to the customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:

'I, the undersigned, certify that the (volume) of Aceto Acetyl Derivatives of aromatic or heterocyclic compounds (Arylides) sold for export to India covered by this

invoice was manufactured by (company name and address) in China PR. I declare that the information provided in this invoice is complete and correct.'

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

O. FURTHER PROCEDURE

141. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.

**Digitally signed by
Amitabh Kumar
Date: 12-10-2026
16:55:51
(Amitabh Kumar)
Designated Authority**