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**F. No. 07/12/2025-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
Parliament Street, New Delhi-110001**

Dated: 27th February 2026

**NOTIFICATION
FINAL FINDINGS
Case No AD (SSR – 06/2025)**

Subject: Sunset review investigation concerning anti-dumping duty on imports of “Methyl Acetoacetate” originating in or exported from China PR.

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter also referred as the “Authority”) initiated anti-dumping investigation concerning imports of “Methyl Acetoacetate” (hereinafter also referred to as the “subject goods” or “product under consideration” or “MAA”) originating in or exported from China PR and USA *vide* Notification No. 14/7/2014- DGAD on 7th January 2015. The Authority thereafter notified Final Findings recommending definitive antidumping duties on imports of the subject goods from China PR and USA *vide* notification dated 1st April 2016. Definitive antidumping duty was imposed by the Ministry of Finance *vide* Customs Notification No. 22/2016-Customs (ADD) dated 31st May 2016 for 5 years.
2. The Authority initiated first sunset review investigation of the anti-dumping duty *vide* Notification no. 7/40/2020- DGTR dated 30th September 2020 against China PR. The Authority recommended continuation of definitive anti-dumping duties on China PR *vide* Notification No.7/40/2020-DGTR dated 03rd May, 2021. The same was imposed by the Ministry of Finance *vide* Notification No. 31/2021-Customs (ADD) dated 29th May, 2021 for a period of 5 years. The antidumping duties are set to expire on 28th May 2026.
3. Section 9A (5) of the Act, inter alia, provides that 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 and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. 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, as to whether the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury.

4. Further, Rule 23(IB) 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 duty 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. Based on a duly substantiated application, with *prima facie* evidence of likelihood of dumping and injury from imports of subject goods originating in or exported from China PR, filed on behalf of the domestic industry in accordance with Section 9A(5) of the Act, read with Rule 23 of the Rules, the Authority initiated present sunset review investigation *vide* Notification No. 7/12/2025-DGTR dated 26 June 2025 published in the Gazette of India, Extraordinary, to examine whether the expiry of present anti-dumping duty is likely to lead to continuation of recurrence of dumping and injury.

B. PROCEDURE

6. The procedure, as described herein below, has been followed with regard to the investigation:
- a. The Authority, on the basis of sufficient *prima facie* evidence submitted by the applicant, *vide* Notification No.7/12/2025-DGTR dated 26th June 2025 published a public notice in the Gazette of India, Extraordinary, initiating a sunset review investigation of anti-dumping duty on imports of the subject goods from the subject country.
 - b. The Authority forwarded a copy of the public notice along with the questionnaires to the Embassy of the subject country in India, all known exporters, importers and users (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with Rule 6(2) of the AD Rules. They were advised to reply within thirty days from the date of receipt of notice.
 - c. In accordance with Rule 6(3) of the AD Rules, the Authority sent a copy of the non-confidential version of the application to the Embassy of the subject country in India, the known producers, and exporters from the subject country, known importers and users in India, and other interested parties.
 - d. The Authority sent questionnaire to elicit relevant information to the following known exporters/ producers of the subject goods in the subject country in accordance with Rule 6(4) of the AD Rules:
 - i. Changzhou Hjcc New Materials Co.
 - ii. Changzhou Jiabai Chem-Tech Co., Ltd.
 - iii. Hong Kong Cleantech Co., Ltd.
 - iv. Nantong Acetic Acid Chemical Co. Ltd.
 - v. Nantong Tianhong International Trade Co. Ltd.

- vi. Qindo Haaiwan Group Co. Ltd.
- e. In response, only Nantong Acetic Acid Chemical Co., Ltd. (hereinafter referred to as "Nantong"), from China PR filed the exporter's questionnaire response in the prescribed format and made submissions.
- f. The Authority also sent importer's questionnaire to the following known importers/users of product under consideration in India seeking necessary information in accordance with Rule 6(4) of the Anti-Dumping Rules:
 - i. Colourtex Industries Ltd.
 - ii. Deccan Fine Chemicals (India)
 - iii. K. Uttamlal & Company
 - iv. Miles Tradexim Pvt. Ltd.
 - v. Nutan Dye Chem
 - vi. Paarichem Resources LLP
 - vii. Prima Chemicals, Polygon Chemicals
 - viii. R Nandlal & Sons
 - ix. RR Innovative Pvt. Ltd.
 - x. Sanjay Chemicals (India) Pvt. Ltd.
 - xi. Shakti Ammonia Supply Co.
 - xii. Spectrum Dyes & Chemicals Pvt. Ltd.
- g. None of the importers/users have filed a response to questionnaire, nor have they filed any other submissions, in response to the Initiation notification.
- h. The Authority issued an economic interest questionnaire (EIQ) to all interested parties and the concerned administrative line ministry. Response to economic interest questionnaire was filed only by the domestic industry. No other interested party filed the economic interest questionnaire response.
- i. A list of parties who requested to be registered as interested parties in response to the initiation notification was uploaded on the DGTR website along with the request therein to all of them to forward the non-confidential version of their submissions to all the other interested parties not later than the next day from the date of submission of the confidential version to the Authority.
- j. The information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of such claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide sufficient nonconfidential version of the information filed on a confidential basis.
- k. The Authority considered the period of investigation (POI) as 1st January 2024 to 31st December 2024 (a period of 12 months). The injury investigation period covers the periods 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023 and 1st April 2023 to 31st March 2024 and the POI.
- l. A request was made to the Directorate General for Systems and Data Management (DG Systems) for transaction-wise import data of the subject goods for the injury period. The

Authority received the data and has relied upon this data for the necessary analysis in this Final Finding.

- m. Verification of the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation.
- n. The Authority determined the non-injurious price (NIP) based on the optimum cost of production and the cost to produce and sell the domestic like article in India, based on the information furnished by the applicant and having regard to the Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules, to ascertain whether the present anti-dumping duty is sufficient to remove injury to the domestic industry.
- o. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their submissions orally in the oral hearing held on 8th October 2025 in hybrid mode. The interested parties were requested to submit their written submissions by 15th October 2025 and rejoinder submissions by 24th October 2025.
- p. Due to change in the Designated Authority, a fresh oral hearing was held on 10th December 2025 in hybrid mode. The interested parties were provided the opportunity to file written submissions of the views expressed orally by 17th December 2025, followed by rejoinder submissions, if any, by 24th December 2025.
- q. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government to all interested parties on 17th February 2026. The Authority has examined all the post-disclosure comments made by the interested parties in these final findings to the extent relevant. Any submission which was merely a reproduction of the previous submission, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.
- r. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of this Final Finding, to the extent possible and verified the data documents submitted by the domestic industry and the interested parties to the extent considered relevant, practicable and necessary.
- s. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the Final Finding on the basis of the facts available.
- t. ‘***’ in this Final Finding represents the information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- u. The exchange rate for the POI for conversion of USD to Indian Rupees is 1US\$ - Rs. 84.55.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of the other interested parties

7. No submissions have been made regarding scope of the PUC and like article by the other interested parties.

C.2 Views of the domestic industry

8. The domestic industry has made the following submissions with regard to the scope of the product under consideration and like article:
- a. The product under consideration is Methyl Acetoacetate (MAA) originating in or exported from China PR, as defined by the Authority in the original investigation.
 - b. The PUC is covered under Customs Tariff sub-heading 29183040. As established in the previous investigation, it is also imported under other codes including 29146990, 29153910, 29153940, 29153990, 29183090, 29331990, 29410090, and 29189900. In the present injury period, subject goods have been imported under codes 29183040, 29183090 and 29189990. Therefore, the customs classification is only indicative.
 - c. The Authority is requested to include all the codes considered within the purview of the previous investigation, while also explicitly specifying codes 29183090 and 29189990 in the duty table.
 - d. There is no known significant difference in subject goods produced by the domestic industry and exported from the subject country. Subject goods produced by the Indian industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing and distribution & marketing.
 - e. The Designated Authority has determined in all past investigations that the product produced by the domestic industry is like article to the imported material.

C.3 Examination by the Authority

9. 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. No significant developments have taken place in the scope of the product under consideration over the period. Further, none of the other interested parties have advanced any argument with regard to the scope of the product under consideration and like article. The product under consideration as defined in the original investigating is reproduced hereunder: -

“The product under consideration in the represent petition is Methyl Acetoacetate. Methyl Acetoacetate (also known his MAA/MAAE/AAME) is a Diketene based Ester or aceto-acetate. The chemical Formula of MAA is C5H8O3 and at 99% purity, it is a clear liquid with a colourless appearance.”

10. The scope of the product under consideration remains the same as defined in the original investigation.
11. The product under consideration is classified in Chapter 29 of the Customs Tariff Act under the subheading 29183040 as “Methyl Acetoacetate”. However, the applicant has submitted that in present injury period, the subject goods have been imported under the codes 29183040,

29183090 and 29189990. The DG Systems data also shows imports under these three codes during the injury period. Therefore, the customs classification is indicative only and is in no way binding on the scope of the investigation.

12. The Authority notes that the product produced by the applicant is comparable to the imported goods from the subject country in terms of chemical characteristics, product specifications, technical specifications, manufacturing process, and technology, functions and uses, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially interchangeable. Accordingly, the Authority notes that the product produced by the applicant is 'like article' to the product under consideration imported from the subject country in terms of Rule 2(d) of the Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY AND STANDING

D.1 Views of the other interested party

13. No submissions have been made regarding the scope of the domestic industry and its standing by the other interested parties.

D.2 Views of the domestic industry

14. Following submissions have been made by the domestic industry with regards to scope and standing of the domestic industry:
 - a. The applicant was the sole producer of the subject goods in India in the previous investigations. However, considering the improvement in the applicant's performance and the conducive environment created due to the duties in place, Jubilant Ingrevia Limited established capacity and entered the market as a new manufacturer of the subject goods in India in February 2022.
 - b. Jubilant Ingrevia Limited has supported the application and the continuation of duties. The company has furnished a support letter along with its injury information.
 - c. Production by the applicant constitutes "a major proportion" of total domestic production.
 - d. The Applicant has not imported the subject goods, nor is it related to any producer or exporter of the subject goods in China PR. The applicant is also not related to any importer in India.
 - e. The Applicant constitutes eligible domestic industry within the meaning of Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

D.3 Examination by the Authority

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

“(h) “domestic industry ” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or these whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are referred 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”.

16. The Authority notes that the present application has been filed by M/s Laxmi Organics Industries Limited. The applicant was the sole producer in past investigations. It is noted that one other producer of the subject goods i.e. Jubilant Ingrevia Limited (hereinafter referred to also as “Jubilant”), has established capacity and entered the market as a new manufacturer of the subject goods in India during the injury period i.e., in 2021-2022 (in Feb 2022). Further, Jubilant has supported the application and the imposition of duties. It has also submitted summary information on its performance during the injury period. It is seen that the production by the applicant constitutes ***% of total Indian production, thus the production by the applicant constitutes “a major proportion” of total Indian production.

SN	Particular	Quantity (MT)	Share (%)
1	Production by Applicant	***	***%
2	Production by Jubilant	***	***%
3	Total Indian production	***	100%

17. M/s Laxmi Organics Industries Limited has certified that it has neither imported the subject goods from the subject country nor is related to any exporter or producer of subject goods in the subject country or an importer of the product under consideration in India. The Authority has examined DG System’s transaction-wise data and found that the applicant has not imported the product under consideration from the subject country.
18. In view of the above, the Authority holds that the Applicant constitutes eligible “domestic industry” within the meaning of Rule 2(b) of the AD Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

E. CONFIDENTIALITY

E.1 Views of the other interested parties

19. The following submissions have been made by the other interested parties with respect to confidentiality:
- a. The applicant has relied on a market report without providing its non-confidential version or a summary of its contents. No justification has been provided for this omission. Reliance is placed on CESTAT’s decision in *All India Laminated Fabrics Manufacturers Association v. Designated Authority*.

- b. The source of the market report remains undisclosed, casting doubt on its credibility.
- c. No reliance can be made by the Authority on the applicant's statements on investing 750 crores on the subject goods without evidence. The same may be sought.
- d. The claim of investment lacks credibility as the figures presented are inconsistent. Applicant claimed ₹750 crores during the first oral hearing and ₹710 crores in the second oral hearing.
- e. As regards confidentiality over list of shareholders and list of supporting documents provided, the same does not hamper the investigation.
- f. As regards confidentiality over channel of distribution, the specific details are provided in Appendices 3A and 4A which are completely confidential. However, it is disclosed that Nantong has sold directly to unrelated customers in India and China.
- g. As regards supplementary questionnaire to receive market economy treatment, the same has not been filed by Nantong.

E.2 Views of the domestic industry

20. The following submissions have been made by the domestic industry with respect to confidentiality:
- a. The exporter has claimed excessive confidentiality over the name of its shareholders and financial statements even though the company is listed on Shanghai Stock Exchange.
 - b. Name of primary raw materials and channel of distribution has been claimed confidential without providing any justification.
 - c. Questionnaire requires exporter to provide documents pertaining to its sales. While the documents may be confidential, there can be nothing confidential about the name of documents which have been claimed confidential.
 - d. The kind of adjustments made to normal value and export price have been unduly claimed confidential by the exporter.
 - e. A meaningful summary of Appendix 1 has not been provided. It does not clearly show trends in properly indexed format.
 - f. Response to questions regarding exporter's capacity, production, inventories, exports in Part II of the questionnaire concerning sunset review have been completely claimed confidential without providing a reasonable summary.
 - g. Chinese producers rebutting non-market economy presumption are required to file a supplementary questionnaire. The exporter has provided details of domestic sales and requested that the same may be used to determine normal value. The domestic industry has not received a non-confidential version of response to supplementary questionnaire, if it has been filed.
 - h. The exporter's objection on confidentiality is time-barred and untenable. The Authority has given specific time limits to the interested parties to comments on confidentiality. If some parties fail to adhere to such directions, the Authority should not accept their time barred submissions. made which are already.
 - i. As regards confidentiality claimed over the market report, the applicant fully complied with Rule 7. The name of the market report was disclosed in the application; the source of the

report was identified in the written submissions; and all information derived from the report was included in the non-confidential version of the application. The Applicant claimed confidentiality over the report itself since it has been procured through third party, and the applicant is not authorized to publicly disclose the document. Due justification for confidentiality claimed was provided by the applicant.

E.3 Examination by the Authority

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

“Confidential Information:

(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any Other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such Information shall be disclosed to any other party without specific authorization of the party providing such information.

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

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

22. The information provided by the interested parties on a confidential basis was examined with regards to sufficiency of such claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, the parties providing information on a confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.
23. The Authority *vide* para 32 of the initiation notification, directed interested parties to offer their comments on issues regarding confidentiality claimed within 7 days of receiving the non-confidential version of any submission.
24. The domestic industry contended that the exporter has claimed undue confidentiality over its

financial statements and list of its shareholders despite being a listed entity and such information being available in public domain. The domestic industry also argued that the exporter has claimed the names of major raw materials confidential despite such information being available in its annual report which is a published document. It has further been argued that the exporter claimed undue confidentiality over its channel of distribution even though such information can be inferred from the exporter's response itself. The Authority notes in response to the domestic industry's comments on confidentiality, the exporter vide letter dated 5th September 2025, submitted a list of its top 10 shareholders, financial statements, key raw materials viz., diketene and methanol, and channel of distribution.

25. The domestic industry also argued that while the absolute figures may be confidential, but the kind of adjustment made to normal value and export price claimed per se cannot be claimed as confidential. It is seen that in response, the exporter has disclosed that it claimed adjustment of ocean freight, insurance, inland transportation, credit cost and bank charges in Appendix 3A.
26. It was pointed out by the domestic industry that the exporter did not furnish a meaningful summary of information on its performance parameters and relevant questions in Part II of the questionnaire concerning sunset review. However, it is seen that while the response of the exporter did not contain a meaningful summary, the same was subsequently provided in duly indexed form by the exporter. The domestic industry thereafter submitted its comments on the performance of the exporter based on such non-confidential summary.
27. As regards the domestic industry's query regarding non-receipt of a non-confidential version of the exporter's response to supplementary questionnaire requesting market economy treatment, the Authority notes that the exporter has clarified that it has not filed the supplementary questionnaire and hence, the same was not shared with the domestic industry. However, the exporter submitted the without prejudice, it claims market economy treatment based on the response submitted. The details of submissions made in this regard have been recorded by the Authority in the relevant section of this Final Finding.
28. The exporter raised concerns about the confidentiality claimed by the exporter over the market report relied on by the domestic industry. It has been submitted that the domestic industry has, without any justification, neither submitted a non-confidential of the cited market report nor offered a summary of its contents. The domestic industry, relying on the decisions in US — Hot-Rolled Steel, Panel on US — Corrosion-Resistant Steel Sunset Review and Appellate Body report on US — Oil Country Tubular Goods Sunset Reviews, has submitted that such claim on confidentiality has been submitted much after the deadline to file confidentiality comment and is thus time barred and untenable. While the Authority notes that the submission is time-barred, having regard to the significance of the argument put forth, the Authority has nevertheless addressed the exporter's submissions.
29. It is seen that the domestic industry disclosed the name of the market report i.e., "*Methyl Acetoacetate Market in China: Investment Feasibility Assessment Report 2025-2030*" at para 113 of the application. No confidentiality was claimed over the name of the report in the non-

confidential version of the application. Further, taking note of the objection raised by the exporter, the domestic industry disclosed the source of the report i.e., VynZ Research, at para 77 of its written submissions dated 15th October 2025. The domestic industry clarified that all information derived/ extracted or relied upon from the said report was included in the non-confidential version of the application. Thus, information considered from the market research report has been disclosed. It is noted that the Authority has also considered reports by VynZ Research in other past investigations including sunset review investigation of countervailing duty on imports of atrazine from China PR and sunset review investigation of anti-dumping duty on CPVC – whether or not further processed into compound from China PR and Korea RP.

30. As regards the reliance placed by the exporter on All India Laminated Fabrics Manufacturers Association v. Designated Authority where the CESTAT ordered for withdrawal of duty, holding that the report could not be taken into consideration due to its reliability and authenticity being suspicious, the Authority takes note of the domestic industry's submission that the reference made is misplaced. While in the case referred by the exporter, the domestic industry had relied on a report but did not disclose the author, source, and data source, the domestic industry in the present case has identified the name of the report i.e., "*Methyl Acetoacetate Market in China: Investment Feasibility Assessment Report 2025-2030*", its source i.e., "VynZ Research" and has placed on record sufficient general summary of all data relied on that was derived from the report. Hence, the exporter's right to defense has not been breached.
31. As regards the argument of lack of due justification for claiming confidentiality over the market report, the Authority notes that since the report has been procured by the domestic industry through third party, it is not authorized to publicly disclose the document. Due justification has been provided by the domestic industry for claiming such confidentiality over the report in the application.
32. The exporter has argued that there is lack of inconsistency between the investment claims of the domestic industry. With regard to the investment claims, it is noted that the domestic industry has submitted through its written submissions that it has received an approval of capital expenditure of Rs. 710 Crores and is in the process of seeking further approvals.
33. It has been submitted by the exporter that no reliance can be made on applicant's statements regarding investing further on the subject goods and requested the Authority to seek evidence for the same. The domestic industry, through its subsequent submissions, placed on record a public disclosure made by it regarding approval of a capital expenditure of Rs. 710 Crores for setting up a new manufacturing site at Dahej, Gujarat where methyl acetoacetate is one of the products proposed to be manufactured. The domestic industry also provided a copy of the environment clearance received by it for the said manufacturing site. It is seen from the environment clearance that the subject goods are one of the products proposed to be manufactured at the said site. Additionally, the domestic industry clarified that it is in the process of seeking approval from the Board for adding additional investment.

F. MISCELLANEOUS SUBMISSIONS**F.1 Views of the other interested parties**

34. The following miscellaneous submissions have been made by the other interested parties:
- a. The Applicant's request for sampling of exporters is unnecessary and unreasonable as there is only one participating exporter.
 - b. Termination of duty is the norm while continuation is an exception. There do not exist any exceptional circumstances calling for continuation of duty. The duties have been in force for 9 years, Jubilant has entered the market, imports from Switzerland have increased.
 - c. Taking 21-22 as the base year and comparing it with successive years will show manipulated analysis of injury as demand in base year was high due to Covid.
 - d. The applicant has claimed bracketing was missing in the non-confidential version of Jubilant's injury information and the same has been corrected. There is possibility of manipulation of data. The Authority is requested to call for evidence.
 - e. The applicant wouldn't commit investment if it was impacted by subject imports. Investment is a strategic move for extending the duties.

F.2 Views of the domestic industry

35. The following miscellaneous submissions have been made by the other interested parties:
- a. The applicant inadvertently omitted the negative sign or brackets while presenting Jubilant's performance parameters indicating profitability. The revised injury information was circulated with the written submissions.
 - b. As regards, termination of duties being the norm, Rule 23(1B) provides that duty shall cease unless its expiry is likely to lead to continuation or recurrence of dumping and injury. Information on record sufficiently demonstrates the existence of such likelihood and establishes that dumping has continued, injuring the domestic industry.
 - c. As regards the duration of duties, the WTO Agreement mandates that duty shall remain in force as long and to the extent necessary. The law only requires the Authority to assess the need for extension of the measures as required. The duties may remain in force for a period more than or less than five-years. The law does not mention an upper limit. WTO member countries have kept duties for much longer period than the present duration.

F.3 Examination by the Authority

36. While the domestic industry requested for sampling keeping in view the large number of producers in the subject country, since only one exporter has registered itself as an interested party in the present investigation, the Authority has not resorted to sampling.
37. As regards the contention of the exporter that termination of duty is the norm, the Authority

notes that Rule 23(1B) of the AD Rules provides that “... *any definitive anti-dumping 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.*” Thus, when there is evidence of expiry of the anti-dumping duty likely to lead to continuation or recurrence of dumping and injury to the domestic industry, then such duties are required to be extended. Similarly, as regards the contention regarding the duration of duties, the Authority notes that the AD Rules do not provide an upper limit on the duration of duties. The very purpose of the present sunset investigation is to examine whether the cessation of duty would be likely to result in continuation or recurrence of dumping and injury. Accordingly, the Authority has noted information relating to dumping and injury under the relevant sections of this Final Finding.

38. The exporter has raised concerns about the appropriateness of considering 2021 – 2022 as the base year on the ground that demand during this period was impacted by Covid-19. In this regard, the Authority notes that, having regard to the timelines applicable to a sunset review investigation, the domestic industry filed an application proposing January 2024 – December 2024 as the POI, which was found appropriate by the Authority. Accordingly, the injury period considered was 2021-22, 2022-23, 2023-24 and the POI. The Authority further notes that Trade Notice 02/2004 requires that an application should invariably contain information and data relating to the proposed POI and previous three financial years. In view of the said requirement, exclusion of 2021 – 2022 from the injury investigation period was not feasible. As regards the exporter’s contention that comparison with the base year would reflect manipulated analysis of injury, the Authority has examined the interested parties’ submissions on injury under the relevant section of this Final Finding where due caution has been undertaken to examine the performance of the domestic industry in the POI.
39. The domestic industry clarified in its written submissions, filed pursuant to the first hearing, that it inadvertently omitted brackets while presenting the non-confidential version of Jubilant’s performance parameters and consequently indicated profits. It is seen that the domestic industry while giving such clarification, revised the non-confidential version of Jubilant’s injury information and duly circulated the same with the other interested parties. It is noted that Jubilant while providing its support letter also shared information on its actual performance with the domestic industry. Confidential version of the same was placed on record by the domestic industry. A perusal of the confidential version of the injury information that the producer had, in fact, reflected losses. Further, to examine the veracity of the information placed on record and addressing the alleged inconsistencies in Jubilant’s performance, the Authority sought relevant backup information from Jubilant for verification. The verified information from Jubilant indicates that, during the injury period, the producer’s sales realizations were below its cost of production, resulting in losses. In light of the foregoing, the Authority holds that there is no basis to conclude that the injury data relating to Jubilant has been manipulated by the domestic industry.

40. The exporter has argued that further investment by the domestic industry is a strategic move to extend duties. In this regard, the domestic industry has submitted that the imposition of duties enabled stabilization of the market, reversal of losses, and reasonable profitability, which in turn also facilitated entry of a new producer and further investment. The Authority notes that the argument made by the exporter is a mere statement and no evidence has been submitted to prove that an investment of this scale was merely a strategic move to influence the continuation of duties.

G. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Views of the other interested parties

41. The following submissions have been made by the other interested parties with regard to the normal value, export price and dumping margin:
- a. Nantong Acetic Acid is a listed company in China PR. It makes its production, sales, procurement decisions based on market principles, determined by demand-supply relationships and is free from any non-market intervention. The company operates with higher degree of transparency, governance compliance, and openness, distinguishing it from non-listed companies.
 - b. The Authority is requested to grant the company market economy status for the purpose of determining normal value. Denying market economy treatment, despite the fulfilment of the prescribed criteria, would be unjust and contrary to the interests of Nantong considering major imports from China is made by Nantong itself.
 - c. To establish a fair ex-factory comparison between normal value and export price, the exporter has claimed adjustments on account of inland freight and credit costs in case of domestic sales and ocean freight, insurance, inland freight, credit costs, and bank charges in case of export sales.
 - d. There is no irrecoverable VAT amount for price adjustment.
 - e. The applicant has asked to verify contradictory claims made before the Chinese and Indian customs authority by the exporter. Such requests are too far-fetched. Further, completeness test with respect to all operations of the company is uncalled for. The exporter has no intention of manipulating data.
 - f. Given the fact that exporter is the only responding party with majority exports to India, Nantong's data should be considered for calculation of normal value, export price and dumping margin.
 - g. The Authority is requested to continue the previous duty if at all there is positive determination of continuation of the duty.
 - h. Volume of subject imports should be assessed over the current injury period to determine whether dumping has occurred.

G.2. Views of the domestic industry

42. The following submissions have been made by the domestic industry with regard to the normal value, export price and dumping margin:
- a. China should be treated as non-market economy. Its domestic prices and cost cannot be considered unless the exporter demonstrates that costs and domestic prices are appropriate and reasonable reflect the costs and price of the PUC. Normal value for China PR has to be determined in terms of para 7 of Annexure I of the Rules.
 - b. To estimate normal value, attempts were made to get evidence of price prevailing in market economy third countries, however, no published information was found. Attempts were made to construct normal value in market economy third country but could not be done due to lack of information. Imports from third country to any other country could not be considered as the product does not have a dedicated customs classification globally. Further, imports from other countries to India could not be considered as, apart from the China, imports are from Switzerland, which are also at dumped prices and subject to a parallel investigation. Further, price paid in India is impacted by dumping. Therefore, normal value has been estimated based on price payable in India considering the cost of production in India, including selling, general, administrative expenses and a reasonable profit.
 - c. Nantong has provided details of domestic sales and requested Authority to use the same for normal value determination. However, since the exporter has not filed a response to the market economy treatment questionnaire, Authority should determine normal value as per Para 7 of Annexure I to the Rules.
 - d. Ex-factory export price has been estimated based on volume and value of imports as per secondary source data. Adjustment on account of ocean freight, marine insurance, port expenses, bank charges, and inland freight expenses have been made.
 - e. Authority is requested to examine if the exporter has reported all the expenses incurred by them in exporting the product. Price adjustments must be made for all factors which affect price comparability between normal value and export price.
 - f. Previously, the Authority adjusted for VAT differences which has not been reported as a price adjustment recently. The Authority should make necessary price adjustments to ensure comparability between normal value and export price.
 - g. The Authority is requested to verify export volumes and values reported by the exporter against data from DGCI&S and DG Systems, reject questionnaire response and use facts available when claims don't match Indian customs data, and examine – invoices submitted to Chinese and Indian customs authorities, accounting invoices used to report income and expense, payment proof, including bank statements and party account records. The response should be rejected if an exporter reports conflicting prices to Chinese and Indian customs, and if exporters fail to provide sufficient proof of payment from Indian buyers.
 - h. Excel files alone are not sufficient evidence of adjustments. To establish accuracy and adequacy, they must be supported by relevant documents. The Authority should direct exporters to furnish necessary information with evidence.
 - i. The Authority is requested to conduct a completeness test of the exporter's EQR, covering

- all company operations and those specifically related to the PUC.
- j. Being listed does not establish that a company operates under market-economy conditions. Listing on a stock exchange does not, by itself, remove state influence or control, nor does it demonstrate that prices, costs, and financial decisions are determined solely by market forces.
 - k. An analysis of the exporter's annual report indicates that at least 19% of its shareholding is held by state-owned entities, which further evidence state participation and potential influence in its management and operations.
 - l. Nantong had participated in the previous investigations on the subject goods as well but did not seek market-economy treatment, nor was it ever granted such treatment. It has also not demonstrated any change in circumstances which now justifies it being granted market-economy treatment.
 - m. The volume of exports made by the exporter is immaterial to the determination of market economy treatment.
 - n. As regards Nantong not dumping in India, the margins may be determined by the Authority. As per the applicant's estimates the margins are significant. Hence, it is not true that the exporter is not indulging in dumping.

G.3. Examination by the Authority

a. Normal value

43. Under Section 9A (1)(c), normal value in relation to an article means:
 - i. *The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
 - ii. *When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*
 - a. *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country ds determined in accordance with the rules made under sub-section (6); or*
 - b. *the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*
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 trans-shipped 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.

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

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

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

- (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
- (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*
- (iii) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*
- (iv) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*
- (v) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

45. The Authority notes that while the provisions of Article 15 (a)(ii) of China PR's Accession Protocol have expired with effect from 11th December 2016. However, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with obligation under 15(a)(i) of the Accession Protocol require criterion stipulated in Para 8 of the Annexure I of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming market economy status.
46. At the stage of initiation, the Authority constructed the normal value for China PR based on best estimates of the cost of production of the domestic industry after duly adjusting the selling, general and administrative expenses and profits. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information.
47. The Authority notes the following provisions under Para 7 and Para 8 of Annexure-I to the Rules with regard to the determination of normal value for producers in China PR

"7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duty 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 the selection. Account shall also be taken within time limits; there appropriate, of the investigation if any made in a similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without 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 respect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the 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.

48. 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.
49. Nantong Acetic Acid, a producer in China, registered itself in the present investigation and filed a response to the exporters' questionnaire. The exporter has submitted that it meets the criteria for market economy treatment as it is a listed entity, its business decisions are driven by demand-supply dynamics, there is no significant state interference, and its operations align with international standards of corporate governance. Accordingly, the exporter has requested that it may be granted market economy treatment for the purpose of this investigation. However, while the exporter was well aware that it was required to submit a Market Economy Questionnaire, it has admittedly not filed supplementary questionnaire response to rebut the presumptions as mentioned in para 8 of Annexure – I of the Rules. Upon domestic industry's submission insisting MET questionnaire, the exporter had simply denied filing of MET questionnaire response without providing any reasons. In this regard, the Authority also notes

the domestic industry's submissions that the mere fact that the company is listed does not establish that it operates under market-economy conditions. It has been pointed out by the domestic industry that the exporter's annual report indicates at least 19% of its shareholding is held by state-owned entities. Further, the exporter also participated in the previous investigations but did not seek market-economy treatment. It has not demonstrated any change in circumstances that would now justify it being granted market-economy treatment. In view of the established practice of the Authority, the exporter's claim of market economy status, in the absence of the required information, is therefore rejected. The Authority considers it appropriate to treat China PR as non-market economy country in the present investigation and proceed with para 7 of Annexure – I of the Rules for determination of normal value in case of China PR.

50. Paragraph 7 stipulates multiple plausible methods for calculating the normal value for producers in non-market economy, including (a) on the basis of price or constructed value in a market economy third country ; (b) price from such a third country to other country, including India; and (c) 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. The Authority notes that the normal value is required to be determined having regard to various sequential alternatives provided under Annexure 7.
51. No information has been provided by the parties for the consideration of the normal value on the basis of the price or constructed value in the market economy third country. Thus, normal value cannot be determined based on price prevailing in market economy third country. Further, the price of imports into other countries could not be considered as the product is being transacted under different codes. As regards imports into India, it is seen that the imports of the subject goods in the POI are entering the country from China PR and Switzerland. While imports from Switzerland constitute 37% of the total imports into India and such imports are subject to a parallel anti-dumping investigation. Thus, imports from market economy third country into other countries, including India, could not be considered for determination of normal value.
52. In the absence of the above information/evidence before the Authority to determine normal value, the Authority has determined normal value for all exporters/producers from China PR based on "any other reasonable basis including the price actually paid or payable in India" as stipulated in para 7 of Annexure – I to the AD Rules, 1995. Hence, normal value has been computed based on the cost of production of the domestic industry, with reasonable addition for selling, general and administrative expenses and profit margin. The normal value so determined is given below in the dumping margin table.

b. Export Price

53. The response filed by the exporter has been examined hereunder:

Nantong Acetic Acid Chemical Co., Ltd

54. The Authority notes that only Nantong Acetic Acid Chemical Co., Ltd. filed a response to the exporter's questionnaire in the present investigation. It is a producer/exporter of the subject goods in China and has exported the product under consideration directly to unrelated customers in India during the POI. It is noted that during the POI, Nantong Acetic Acid Chemical Co., Ltd, China has exported *** MT of subject goods directly.
55. The Authority has examined the details of the exports given in the questionnaire response filed by the producer/exporter. While *** MT of the sales to Indian customers are on CIF basis, the remaining *** are on FOB basis. The exporter has claimed adjustments on account of ocean freight, marine insurance, credit cost, bank charges and inland freight expenses in case of CIF exports and adjustments on account of credit cost, bank charges and inland freight expenses in case of FOB exports. The Authority has taken into consideration the expenses as claimed by the exporter in estimating its export price. The net export price worked out by the Authority is as shown in the Dumping Margin Table below.

Other producers/ exporters in China

56. The export price for all other non-cooperative producers/exporters from China PR has been determined based on facts available in terms of Rule 6(8) of the Rules and the same is mentioned in the Dumping Margin Table below.

c. Dumping Margin

57. The normal value, ex-factory export price and dumping margin determined for the subject country are as follows:

DUMPING MARGIN TABLE

Producer	Normal Value (US\$/MT)	Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin (%)	Dumping Margin (Range)
Nantong Acetic Acid Chemical Co., Ltd.	***	***	***	***	30-40
Others	***	***	***	***	40-50

58. The Authority holds that the dumping margin in the POI is positive, above de-minims and significant.

H. ASSESSMENT OF INJURY

H.1. View of the other interested parties

59. The following submissions have been made by the other interested parties the with regard to injury and causal link:
- a. Demand in base year was high due to Covid. With subsequent decline in demand, Applicant's sales declined.
 - b. There is no volume injury. Volume from subject country has declined. Domestic sales decreased in 20-21 and increased to the level of base year in the POI. The demand was high in base year due to Covid and decreased subsequently. At the same time, sales of applicant increased in the last two years, matching the levels in base year. Further, imports from Switzerland have increased which shows its intention to dump. Even when imports fell, profits of the applicant have decreased.
 - c. There is no price injury. Decrease in domestic selling price is in consonance with cost.
 - d. Price undercutting calculation provided does not include existing duty. Undercutting for Nantong is negative after inclusion of duty.
 - e. Since anti-dumping duties are not applicable under the advance license scheme, imposing such duties on the subject imports would be ineffective. Even if the duties continue, they will not benefit the domestic industry, given that most imports bypass them through this scheme.
 - f. Authority is requested to verify the allocated cost to the PUC as the applicant is a multi-product company, and their cost may overlap with NPUC. Any faulty allocation shall prove extremely detrimental to the interest of Nantong.
 - g. The applicant's capacity has remained same and utilization shot up in POI. However, production quantity of PUC has decreased. Even when utilization increased by 26 points in 23-24, production only increased by 6 points.
 - h. Applicant's market share increased substantially while that of China declined. Jubilant has also been able to get good hold of the market. Further, market share of Switzerland has also increased.
 - i. If the applicant's claim of dumping were true, Jubilant wouldn't have invested and entered the market. Companies typically assess market conditions and potential profitability before entering any industry. The Authority must seek projected profits from Jubilant and compare it with actual performance.
 - j. While profits fell from base year to 23-24, the same increased considerably in the POI. Even when profits dipped prior to POI, the same did not turn into losses except during 23-24. Further, 21-22 profits cannot be relied upon due to applicant earning extraordinary profits during Covid.
 - k. Decline in import prices was not exclusive to the subject imports. The same was a global phenomenon due to the decreasing demand of the PUC which is majorly used in pharmaceuticals given the end of the COVID-19 pandemic.
 - l. Increase in inventory is due to decrease in export and not domestic sales.
 - m. The Applicant has flourished in the market and has received elongated protection.
 - n. The Authority must examine other factors including dip in profit due to decrease in export, impact of Covid in the base year, entry of Jubilant, increase of Switzerland's market share.
 - o. Authority is requested to verify the allocated cost to the PUC as the applicant is a multi-product company, and their cost may overlap with NPUC. Any faulty allocation shall prove

- extremely detrimental to the interest of Nantong.
- p. The applicant is selectively using data from the previous investigation to claim volume-related injury, which is not supported by the data for the current injury period.
 - q. Applicant has provided no evidence against the claim that the subject country has absorbed their duties.
 - r. The domestic industry has acknowledged that it did not fully utilize the benefits of the previous ADD, indicating that any injury it claims to have suffered is largely self-inflicted. Having failed to act when the duty was in place, the Applicant's current attempt to seek an extension appears opportunistic and unfair to exporters.

H.2 Views of the domestic industry

60. The following submissions have been made by the domestic industry with regard to injury and causal link:
- a. Dumped imports continue to cause material injury to the domestic industry, despite duties being in place.
 - b. The demand for subject goods was high in base year, during the COVID-19 pandemic, due to its use in APIs, before returning to normal levels. However, historical trend shows demand has increased by ***% from the original investigation's base year to the present POI. Demand has remained stable compared to the POI of the first sunset review.
 - c. The volume of subject imports, in absolute and relative terms, declined throughout injury period due to commencement of production by Jubilant. Imports constitute 57% of the total imports and ***% of demand.
 - d. Imports constitute a significant portion of total imports. AD Agreement considers a volume of 3% as significant enough to initiate an investigation. The European Commission, for initiation, considers a market share of 1% or more also sufficient.
 - e. Price undercutting was positive throughout the injury period, except in 2022-23. The price gap has widened significantly over the injury period.
 - f. The landed value went even below the cost in 2023-24 and the POI.
 - g. Significant imports are being made under advance authorisation scheme where ADD and basic customs duty is not payable. Such prices are also benchmarking the prices in the domestic market, thereby impacting the selling price of the domestic industry.
 - h. Dumped imports caused price depression in the market. Both costs and domestic selling prices declined, but the decline in selling price was higher than that in cost. Further, there was an even sharper decline in the landed price forcing domestic industry to reduce its price.
 - i. Capacity of domestic industry remained constant, while its production volume showed a decline. Sales volume has increased in the POI as a result of decline in price.
 - j. While China's market share declined, it remains highly significant at ***% and is higher than the ***% share in the last sunset review investigation.
 - k. The domestic industry was profitable when import prices were above cost of production. As imports price declined in 2022-23 and further in 2023-24, profits of the domestic industry turned into losses, with only a marginal recovery in the POI.

- l. The average inventory levels increased significantly, barring a minor decline in 2023-24.
- m. Level of employment declined till 2023-24 and thereafter it remained constant. Salaries and wages also declined throughout the period. Productivity per day fell in line with reduced production.
- n. Growth of the domestic industry has been adversely impacted by the dumped imports, in reference to volume and price parameters.
- o. Imports from subject country account for a significant portion of market. Consequently, domestic industry could not increase its market share.
- p. Imports from the subject country are not only below the selling price offered by the domestic industry but also below the cost of sales which has resulted in decline in profitability to the domestic industry.
- q. The pattern of consumption with regard to the product under consideration has not undergone any change.
- r. The applicant is not suffering injury due to the availability of substitutes.
- s. Technology as well as the production process for producing the PUC has not undergone any significant development.
- t. There is no trade-restrictive practice.
- u. The injury data reflects only the domestic operations of the industry, with any impact from exports excluded.
- v. The price at which duty-free imports are made show the price at which the goods are likely to be imported in the event of cessation of anti-dumping duty.
- w. Duty free imports have an impact on the domestic industry's prices, and its effect has been considered by the Authority in both the past investigations.
- x. The DGTR has recommended imposition or extension of ADD even after finding that significant or entirety of imports were under advance authorization.
- y. Mere existence of negative price undercutting does not imply absence of price injury. The Authority has also recommended duties in several cases where the price undercutting was negative. Between price undercutting and suppression/depression, one of the parameters may be present.
- z. Jubilant has also been able to achieve volumes and get some market by selling at significant losses. The producer has not even reached break-even point.
- aa. As regards the argument that there is absence of volume injury, the applicant's price parameters have deteriorated sharply. Sales have increased at the cost of profitability. Despite duties being in place and fresh capacities coming up in India, subject imports are being dumped and maintain a significant share of the market. The decline in profitability directly correlates with the decline in import price.
- bb. While from the NCV of injury information it may look like there has been a considerable increase in profit in the POI, the applicant sold at prices marginally above cost. The marginal profits of ***% do not signify recovery.
- cc. The exporter's claim that the applicant has "flourished in the market" is contradictory to what the data demonstrates. It is not denied that the duties were effective, and the domestic industry made reasonable profits in the last review investigation. However, in the present investigation, there has been a steep decline in import prices and the domestic industry has started suffering injury.

dd. The applicant's performance continues to be adverse and its position remains vulnerable, justifying continuation of duties.

H.3. Examination by the Authority

61. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "...taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles...". In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.
62. Rule 23 of the Rules provides that the provisions of Rule 6,7,8,9, 10, 11, 16, 18, 19 and 20 shall apply mutatis mutandis in case of a review. In case the performance of the domestic industry shows that it has not suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to continuation or recurrence of injury to the domestic industry.
63. The domestic industry has alleged that it continues to suffer material injury due to dumped subject imports. The Authority has taken note of submissions made by all interested parties and has hereunder examined the injury to the domestic industry in accordance with the Rules.

H.3.1. Volume effect of the dumped imports

a. Assessment of demand/consumption

64. The Authority has defined, for the purpose of the present investigation, demand, or apparent consumption of the subject goods in India as the sum of domestic sales of the domestic industry, domestic sales of the other domestic producer and imports from all sources. The demand for the PUC is as follows.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Imports from China PR	MT	7,228	5,569	4,022	2,045
Imports from Switzerland	MT	174	0	600	1,220
Imports from other countries	MT	613	112	0	0
Sales of domestic industry	MT	***	***	***	***

	<i>Indexed</i>	100	76	90	100
Sales of other domestic producer	MT	***	***	***	***
	<i>Indexed</i>	100	581	760	954
Demand/Consumption	MT	***	***	***	***
	<i>Indexed</i>	100	86	87	85

65. It is seen that the demand for the subject goods has declined in 22-23 and largely remained the same in 23-24 and the POI. The demand has declined by 15% over the injury period. The interested parties have argued that the demand was significantly high in the base year having the impact of COVID period as the product is used in pharmaceutical sector also.

b. Imports in absolute and relative terms

66. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or in relation to production or consumption in India. For the purpose of the injury analysis, the Authority has relied upon the transaction-wise data procured from DG Systems. The information on volume of imports in absolute terms and relative terms over the injury period and in the period of investigation is as below.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Imports from China PR	MT	7,228	5,569	4,022	2,045
Imports from Switzerland	MT	174	0	600	1,220
Imports from other countries	MT	613	112	0	0
Total Imports	MT	8,015	5,681	4,622	3,265
Indian Production	MT	***	***	***	***
	<i>Indexed</i>	100	90	108	123
Subject imports in relation to Indian production	%	***	***	***	***
	<i>Indexed</i>	100	85	52	23
Indian Consumption	MT	***	***	***	***
	<i>Indexed</i>	100	86	87	85
Subject imports in relation to Indian consumption	%	***	***	***	***
	<i>Indexed</i>	100	89	63	33
Subject imports in relation to total imports	MT	90%	98%	87%	63%

67. It is seen that the volume of imports from the subject country were at very high level in 2021-22 and have declined thereafter. While there has been a decline in subject imports in relative terms, the same continue to remain significant. Imports from Switzerland have increased and are subject to a parallel anti-dumping investigation.

H.3.2 Price effect of dumped imports

68. 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

69. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the subject imports during the injury period. Analysis of the landed value of imports and prices of the domestic industry shows as follows.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Landed value of imports	INR/ MT	1,88,545	1,45,317	1,12,116	1,05,158
Net sales realization	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	75	65	60
Price undercutting	INR/ MT	***	***	***	***
	%	***	***	***	***
	% Range	0-10%	0-10%	10-20%	10-20%

70. It is seen that the landed value of imports is lower than the net sales realization of the domestic industry throughout the injury period. The price undercutting has been positive throughout.

71. It has been submitted by the domestic industry that a significant volume of the subject imports is entering the country under advance authorization scheme where no anti-dumping duty or basic customs duty is payable. The exporter has contended that since duties are not applicable under the advance license scheme, even if duties continue, they will not benefit the domestic industry. The Authority notes the submissions of the domestic industry in this regard that imports under duty exemption schemes have the effect of benchmarking the prices in the domestic market. It has also been submitted that the price at which duty-free imports are made during the POI, which are undercutting the domestic prices, show the price at which the goods are likely to be imported in the event of cessation of anti-dumping duty.

b. Price suppression or depression

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

Particulars	Unit	2021-22	2022-23	2023-24	POI
Cost of production	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	85	74	68
Net sales realization	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	75	65	60
Landed value of imports	INR/ MT	1,88,545	1,45,317	1,12,116	1,05,158
	<i>Indexed</i>	100	77	59	56

73. It is seen that cost of sales and selling price of the domestic industry have declined throughout the injury period. The exporter argued that domestic industry's selling price moved in consonance with cost. It is seen that while the cost declined by 32% over the injury period, the selling price of the domestic industry declined by 40%. However, the decline in the landed value of subject imports has been significantly higher than both the decline in cost and price of the domestic industry. The landed value of subject imports declined by 44% over the injury period. Landed price of imports declined below the level of cost since 2022-23 forcing the domestic industry to also lower its selling price significantly, indicating that the selling price has followed the movement of landed price of imports.
74. With respect to the decline in import price, the exporter submitted that such decline was a global phenomenon due to the decreased demand after COVID-19. However, it is seen that the landed value of imports has registered a year-on-year decline. Not only has the landed value declined since the base year, the same has also registered a decline of 28% even in comparison to 22-23. The domestic industry has submitted that it was forced to reduce its selling price beyond the decline in cost to maintain sales volumes. It has been submitted that due to the landed price of imports remaining below the selling price and the cost of sales since 2022-23, downward pressure was exerted on the domestic prices. The domestic industry was forced to decrease its selling price. The Authority holds that imports have had a depressing and suppressing effect on the domestic industry prices.

H.3.3 Consequent impact on economic parameters of the domestic industry

75. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the Rules further 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. Accordingly, the various injury parameters relating to the domestic industry are discussed herein below.

a. Capacity, production, capacity utilization and domestic sales

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

Particulars	Unit	2021-22	2022-23	2023-24	POI
Installed capacity	MT	***	***	***	***
	<i>Indexed</i>	100	100	100	100
Total Production (PUC + NPUC)	MT	***	***	***	***
	<i>Indexed</i>	100	81	86	112
Capacity Utilization (PUC + NPUC)	%	***	***	***	***
	<i>Indexed</i>	100	81	86	112
Production of PUC	MT	***	***	***	***
	<i>Indexed</i>	100	64	71	77
Domestic sales	MT	***	***	***	***
	<i>Indexed</i>	100	76	90	100
Export sales	MT	***	***	***	***
	<i>Indexed</i>	100	51	26	26

77. It is seen that the capacity of the domestic industry has remained the same throughout the injury period. However, the volume of production of the subject goods by the domestic industry has declined over the injury period. The sales volumes of the domestic industry declined in 22-23 and increased thereafter. However, it is seen that the increase in sales volumes was achieved at the cost of suffering losses in 23-24 and earning negligible profits in the POI.
78. It has been argued that while the capacity remained same and utilization increased in the POI, the production quantity has declined. In this regard, it is seen that the applicant has reported a combined capacity for subject and non-subject goods. Accordingly, it also reported a combined production volume and the corresponding capacity utilization reflecting the same trend. However, the information on production of the subject goods followed the movement reported for domestic sales and has declined over the injury period with some increase in the POI.

b. Market Share in Demand

79. The market share of the subject imports and the domestic industry over the entire injury period was as follows:

Particulars	Unit	2021-22	2022-23	2023-24	POI
Domestic industry	%	***	***	***	***
	<i>Indexed</i>	100	89	103	118
Other Indian producer	%	***	***	***	***
	<i>Indexed</i>	100	676	875	1,127
Subject imports	%	***	***	***	***

	<i>Indexed</i>	100	90	64	33
Imports from Switzerland	%	***	***	***	***
	<i>Indexed</i>	100	0	397	828
Imports from other countries	%	***	***	***	***
	<i>Indexed</i>	100	21	0	0

80. It is seen that the domestic industry's market share declined in 2022-23 and increased thereafter. With Jubilant starting production in the base year, the market share of the Indian industry as a whole has also increased. Imports from the subject country, although declined, still account for a significant portion of the market.

c. Profitability, Cash profits, and Return on Capital Employed

81. The profit, profitability, cash profits, profit before interest (PBIT), and return on investment of the domestic industry over the injury period has been analysed as follows:

Particulars	Unit	2021-22	2022-23	2023-24	POI
Landed value of imports	INR/ MT	1,88,545	1,45,317	1,12,116	1,05,158
Cost of production	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	85	74	68
Net sales realization	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	75	65	60
Profit before tax	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	2	-5	2
Profit before tax	INR lacs	***	***	***	***
	<i>Indexed</i>	100	1	-5	2
Cash profit	INR/ MT	***	***	***	***
	<i>Indexed</i>	100	24	17	20
Cash profit	INR lacs	***	***	***	***
	<i>Indexed</i>	100	18	15	20
Return on Capital Employed	%	***	***	***	***
	<i>Indexed</i>	100	5	3	8

82. It is seen that, as the landed value of imports declined, the domestic industry's profits also declined. Further, as the landed value of imports declined to levels even below cost, the domestic industry was forced to reduce its prices. Consequently, the domestic industry incurred losses in 2023-2024 and earned negligible profits in the period of investigation. Cash profits and the ROI of the domestic industry declined till 23-24 and increased in the POI. However, the performance of the domestic industry in terms of profitability remained adverse in the POI. It is seen that the ROCE of domestic industry was merely ***%.
83. The exporter has argued that profits of the domestic industry did not face losses, except in 23-24, and its profits increased considerably in the POI. While the non-confidential version of the

domestic industry's injury information may reflect a considerable increase in profits in the POI, it is seen from the confidential data that the domestic industry's profits represented even less than ***% of the cost incurred in the POI.

84. It has further been argued that the profits in the base year cannot be relied upon due to extraordinary profit earning during Covid. It is seen that in the base year the landed value of imports was much above the cost of production. Similarly, the selling price of the domestic industry was above cost, and it was earning profits. However, with the entry of Jubilant in the market, there was a steep and consistent decline in landed value of imports. As the landed value fell even below cost, the applicant's selling price also declined.

d. Inventory

85. The data relating to inventory position of the domestic industry over the injury period and POI is given in the table below. It is seen that the average level of inventories with the domestic industry has increased significantly over the injury period. While the demand in the 23-24 and the POI was largely similar, the level of inventories with the domestic industry increased by 84%. It has been argued that the increase in inventory is due to decrease in export sale. However, it is seen that the inventory levels have increased significantly in the POI in comparison to the previous year, despite the domestic industry's export volumes being largely the same. It is noted that the domestic industry, in this regard, has submitted that it is not export oriented and hence, its performance is not materially impacted by exports.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Opening Inventory	MT	***	***	***	***
	<i>Indexed</i>	100	1275	850	1854
Closing Inventory	MT	***	***	***	***
	<i>Indexed</i>	100	67	66	97
Average Inventory	MT	***	***	***	***
	<i>Indexed</i>	100	155	123	225

e. Employment, Wages and Productivity

86. The position with regard to employment, wages and productivity of the domestic industry is as follows. The Authority notes that the number of employees decreased from the base year to 2023-24 and increased in the POI. Consequently, salaries and wages paid also increased in the POI. Productivity levels of the domestic industry have increased.

Particulars	Unit	2021-22	2022-23	2023-24	POI
No. of employees	Nos.	***	***	***	***
	<i>Indexed</i>	100	82	75	90
Salaries and wages	Rs. Lacs	***	***	***	***
	<i>Indexed</i>	100	75	89	104

Productivity per day	MT	***	***	***	***
	<i>Indexed</i>	100	64	71	77
Productivity per employee	MT	***	***	***	***
	<i>Indexed</i>	100	78	96	85

f. Growth

87. It is seen that the price parameters of the domestic industry have registered a negative growth over the injury period.

Particulars	Unit	2022-23	2023-24	POI
Production (MT)	%	-36%	11%	7%
Domestic Sales (MT)	%	-24%	18%	11%
Average Inventory (MT)	%	55%	-21%	84%
PBT (Rs/MT)	%	-98%	-394%	-144%
Cash profits (Rs/MT)	%	-76%	-31%	22%
ROCE	%	-19%	0%	1%

g. The magnitude of dumping margin

88. It is seen that dumping margin from the subject country is not only more than de-minimis but also significant. The Authority holds that there is continued dumping of the subject goods from the subject country.

H.3.4 Conclusion on Injury

89. On the basis of the factors as examined above, the Authority proposes to conclude the following:
- The demand of the subject goods has declined over the injury period but remains largely similar to the demand in the previous investigation.
 - The volume of subject imports has declined over the injury period but have increased since the previous investigation. Subject imports remains significant in absolute terms as well as in relation to Indian production and consumption.
 - Imports are entering at a price below the selling price of the domestic industry and undercutting the domestic prices.
 - The landed price of imports is below even the cost of sales of the domestic industry.
 - The decline in landed value of imports was even higher than the decline in cost and forced the domestic industry to reduce its prices. Subject imports are depressing the domestic prices.
 - Imports account for a significant portion of the market. The market share of imports have increased since the previous investigation.

- g. The sales volumes of the domestic industry increased at the cost of adversely suffering on account of profitability.
- h. With a decline in the landed value of imports over the injury period, the profits of the domestic industry have also declined.
- i. The return on capital employed of the domestic industry is almost negligible in the period of investigation.
- j. The level of inventories with the domestic industry has increased significantly over the injury period.
- k. The domestic industry has faced negative growth in price parameters and adverse growth in terms of volume parameters.
- l. There is continued dumping of the subject goods in India from China. The dumping margin is more than de minimis and significant.

I. NON-ATTRIBUTION ANALYSIS (OTHER FACTORS)

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

a. Volume and price of imports from third countries

91. The exporter has argued that imports from Switzerland have increased which shows its intention to dump. It is seen that, apart from China PR, the imports have entered the country from Switzerland. The volume of imports from Switzerland has have increased over the injury period. Such imports constitute 37% of total imports of the subject goods. While there have been imports from Switzerland in the past investigations as well, the price of such imports declined significantly in the current period. Based on an application filed by the applicant for the imposition of anti-dumping duties, the Authority is conducting a parallel investigation concerning imports of the subject goods from Switzerland.

92. The exporter has submitted that Swiss imports indicate the intent of dumping. The Authority in this regard notes the argument made by the domestic industry that if imports from Switzerland indicate the intent to of dumping, given the import price from China PR is even lower than the import price from Switzerland, there is no doubt that dumped imports are continuing to enter the country from China PR.

93. The Authority holds that the existence of dumping from another country does not negate the continued dumping from China PR.

b. Contraction in demand

94. It is seen that the demand has declined over the injury period. It has been argued by the interested parties that the demand was high in the base year due to Covid-related factors. It is seen that while the demand in the base year was exceptionally high due to the COVID-impacted period, the same stabilised subsequently at levels that were adequate for the domestic industry to achieve reasonable capacity utilisation.

c. Performance of other producers

95. Jubilant entered the market in the base year and has supported the applicant and requested continuation of duties. Jubilant, through its support letter, stated that the anti-dumping measures in place provided it the confidence to invest in the market and start domestic production. While Jubilant's injury information was placed on record through a support letter, the Authority also wrote to the producer seeking information on its performance and certain backup documents to verify such information. It is seen from the Jubilant's injury information that the producer is also selling at significant losses. It is seen that its volumes have increased since it is a new producer selling at prices significantly below cost. The domestic industry has submitted that even Jubilant is struggling on account of influx of dumped imports.

d. Changes in pattern of consumption

96. It is seen that there are no changes in the pattern of consumption for the product under consideration over the injury period that could have caused injury to the domestic industry.

e. Conditions of competition and trade restrictive practices

97. It is seen that there is no evidence of conditions of competition or any trade restrictive practices that are responsible for the claimed injury to the domestic industry.

f. Development in technology

98. No evidence has been brought by any interested parties about existence of significant changes in the technology that could have caused injury to the domestic industry.

g. Export performance of the domestic industry

99. The exporter has stated that any loss or decline in profit is due to decrease in export sales. However, the applicant has stated that while its export performance was substantially high in the base year, when seen historically, its export volumes have remained broadly stable. In any case, it is seen that the injury information examined hereinabove relates, to the extent necessary and appropriate, only to the performance of the domestic industry in terms of its domestic market. Thus, the domestic industry's export performance has not impacted the domestic industry's sales performance.

h. Performance of other products

100. The domestic industry has provided the injury data for the like article and the same has been adopted by the Authority for the purpose of injury analysis. Performance of other products produced and sold by the domestic industry have not been considered. Therefore, the performance of other products produced and sold is not a possible cause of the injury to the domestic industry.

J. CAUSAL LINK BETWEEN DUMPING AND INJURY TO THE DOMESTIC INDUSTRY

101. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry has been caused by the dumped imports:
- a) Imports from the subject country are priced below the domestic industry's cost and price. As a result, the volume of subject imports has remained significant in the market.
 - b) Due to imports undercutting domestic cost and price, the price of the domestic industry is suppressed and depressed.
 - c) Significant undercutting has forced the domestic industry to sell barely above cost in the POI.
 - d) The dumped imports and consequent impact thereof on the price of the domestic industry has adversely impacted the profitability of the domestic industry.
 - e) Subject imports account for a significant share of the market. Consequently, domestic industry is prevented from increasing its market share.
 - f) Growth of the domestic industry is adversely impacted due to continued dumping from the subject country.
102. The Authority, thus, concludes that there exists a causal relation between the dumping of the subject goods and continued injury to the domestic industry.

K. MAGNITUDE OF INJURY MARGIN

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

the Authority is provided in the table below.

INJURY MARGIN TABLE

Producer	Non-injurious price (USD/MT)	Landed value of imports (USD/MT)	Injury Margin (USD/MT)	Injury Margin (%)	Injury Margin (Range)
Nantong Acetic Acid Chemical Co., Ltd.	***	***	***	***	10-20
Others	***	***	***	***	20-30

L. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**L.1. Views of the other interested parties**

105. The other interested parties have made the following submissions with regard to likelihood:
- a. There is no likelihood of injury to the domestic industry if the anti-dumping duty is revoked.
 - b. The applicant has not followed Trade notice 03/2021 and only mentioned excess capacity on an overall basis, not year-wise. The table on export orientation also shows a decline.
 - c. The Authority is requested to consider the data of Nantong, exporter having substantial volume of imports into India and being the only responding exporter, for determining of likelihood.
 - d. Nantong's capacity has been stable. It has no expansion plans. It is functioning on high utilization. There is no chance for the entity to redirect any idle production to export in India.
 - e. Nantong does not indulge in dumping. If it had such intentions, it would divert production to India. The existing export is owing to the fact that the applicant is unable to satisfy the entirety of Indian demand.
 - f. Nantong's exports to third countries and inventory is also minimal. It does not have excess capacity at their disposal to resort to dumping to India or any other country.
 - g. Existence of surplus capacity does not prove possible dumping. Further, the applicant has exaggerated the existence of surplus capacity in China. The applicant has not drawn a link between excess capacity and recurrence of injury.
 - h. Likelihood determination entails analysis of future events. The Authority may direct the domestic industry to submit post-POI data in order to conduct likelihood determination and also provide the interested parties with a copy of the same to comment thereon.
 - i. Nantong is not bound to furnish the data for the subject country as a whole; its obligation is restricted to presenting and submitting truthful data limited to its own operations.
 - j. The Authority cannot wholly rely on the data submitted by the Petitioner with respect to the total and idle capacities in the subject country as the same needs verifiable source to rest on for the sake of reliability.

- k. In United States – Sunset Review of Anti-Dumping Duties on Corrosion-Resistant Carbon Steel Flat Products from Japan, Appellate body held that while country-specific determination of likelihood is not a usual regime, it is certainly not prohibited under Articles 11.3 and 6 of the AD Agreement.
- l. It depends on the discretion of the Authority as the AD Agreement does not explicitly talk about company specific determination of likelihood in a sunset review investigation.
- m. The subject investigation shall be a fit for the Authority to allow a company-specific determination of likelihood as only one producer/exporter, which is Nantong has participated in the subject investigation and all exports to India pertains to them. The decision to do a company specific likelihood determination was upheld by CESTAT in *Abhilasha Tex Chem Pvt. Ltd. and Ors. v. Union of India/DA*.
- n. There is no price attractiveness as the prices of PUC to third countries are better. The decline in exports volume is not temporary. Indian market is not lucrative.
- o. The applicant has at one place stated that exporter's price realization in India is better while at another place they have stated that the same is lower. The Authority may verify all submissions and seek evidence for the same.
- p. Initial imposition had hit Nantong's business, but it gradually moved on from the negative effects. However, exporter accepts that continuation of duty shall negatively affect its export to India.
- q. The applicant mentioned that duties led to decrease in China's overseas sales. Owing to this reason duties should be revoked. Continuation would be disadvantageous to the exporters and provide unjustified and elongated protection to the applicant.

L.2. Views of the domestic industry

106. The domestic industry has made the following submissions with regard to likelihood:
- a. All the likelihood parameters established by the Authority in the previous sunset review remain valid and applicable in the present investigation.
 - b. Enhanced dumping margin and injury margin establishes continued and enhanced dumping from the subject country, which indicates the likelihood of increase in volume of dumped and injurious imports in case of cessation of duty, and justifies extension of the duty.
 - c. As seen historically subject imports in present POI have increased by 53% from the POI of original investigation and by 29% from POI of previous sunset review investigation.
 - d. Despite duties in place and entry of a new domestic producer, China's market share has increased since the last review, holding a significant portion of Indian demand, and dumping continues.
 - e. The subject imports are currently coming 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 significant losses or lose sales volumes and consequently market share.
 - f. A market report "Methyl Acetoacetate Market in China: Investment Feasibility Assessment Report 2025–2030" by Vynz research suggests massive surplus capacity in

- China, far exceeding India's total demand.
- g. Even if the entire domestic demand in China is met through domestic production, the resulting excess capacity amounts to ***% of the total Indian demand. The responding exporter alone has over twice the capacity needed to meet India's entire demand.
 - h. The report also confirms that the duties' effectiveness, noting they have "significantly eroded China's price advantage," severely impacted its export volume to India.
 - i. The fact that duties imposed by India impacted the Chinese exports suggests that India is a key market for such producers.
 - j. The Authority is requested to examine the volume of dumped and injurious exports to third countries that can be diverted to India if duties were removed.
 - k. The exporter has not fulfilled its obligation to provide information about the market data in China, which otherwise can be seen the market report.
 - l. The current injury information confirms the likelihood of continued and intensified dumping and material injury. Import prices undercut domestic selling prices and costs, forcing the domestic industry to match them and adversely impacting its performance. If duties expire, imports are likely to flood the market and aggravate injure the domestic industry.
 - m. From the performance statistics of the exporters it may be seen despite existing duties, the respondent's volume of exports to India increased till 2023 and declined subsequently. The pattern shows that the decline is deliberate to get a favourable result in the present investigation. In case of discontinuation of duties, there is every likelihood of the exporter diverting its volumes back to the Indian market.
 - n. The exporter's claims are inconsistent. It states that duties have affected its export volume to India yet also claims revocation would not significantly change it. This contradiction undermines the credibility of its argument against the likelihood of continued dumping.
 - o. Exporters must establish dumping will not continue or intensify if duties cease.

L.3. Examination by the Authority

107. The present investigation is a sunset review of duties imposed on the imports of the product under consideration from China. 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.
108. 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 Rule, and other relevant factors brought on record by the interested parties. Since there are no specific methodologies available to conduct such a likelihood analysis, guidance has been sought from Clause (vii) of Annexure II of the Rules, which inter alia provides for the following factors to be taken into consideration:
 - 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.

109. The Authority has, inter alia, considered the above requirements and following parameters in order to determine whether dumping is likely to continue 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. Additionally, the Authority has examined all the relevant information brought on record by the domestic industry and the other interested parties.
110. At the foremost, the Authority notes that the exporter has argued that the applicant failed to comply with Trade notice 03/2021. The Authority notes that the Trade Notice 03/2021 requires the applicant to provide information on (a) capacity for PUC in the subject country over the injury period, (b) quantities and prices of exports by exporters in the subject country to third countries, (c) export orientation of exporters in the subject country, and (d) justification as to why the Indian market would be likely destination of exports in case of withdrawal of duties.
111. The Authority notes that the domestic industry provided information on capacities in subject country based on the market report pertaining to the year 2024. However, as the said report did not contain information on the volume and value of exports to third countries from China PR, the same could not be relied upon for that purpose. The domestic industry has further explained that such information was neither available in the public domain nor accessible through global trade databases as they did not provide information for the PUC at an 8- digit level. With respect to export orientation and lucrativeness of the Indian market also, the domestic industry, relied on the market report.
112. On the contrary, the Authority notes that despite the exporter questionnaire specifically seeking information relating to demand, capacity, production, and export orientation in the subject country as a whole, the exporter has not furnished such information. Instead, the exporter has stated that it is not obligated to provide data pertaining to the subject country as a whole and that its obligation is limited to furnishing truthful information confined to its own operations.
113. In view of the above, the Authority holds that the domestic industry has duly discharged its obligation under Trade Notice No. 03/2021. For the purposes of the present likelihood analysis, the Authority has therefore considered the information placed on record by all interested parties. Since the exporter has furnished information limited to its own operations, the Authority, for the present examination, has relied upon the information submitted by the domestic industry in respect of other producers in China PR, while duly considering the information provided by the responding exporter with regard to its own operations.

114. The exporter has argued that the applicant has not provided post-POI data to facilitate an analysis of future events. In this regard, it is first noted that Trade Notice 03/2021 provides that the Authority “may” seek post-POI data subsequent to initiation, wherever warranted. Accordingly, calling for post-POI data is not a mandatory requirement, but a matter of discretion vested with the Authority. In the present case, the Authority did not find it necessary to exercise such discretion, having regard to the facts on record. The data for the POI itself clearly demonstrates that dumping and injury to the domestic industry have continued despite the duties being in force.

a. Imports from subject country

115. The table below shows the information regarding imports from the subject country.

Year	Import volume (MT)	Share in demand (%)*
2010 – 11	1,428	39
2011 – 12	1,601	42
2012 – 13	2,095	48
POI (A) - (Apr'13-Jun'14)	1,579	39
2016 – 17	402	5
2017 – 18	247	3
2018 – 19	2,991	28
POI - (2019 – 20)	1,868	15
2021 – 22	7,228	100
2022 – 23	5,569	90
2023 – 24	4,022	64
POI - (Jan'24-Dec'24)	2,045	33

Source: Final finding issued vide notification no. 14/7/2014-DGAD (2010-11) and 7/40/2020-DGTR (2019-20); present Final Finding (for current injury period)

**Market share information for present IP is indexed*

116. The Authority notes that the volume of imports from the subject country were at very high level in 2021-22 and 2022-23 and have declined throughout the present injury period. The demand was also significantly high having the impact of COVID period as the product is used in pharmaceutical sector also. Imports have thereafter declined. However, the volume of imports remains significant. Further, when seen historically, subject imports in the present POI have increased as compared to the original investigation and last concluded review investigation. Subject imports had declined after imposition of original duty and the market share in the POI of the previous review investigation was 15%. However, the market share of imports from subject country now holds ***% of the share in the POI of the present investigation despite imposition of duties and sufficient capacity with the Indian industry. While the exporter has argued that the exports are owing to the fact that the applicant is unable to satisfy entirety of the Indian demand, it is noted that Jubilant also added capacities in the

base year and has fully entered the market, thereby bridging any demand-supply gap. Despite further capacities being added in the country and duties in place, imports have remained significant in the POI.

b. Imports continue to be made at dumped price

117. The dumping margin determined in the present investigation is higher than the margin previously determined by the Authority in the past investigations. This establishes the behaviour of the exporters to export at dumped price despite imposition of anti-dumping duty.

Dumping margin	Nantong Acetic Acid	Other producers
Original investigation	25-45	40-50
Previous investigation	20-30	30-40
Present investigation	30-40	40-50

c. Significant production capacities with exporters from the subject country

118. The domestic industry has submitted information on the market for the subject goods in China from the report “Methyl Acetoacetate Market in China: Investment Feasibility Assessment Report 2025–2030” by Vynz research. The capacities available with the Chinese producers is huge. Producer-wise capacity is summarized in the table below.

Chinese producers	Annual Capacity (MT)
Qingdao Gulf Fine Chemical Co., Ltd.	45,000
Nantong Acetic Acid Chemical Co., Ltd.	***
Jiangsu Tiancheng Biochemical Products Co., Ltd.	27,100
Guangxi Jinyuan Biochemical Group Co., Ltd.	10,000
Others	27,900
Total Capacity	***

Source – Vynz Research (other producers capacity); Nantong Appendix-1 (Nantong capacity)

119. It is seen that the total capacities available with the Chinese producers is far higher than the Indian demand. China has an installed capacity of *** MT. As against this, the demand in India is *** MT i.e., even less than ***% the capacities with Chinese producers.
120. It has been contended by the exporter that the domestic industry has exaggerated the existence of surplus capacity in China PR and that such data should not be relied upon in the absence of a verifiable source. In this regard, the exporter has also alleged that the annual capacity of Nantong, as reflected in the report relied upon by the domestic industry, is incorrect. Upon examination, it is seen that the domestic industry has submitted that Nantong holds a capacity of 28,000 MT per annum, whereas Nantong itself has stated that its actual capacity is *** MT per annum. Therefore, it cannot be concluded that the domestic industry has exaggerated the capacities in China PR. With respect to the reliability of the source of information, it is noted

that the domestic industry has placed the relevant market report on record as a confidential document. On the other hand, no evidence to the contrary has been furnished by any interested party to rebut or discredit the information contained therein.

d. Freely disposable capacity in the Country

121. The Market research Report has provided the information of capacity and demand prevailing in China. The capacity and demand information from the report shows as follows:

Particulars	Volume (MT)
Chinese capacity	***
Chinese demand	1,09,000
Excess capacity in China	***
Demand in India	***

*Source – Vynz Research (China demand & capacity);
Nantong Appendix-1 (Nantong capacity)*

122. It is seen that the capacities in China PR are far higher than the demand in their country. The excess capacity in itself is more than triple the entire Indian demand.
123. The participating exporter has submitted that it does not have any freely disposable capacity. The Authority notes that the responding exporter is not the sole producer of the subject goods in China PR. There exists substantial capacity in the subject country, which is significantly higher than the domestic demand therein. There are multiple other producers/exporters in China PR who have not participated in the present investigation, and there is no information on record to demonstrate that such non-participating producers do not have freely disposable capacity. Hence, the Authority holds that it cannot ignore that there is surplus capacities in China PR that is likely to be directed towards India in the event of cessation of the duties.

e. Price undercutting in the absence of measures

124. Despite the existence of duties, the subject goods are undercutting the domestic prices. It is noted that the extent of price undercutting is likely to increase in the event of cessation of duties.

f. Imports entering at prices that are likely to suppress or depress the prices of the domestic industry to a significant extent

125. Not only the subject goods priced below the net sales realization of the domestic industry, the same are also below cost of sales. As noted hereinabove, the selling price of the domestic industry declined at a rate higher than the decline in cost of sales. The prices in the domestic market are, therefore, depressed. The Authority holds that such price effect is likely to continue and intensify in the absence of anti-dumping duties.

g. Information from the responding exporter's response

126. During the POI, the majority of imports of the subject goods into India were made by the responding exporter. It has been submitted by the exporter that an individual analysis of its data would show that dumping is not due to Nantong. However, as noted above, it is seen that the dumping margin and injury margin estimated for the exporter are positive and significant.
127. Information made available by the exporter has also been considered to examine the likelihood of dumping and injury. It is seen that the exporter is operating at a capacity utilization of ***% and is majorly selling in the domestic market. Even though exports made by the responding exporter to India constitute a relatively smaller portion of its total sales, such exports were nevertheless significant and constitute ***% of Indian demand. Further, the volume of exports to India is higher (** MT) than cumulative volume of exports to various countries globally (** MT).
128. It is further seen that India accounts for ***% of the exporter's total export sales and were ***% higher in than its export volumes to third countries, indicating India as a favoured export destination. This is despite the exporter's own submission that sales to India were made at lower prices and sales realization from third countries is better.
129. The Authority further notes that, in terms of pricing, the exporter is realizing better prices in its exports to India as compared to its domestic market. This demonstrates that the Indian market is more remunerative vis-à-vis domestic sales and, therefore, remains a price attractive destination for the exporter.

SN	Particulars	UoM	POI
1	Sales volumes	MT	***
	a) Domestic sales	MT	***
	b) Exports to India	MT	***
	c) Exports to third countries	MT	***
2	Exports to India in relation to total exports	%	***
3	Sales Realization from:		
	g) Domestic sales	RMB/MT	***
	h) Exports to India	RMB/MT	***
	i) Exports to third countries	RMB/MT	***

Source: Nantong's EQR

130. It is noted that the exports to India are at dumped and injurious price. Weighted average export price to India is below normal value and landed price of such exports is below NIP. The dumping margin and injury margin are significant, as noted above in this Final Finding.
131. The transaction-wise third country exports show that other than exports to India, the responding

exporter has also exported the subject goods to Germany, Israel, Italy, Japan, Korea, Spain, Taiwan, and the USA. A total volume of *** MT was exported to these third countries. In order to examine third country dumping, comparison has been made between the prices at which the exporter sold the subject goods in third countries and the normal value as calculated above has been made. For this purpose, the export price considered is the invoice value reported by the exporter, without making any adjustments for expenses that may have been incurred in respect of such exports. It is seen that while weighted average export price to third countries is at a price below normal value, thus showing dumping in third countries, export sales aggregating to *** MT, i.e., ***% of third country exports were made at dumped prices. Similarly, a comparison of the exporter's export prices to third countries, has been made with the NIP of the domestic industry. For this purpose, 8.25% of estimated import duty has been added to the exporter's third country export price. It is seen that ***% of the export volume was made at injurious prices.

Particulars	UOM	Total	India	Third country
Exports from China	MT	***	***	***
Export Price	US\$/MT	***	***	***
CNV	US\$/MT	***	***	***
Dumping Margin	US\$/MT	***	***	***
Dumping Margin	%	***	***	***
Exports at dumped prices	MT	***	***	***
Share of dumped volumes in total exports	%	***	***	***
Non-Injurious Price	US\$/MT	***	***	***
Landed Price	US\$/MT	***	***	***
Injury Margin	US\$/MT	***	***	***
Injury Margin	%	***	***	***
Exports at injurious prices	MT	***	***	***
Share of injurious volumes in total exports	%	***	***	***

Source: Nantong's EQR

132. It is further seen that the exporter's dumping margin and injury margin to India is even higher than the margins calculated for third country exports, thereby showing selective dumping in the Indian market.

h. Vulnerability of the domestic industry

133. It has been submitted that the Indian market is highly price sensitive, with consumers making procurement decisions primarily on the basis of price. The consumers benchmark the prices based on import prices. Such being the case, availability of low-priced imports from the subject country in the market has an adverse impact on the domestic industry.
134. The subject imports are currently coming 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 significant losses or lose sales volumes and consequently market share. Performance of the domestic industry if the sales are made at landed price has been examined in the table below.

Particular	Unit	POI	POI
			Landed=Selling Price
Cost of Sales	₹/MT	***	***
Selling Price	₹/MT	***	1,05,158
Profit / Loss (PBT)	₹/MT	***	***
Profit / Loss (PBT)	₹ Lacs	***	***
PBIT	₹ Lacs	***	***
Cash Profit	₹ Lacs	***	***
ROI	%	***	***

135. It is seen that the domestic industry will have to incur significant losses if it has to match the dumped prices.

M. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

M.1 Views of the other interested parties

136. No submissions have been made regarding Indian industry's interest and other issues by the other interested parties.

M.2 Views of the domestic industry

137. The domestic industry has made the following submissions with regard to Indian industry's interest and other issues:
- Dumped imports are causing significant injury. Extending and enhancing anti-dumping duties is essential to maintain a level playing field, ensure the viability of domestic production, and prevent import reliance.
 - The initial duties allowed the domestic industry to recover from losses, earn profits, and created a level playing field that enabled Jubilant to invest and enter the market.
 - The domestic industry is executing a ₹750 Crore investment to expand diketene and MAA production in a new plant Dahej. This expansion is critical to meet future demand; however, it is directly threatened by dumped imports.
 - With the establishment of these additional capacities, the Indian industry will be well-positioned with surplus production capability to meet anticipated demand over the next five years.
 - Removing the duties would jeopardize the investments and expansions, thereby undermining the growth of the Indian industry.

- f. MAA is a key pharmaceutical intermediate also used in agrochemicals and other sectors. The applicant's analysis shows its cost impact on API production is negligible, ranging from 0% to 1%. Therefore, its effect on the final product is minimal.
- g. No importers or users participated in the present or previous sunset review investigation, indicating no significant adverse impact from the duties. The Authority previously noted that the lack of opposition suggests consumers are not materially affected by the duties.
- h. It is in the interest of consumers to have a market with fairly priced products powered by a domestic industry that can compete with imports.

M.3 Examination by the Authority

138. The Authority notes that the purpose of trade remedial measures, in general, is to eliminate injury caused to the domestic industry by unfair trade practices and re-establish open and fair competition in the Indian market, which is in the general interest of the country. The imposition/continuation of anti-dumping measures does not aim to restrict imports from the subject country in any way. The Authority recognizes that the imposition/continuation of the duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition/continuation of the measures. On the contrary, imposition/continuation of the measures would ensure that no unfair advantages are gained, prevent a decline in the performance of the domestic industry and help maintain the availability of wider choice to the consumers of the subject goods
139. The Authority issued initiation notification inviting views from all the interested parties. The Authority also prescribed a questionnaire for the users/ consumers to provide relevant information about the present investigation including any possible effects of anti-dumping duty on their operations. Information was sought on, inter-alia, interchangeability of the product supplied by various suppliers from different countries, effect of anti-dumping duty on the consumers, etc.
140. The Authority had prescribed an economic interest questionnaire which was sent to all interested parties to this review investigation. Only the domestic industry has responded to the economic interest questionnaire. No user or importer participated in the present investigation. Further, the participating exporter stated that the economic interest questionnaire is not applicable to it.
141. The Authority notes that the purpose of anti-dumping duties is to remedy the injury inflicted upon the domestic industry by the unjust trade practices of dumping, so as to re-establish a situation of open and fair competition in the Indian market. The Authority acknowledges that the continuation of anti-dumping duties may influence the price levels of the product in India. However, it is crucial to note that the essence of fair competition in the Indian market will remain unscathed by the continuation of these measures. On the contrary, the continuation of the anti-dumping measures would prevent the decline of the domestic industry that may ensue as a consequence of dumping practices and help maintain the wider availability of choices to the consumers.

142. At the foremost, it is seen that a new producer, viz. Jubilant Ingrevia, has established capacities for production of the subject goods in India during the base year of the present investigation. It has been stated by Jubilant Ingrevia in its support letter that the duties provided it the confidence to establish capacities and commence production. Therefore, any demand supply gap in the country has been bridged. In any case, demand supply gap does not justify dumping. Even if the demand surpasses domestic capacity, imports can continue to enter the country at fair prices
143. The domestic industry has quantified the impact of cost on account of the subject goods on the cost of the downstream pharma industry. It is seen that the cost on account of the subject goods in production of the downstream products is miniscule. It has been stated by the domestic industry that the downstream APIs are primarily salts which are further processed by downstream industries, thereby diluting the already minimal impact. Hence, the impact of duties is negligible. Further, no importer or user participated in the previous or present investigation. This further substantiates that the duties have had no adverse impact on the downstream industry or the users.

SN	Particulars	Unit	
1	Landed value of Amlodipine (used to treat high BP)	Rs/Kg	10,117
	Volume of MAA used in one Kg of API	Kg	0.2994
	Cost of MAA	(Rs/MT)	***
	Cost of MAA	(Rs/Kg)	***
	Cost of MAA input in one Kg of API	Rs/Kg	***
	Cost component of MAA input in downstream API	% range	0-1
2	Landed value of Cloxacilline (used to treat various bacterial infections)	Rs/Kg	4,409
	Volume of MAA used in one Kg of API	Kg	0.3274
	Cost of MAA	(Rs/MT)	***
	Cost of MAA	(Rs/Kg)	***
	Cost of MAA input in one Kg of API	Rs/Kg	***
	Cost component of MAA input in downstream API	% range	0-1
3	Landed value of Domperidone (used to treat nausea, vomiting, indigestion)	Rs/Kg	18,571
	Volume of MAA used in one Kg of API	Kg	0.4595
	Cost of MAA	(Rs/MT)	***
	Cost of MAA	(Rs/Kg)	***
	Cost of MAA input in one Kg of API	Rs/Kg	***
	Cost component of MAA input in downstream API	% range	0-1

144. The Authority also notes that, considering the positive impact of duties, significant investment is being made by the domestic industry in this product. However, the domestic industry in the

present injury period is earning negligible profits and suffering significantly in this product. The overall performance of the applicant company has been adversely impacted, which poses threat to the viability of the investments made.

N. POST DISCLOSURE COMMENTS

N.1 Views of the other interested parties

145. The following comments were submitted by the other interested parties with regard to the disclosure statement:

- a. Merely stating name of the market report to allege excess capacity in China PR is not sufficient. Non-confidential summary of the report should have been provided. Exporters cannot rely on excerpts picked from the report without entire context. The Authority should verify the authenticity of the report before relying on it.
- b. With respect to additional investment of Rs. 710 crores, the exporter has only received an intimation letter. No subsequent letter of approval, if any, has been received.
- c. Duties have been in force for over 9 years. Factors like Jubilant entering the market and imports from Switzerland substantially increasing could be contributing to injury or likelihood, if any.
- d. With respect to market economy treatment, Nantong is a publicly listed company. Even though 19% shareholding is with state-owned entities, does not mean that Nantong is state bound or influenced by state. Major chunk of the shareholding is held by public.
- e. The margins calculated by the Authority are lower than domestic industry's assertions. Injury margin is lower than that earlier determined in the original investigation. In accordance with lesser duty rule, duty cannot exceed injury margin. Any duty imposed must be limited to this level.
- f. The observation that imports are significant is not true. Demand and imports decreased by 15% and 71%, respectively, but domestic sales remained at par with base year.
- g. Nantong does not engage in price undercutting. Anti-dumping duty has not been considered by the Authority in the landed value of imports when calculating price undercutting. Once prevailing duty is added, true competitive position between imported and domestic goods would be reflected.
- h. The decline in selling price in addition to decline in cost can be an opportunity to attract and retain customers since Jubilant has entered the market.
- i. The Authority should not base its analysis on profitability due to distorted cost structure. The domestic industry is a multi-product company and there is no concrete information or basis on how its cost has been allocated to the PUC.
- j. The landed value and domestic selling price were high in base year due to Covid-19. Subsequent decline is a mere global phenomenon and not interdependent.
- k. Export sales remained during both 2023-24 and the POI. However, the domestic sales and inventory increased. Domestic industry seems to have been trying to maintain a healthy stock at their disposal, if the need be. It may also have expected an increase in export sales, however, the same did not happen resulting in the accumulation of the inventory.

- l. Imports from Switzerland, decrease in export sales, decreased demand after Covid -19 broke the causal link between subject imports and the injury to the domestic industry. With decrease in demand there was an impact on the other parameters like production, however, domestic sales did not decrease. Further, Jubilant was able to get good hold of the market.
- m. The Authority should not adversely hold Nantong for not furnishing the data for China as a whole. Nantong is under no obligation to furnish broad market-wide data. Compiling such information would be unnecessarily burdensome. Nantong is required only to provide information pertaining to its own operations.
- n. The entire allegation of the domestic industry rests on one market report. It cannot allege dumping or the likelihood based on vague and baseless arguments.
- o. The Applicant should be directed to file post-POI data. The Authority should refrain from determining likelihood in the absence of such information. It seems to have ignored reference made to Thai Acrylic Fibre Co. Ltd v. DA and Para 5.15 of the DGTR's Trade Manual.
- p. The comparison of subject imports and their market share with previous investigation is incorrect as the law does not state for such comparison.
- q. The base year has abruptly been affected by a foreseen situation caused by the pandemic and hence, the same cannot fairly present an injury analysis.
- r. Nantong's injury determination should be made in isolation of China as a whole. Its data is more credible and evidentiary compared to the domestic industry's market report. Nantong does not have excess capacity at its disposal. There is only minimal idle capacity, insufficient to allege diversion.
- s. Nantong's domestic selling price is lower than its export price to India, which is lower than third country export price. The Authority should, hence, determine that India is not price attractive and the exports to third countries are not in any probability at the risk of being diverted into India. If Nantong ever intended to shift its domestic sales to Indian market, it would have done so by now, already.
- t. Decline in Nantong's exports to India are not a temporary phenomenon. India is not lucrative enough. Hence, its domestic sales and third-country exports have increased.
- u. The Authority has failed to provide source for the comparison undertaken between exports to India and third country. Entire table has been marked confidential, precluding exporter from making meaningful comments. Hence, we request the Authority to provide us with the source of the data and range thereof.
- v. Evaluating third-country export prices without adjustments artificially lowers the export price and creates a misleading appearance of dumping. The assertion that the exporter engaged in dumping in third-country markets, let alone selectively targeted India, is flawed and cannot form a fair basis for adverse inference.
- w. The Authority's analysis shows that if the domestic industry were to match the landed price of imports, it would incur substantial losses. However, since the domestic industry is a multi-product company, an inflated cost would show a distorted picture.

N.2 Views of the domestic industry

146. The following comments were submitted by the domestic industry with regard to the disclosure

statement:

- a. Subject imports continue to enter the Indian market in significant volumes and at dumped prices despite duties being in force. Dumping margin is higher than that determined in previous investigations.
- b. Given that the Indian market is highly price sensitive, dumping is likely to intensify if the duties are allowed to expire.
- c. Dumped subject imports continue to cause material injury to the domestic industry.
- d. Landed prices of subject imports are below the domestic industry's selling price and cost of sales, forcing price reductions and resulting in negligible profits and return on capital employed.
- e. Chinese producers possess massive surplus capacities that far exceed Indian demand.
- f. Given that India is the second-largest global market and offers the exporter better prices than China's domestic market, these surplus goods are likely to be dumped into India if duties are removed.
- g. India constitutes the second largest global demand centre for subject goods and represents a major competing manufacturing presence to Chinese producers at the global level.
- h. The margins determined indicate strategic targeting of the Indian market by China to displace Indian competition. Importantly, dumping into India intensified following the entry of Jubilant Ingrevia.
- i. Chinese producers have a clear commercial incentive to target the Indian market by offering selectively dumped prices with the intention to capture market share from major competition from global producer outside China PR.
- j. Notwithstanding that a low NIP has been worked out by the Authority, the injury margin determined is still positive.
- k. The Authority has significantly reduced the NIP claimed by the domestic industry by adopting a normated cost of production for captive inputs. Further, while investments and bank deposits have been excluded from current assets, it seems that the income arising therefrom has been included in other income, creating an inconsistency. The domestic industry seeks disclosure of the workings to offer further comments on NIP disclosure.
- l. Indian market is highly price sensitive, and dumping is likely to intensify if the duties are allowed to expire.
- m. The anti-dumping duty applicable on China PR should be continued for a period of five years.

N.3 Examination by the Authority

147. The Authority has examined the post disclosure comments made by the interested parties. It is noted that comments which are reiterations and have already been suitably examined and adequately addressed in the relevant paras of the Final Findings, are not being repeated in the post-disclosure examination by the Authority for the sake of brevity. The issues raised for the first time in the post-disclosure examination by the interested parties and considered relevant by the Authority have been examined herein under.
148. As regards the credibility of the domestic industry's claim that it is making an investment of

Rs. 710 Crores, as already noted above in this finding, it is seen that the domestic industry has provided sufficient evidence on record of proposed investment by way of placing on record its letter intimating the stock exchange that the Board of Directors of the Company "have approved" a capital expenditure of Rs. 710 Crores for setting up of a manufacturing site in Dahej. The Domestic Industry has also placed on record the environmental clearance demonstrating that the subject goods are among the products proposed to be manufactured at the said facility. In view of the above, the Authority notes that the Domestic Industry has demonstrated a clear commitment and firm intention to undertake the proposed investment. Accordingly, the Authority considers the evidence on record to be adequate.

149. The present investigation is not for imposition of fresh duties on the subject imports but a sunset review of anti-dumping duties applicable on subject imports. Hence, it is being examined whether cessation of existing duties is likely to lead to continuance or recurrence of dumping and injury to the domestic industry and whether there is need for continued imposition of duties applicable. Accordingly, and in view of the examination above which shows continued presence of dumped imports having adverse impact on the performance of the domestic industry, and likelihood of dumping and injury in the event of cessation of duties, the Authority considers it appropriate to recommend continuation of duties on imports from the subject country.
150. It is noted that the price undercutting from the subject country remains positive when assessed on the basis of the landed value determined without the addition of anti-dumping duties. As regards the contention that undercutting becomes negative after factoring in the prevailing anti-dumping duties, it is noted that the purpose of an anti-dumping duty is to offset the injurious effects of dumped imports. Therefore, the impact of such duty cannot be relied upon to argue absence of undercutting or injury. In fact, the landed value determined without addition of duties appropriately reflects the price at which the goods are likely to enter the domestic market in the event of cessation of the duties. Therefore, the continued existence of positive price undercutting clearly demonstrates the likelihood of recurrence of injury should the duties be withdrawn. Further, the Authority also takes note of the domestic industry's submission that a significant volume of subject goods is being imported under the Advance Authorization Scheme, where anti-dumping duties are exempted. Such imports directly enter the domestic market without the incidence of duty and effectively benchmark market prices.
151. As regards the argument that the domestic industry could be reducing selling price to attract and retain customers since Jubilant has entered the market, it is noted that Jubilant is also selling the subject goods at prices comparable to those of the domestic industry and its profits have declined. Imports are undercutting its price. The injury analysis undertaken above indicates that the prevailing price levels of the domestic producers are impacted by imports. The domestic industry has submitted that it was forced to reduce its selling price beyond the decline in cost to maintain sales volumes. Thus, domestic producers are compelled to align their prices with dumped imports to maintain their volumes and market share. The decline in selling prices is due to the pressure exerted by dumped imports.
152. With respect to reliability of the cost reported by the applicant in respect of the PUC, the same

was duly verified by the Authority during the course of the investigation where methodology adopted for allocation of costs was examined in detail. The Authority only allowed such allocation of costs to the PUC as was reasonable, duly substantiated, and in accordance with established practices. Accordingly, the profitability analysis is based on duly verified and appropriately allocated cost data, and there is no distortion warranting its rejection of the same.

153. As regards the argument that the domestic industry may have maintained stock in anticipation of increase in export sales is not factually supported. It is noted that the primary market for the domestic industry is the domestic market. The volume of exports constitutes only a small proportion of its total sales.
154. As regards the contention of breaking of causal link between subject imports and injury to the domestic industry, it is noted that imports from China PR continue to remain significant and account for 63% of the imports of the subject goods into India during the POI. Thus, the volume of subject imports continues to remain significant in absolute terms and in relative terms. In fact, subject imports from China PR are priced even below the landed value of imports from Switzerland. While landed value of imports from China PR in the POI was Rs. 1,05,158 per MT, imports from Switzerland were priced at Rs. 1,14,339 per MT. Further, since the landed price from China PR has been considered without addition of anti-dumping duties, such price represents the price at which imports from China PR are likely to enter the country in absence of duties. Further, as submitted by the domestic industry not contested by the exporter, significant imports were made under advance license, and such volume of imports also benchmark the prices of the domestic industry causing adverse impact on the performance by the domestic industry. Given the price attractiveness of the Indian market, and considering such likely prices, the volume of imports from China PR is likely to increase in the event of cessation of duties.
155. The exporter, relying on Thai Acrylic Fibre Co. Ltd v. DA, has argued that post-POI data is an essential component of likelihood examination. However, the Authority notes that the said decision does not stipulate that post-POI data must necessarily be examined in every case. The Authority has sufficiently carried out likelihood analysis in this finding. Further, having found (a) continuous presence of dumped imports having adverse impact on the performance of domestic industry and (b) sufficient parameters establishing likelihood of dumping and injury to the domestic industry in the event of cessation of duties, it was not considered necessary to call for or examine post-POI data. Furthermore, the respondent has not placed any evidence on record showing any change in post POI.
156. As regards comparison of present volume of imports and market share thereof with the imports and market share recorded in previous investigations, the exporter has argued that the same is not a requirement under the law. However, it is noted that there is no exhaustive list of how likelihood should be examined. The Authority considered it appropriate to compare the current volume and market share of subject imports with those observed in earlier investigations, in order to assess the pattern and behaviour of exporters from the subject country over time.

157. While it has been argued by the exporter that India is not price-attractive in comparison to third-country export destinations, it is noted that the exporter's selling price in its domestic market is lower than the price realized from exports to India. This renders India a relatively more remunerative market vis-à-vis the exporter's home market. Therefore, it cannot be ruled out that the exporter may reallocate or divert its domestic sales volume, or part thereof, to India in order to secure better price realization, particularly in the event of cessation of duties. It has further been argued by the exporter that India is not a lucrative and had it intended to shift volumes to India, it would have already done so. The Authority notes that imports from China PR continue to constitute the majority of total imports into India. Further, Nantong accounts for a major proportion of such imports. Thus, notwithstanding the claim that India is not a lucrative market, it is important to note that the volume of imports from China, and particularly from Nantong, remains significant.
158. Furthermore, based on the submissions of the domestic industry, the Authority notes that after China PR, India accounts for a substantial share of global production of the subject goods and ranks as the second-largest market in terms of demand. In such a scenario, maintaining a presence in the Indian market is likely to be of strategic importance for Chinese exporters, considering the prevailing competition and the size of market that India offers. Accordingly, considering the higher price realization in India compared to the exporter's domestic market, the significant existing volume of imports, the strategic importance of the Indian market, and other factors analysed above in this finding, the Authority finds that the likelihood of continuation of dumping to India in the event of cessation of duties cannot be ruled out. In fact, the extent of dumping is likely to intensify.
159. As regards the source of the comparison undertaken between exports to India and exports to third countries, it is clarified that the same has been carried out on the basis of the data furnished by the responding exporter in its questionnaire response. Since the table at para 130, which presents a comparison between exports to India and third countries, contains information relating to export volumes and prices of the responding exporter to various markets, the normal value determined on the basis of price paid or payable in India as per Annexure I of the Rules, and the non-injurious price determined for the domestic industry, all of which are confidential in nature and have also been claimed so by the interested parties in their submissions, the same has been treated accordingly and not been disclosed in the non-confidential version of the present findings.
160. It has been contended that the third country export price considered by the Authority is artificially lower and creates a misleading picture of dumping. As already indicated in the Authority's examination of the information from the exporter's questionnaire response, the comparison for estimating third country dumping was made between the normal value calculated above and the export price reported by the exporter. It is noted that the export price so considered was reported as the "invoice value" by the exporter. The Authority did not make any adjustments to such invoice value towards any expenses that may have been incurred in respect of such exports. Accordingly, it cannot be argued that the Authority considered a lower export price for the purpose of the analysis.

161. On the comments of the domestic industry on computation of the non-injurious price, the calculation has been undertaken as per the Annexure III of the anti-dumping rules. The component wise non-injurious price was disclosed to the domestic industry as per the consistent practice of the Authority.

O. CONCLUSION AND RECOMMENDATION

162. After examining the submissions made by the interested parties and issues raised therein, and considering the facts available on record, the Authority concludes that:
- a) The product under consideration is Methyl Acetoacetate, also known as MAA/MAAE/AAME.
 - b) The subject goods are being imported under Chapter 29 of the Customs Tariff Act under customs subheadings 29183040, 29183040, 29183090 and 29189990 of the Customs Tariff Act, 1975. The customs classification is only indicative and is not binding on the scope of the product under consideration.
 - c) The goods produced by the domestic industry are “like article” to the subject goods being imported from the subject country.
 - d) The application for initiation of the sunset review investigation of the anti-dumping duty on imports of subject goods from China PR was filed by M/s Laxmi Organics Industries Limited.
 - e) The applicant was the sole producer in past investigations. During the injury period, however, another producer of the subject goods i.e. Jubilant Ingrevia Limited has established capacity and entered the market.
 - f) Jubilant Ingrevia Ltd. has supported the application and the imposition of duties. It has been stated by Jubilant that duties in place provided it the confidence to invest in the market and start production. Further, it has also provided its injury information through a support letter.
 - g) Based on information on record, the Authority has determined that the production by the applicant constituted a major proportion of the Indian production. The Authority has, therefore, determined that the applicant constitutes domestic industry under Rule 2(b) of the Rules and the application met the criteria of standing as per Rule 5(3).
 - h) Nantong Acetic Acid Chemical Co., Ltd., a producer from the subject country, registered itself in the present investigation and filed response to the prescribed exporter’s questionnaire.
 - i) The exporter stated that since it is a listed company in China PR and its operations are not influenced by the State, it should be granted market economy treatment. However, it did not file a supplementary questionnaire justifying such treatment. The exporter had neither been granted nor had it sought market economy treatment in the previous investigations. Hence, the exporter’s claim for such treatment has been rejected.
 - j) The Authority has determined dumping margin and injury margin based on the net export price and landed value of imported reported by the exporter in its questionnaire response.
 - k) Considering the normal value and export price determined, the dumping margin for the subject goods from the subject country is positive, more than de minimis and significant. The subject imports continue to enter India at dumped prices.

- l) The demand has declined over the injury period but remains largely similar to the demand in the previous investigation.
- m) The volume of subject imports remains significant in absolute terms as well as in relation to Indian production and consumption.
- n) The landed value of imports is lower than the net sales realization of the domestic industry. Thus, the subject imports are undercutting the domestic prices.
- o) The landed value of subject imports declined by 44% over the injury period, which was steeper than the 32% decline in the domestic industry's costs and the 40% decline in its selling prices. This significant decline in price of subject imports forced the domestic industry to lower its selling price below its cost reductions to maintain volumes. Dumped imports had a depressing and suppressing effect on the domestic industry's prices.
- p) The domestic industry's production and sales volumes for the subject goods declined over the injury period. The domestic industry had to reduce its prices to increase sales volumes and market share in 23-24 and the POI.
- q) Profitability of the domestic industry declined as the landed value of dumped imports declined sharply, falling below the cost of production and forcing the domestic industry to reduce its selling price correspondingly. This resulted in the industry incurring losses in 2023-24 and earning negligible profits during the POI.
- r) The domestic industry's overall financial performance remained critically adverse, due to dumped imports, with a minimal return on capital employed.
- s) While Jubilant's volumes improved over the injury period, the same can be attributed to it being a new producer selling at prices significantly below cost. Jubilant is also selling the subject goods at prices comparable to those of the domestic industry and its performance has shown deterioration.
- t) Continued dumped imports have an adverse impact on the performance of the domestic industry.
- u) Non-attribution analysis shows that no other factor has caused injury to the domestic industry. Imports from Switzerland is being examined under parallel investigation.
- v) Considering the non-injurious price determined by the Authority and landed price of imports, it is seen that the injury margin is significant.
- w) There is sufficient evidence showing likelihood of continued dumping and injury to the domestic industry in the event of cessation of duties, as is summarized below:
 - a. Despite duties being in place, imports from China PR continue to remain significant and are even higher than the levels noted in previous investigations.
 - b. The dumping margin determined in the present investigation is higher than that determined previously, indicating persistent dumping behaviour.
 - c. Producers in China PR hold significant capacities. While one producer has participated in the present investigation whose level of capacity utilization is quite high, there are multiple other producers in the subject country.
 - d. The capacities available with producers in the subject country are significantly higher than their domestic demand. The producers hold surplus and freely disposable capacities, which is likely to be diverted towards India if duties are allowed to expire.
 - e. Subject imports undercut the net sales realization of the domestic industry and have a suppressing and depressing effect on the domestic prices. Continued existence of positive

price undercutting demonstrates the likelihood of intensification of injury should the duties be withdrawn.

- f. The participating exporter is exporting higher volumes to India in comparison to exports made to all third countries cumulatively. The margins determined in for the exporter's exports to India are higher than that determined for its exports to third countries, demonstrating selective dumping in the Indian market.
- g. The Indian market is more attractive to the exporter vis-à-vis its domestic market. Given the price attractiveness of the Indian market, the volume of imports from China PR is likely to increase in the event of cessation of duties.
- x) The impact of duty on end consumer is found to be insignificant. No user or importer participated in the present or previous investigation, further substantiating that the downstream industry is not adversely impacted by duties.
- y) Due to the positive impact of duties in force, not only did a new producer enter the market by establishing capacities, but also significant investment is being made by the domestic industry in this product. However, dumping has intensified with the new producer commencing operations, posing significant threat to the viability of the Indian industry.

163. The Authority notes that the present proceedings were 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 of dumping and injury and impact of the measures on the Indian industry. Pursuant to the sunset review, the Authority has arrived at the conclusion that continuation of the existing anti-dumping duties is required in the present case.

164. The Authority, after examining submissions made by all interested parties in the present investigation, considers it appropriate and necessary to recommend continuation of definitive duties equal to the figure indicated in Column 7 of the duty table below for a period of five years on all imports of the subject goods from the subject country. Therefore, considering the facts and circumstances of the case, as established hereinabove, anti-dumping duty equal to the amount indicated in Column 7 of the duty table below is recommended to be extended on all imports of the subject goods, originating in or exported from the subject country.

Duty Table

SN	Tariff heading	Description of Goods	Country of Origin	Country of Export	Producer	Amount	UoM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	29183040, 29183090 and 29189990	Methyl Acetoacetate	China PR	Any country including China PR	Nantong Acetic Acid Chemical Co Ltd	0.277	Kg	USD
2.	-do-	-do-	China PR	Any country including China PR	Any, other than SN 1	0.404	Kg	USD

3.	-do-	-do-	Any country other than China PR	China PR	Any	0.404	Kg	USD
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165. 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 Methyl Acetoacetate 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.'

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

P. FURTHER PROCEDURE

167. 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.

(Amitabh Kumar)
Designated Authority