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**F. No. 7/26/2025 - DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building 5, Parliament Street, New Delhi – 110001**

Date: 7th May 2026

**FINAL FINDINGS
CASE No. AD (SSR)- 14/2025**

Subject: Sunset review investigation concerning anti-dumping duty imposed on the imports of “Phthalic Anhydride” from China PR, Korea RP, and Thailand.

F. No. 7/26/2025 – DGTR - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “the Rules”) thereof.

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter referred to as “Authority”) received an application from IG Petrochemicals Limited (IGPL), Thirumalai Chemical Industries Limited (TCL) and TCL Intermediates Private Limited (TCLIPL) (hereinafter referred to as the ‘applicants’ or the “domestic industry”) seeking initiation of a sunset review for extension and enhancement of the anti-dumping duty imposed on imports of “Phthalic Anhydride” (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”) from China PR, Korea RP, Indonesia and Thailand.
2. On the basis of *prima facie* evidence submitted by the applicants, the Authority issued a public notice vide notification no. 7/26/2025- DGTR dated 27th January 2026 published in the Gazette of India, Extraordinary, initiating the subject investigation on imports from China PR, Korea RP and Thailand (hereinafter also referred to as “subject countries”). The investigation was initiated in accordance with Section 9A (5) of the Act read with Rule 23 of the Rules to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry and if there is a need for continued imposition of the anti-dumping duties.
3. The original anti-dumping investigation concerning imports of the PUC from China PR, Korea RP, Indonesia and Thailand was initiated by the Authority vide Notification No. 6/16/2020-DGTR dated 21st May 2020. Pursuant to a duly substantiated application filed

by the domestic industry and after detailed examination, the Authority concluded that the imports from these countries were at dumped prices and had caused material injury to the domestic industry. Accordingly vide final finding no. 6/16/2020-DGTR dated 19th May, 2021, the Authority recommended imposition of anti-dumping duties. The Ministry of Finance, thereafter, accepted the recommendation and imposed anti-dumping duties vide Customs Notification No. 43/2021- Customs (ADD) dated August 9th, 2021.

4. In terms of Section 9A(5) of the Act, any anti-dumping duty imposed thereunder shall, unless revoked earlier, remain in force for a period not exceeding five (5) years from the date of imposition. The proviso to Section 9A(5) of the Act further provides for extension of such duty for an additional period of five (5) years where its cessation is likely to result in the continuation or recurrence of dumping and injury which reads as under: -

“Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period up to five years and such further period shall commence from the date of order of such extension’

5. Further, Rule 23(1B) of the Rules provides as follows:

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

6. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.

B. PROCEDURE

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

7.1 Initiation.

- i. In accordance with Rule 5(5), prior to initiation of the investigation, the governments of the subject countries were notified through their embassy in India about the receipt of the present anti-dumping application.

- ii. A request was made to the DG System to obtain transaction-wise import data of the subject goods for the injury period. The data that was received has been relied upon for the necessary analysis after due examination of the transactions.
- iii. In accordance with Rule 6, upon examination of the application and finding *prima facie* evidence of dumping, injury, likelihood and causal link. The Authority issued a notification no. 7/26/2025- DGTR dated 27th January 2026, published in the Gazette of India Extraordinary, initiating the sunset review of anti-dumping investigation concerning the imports of the PUC from the subject countries.
- iv. In accordance with Rule 6(2), the interested parties were informed of the initiation of the investigation by sharing a copy of the initiation notification with the embassies of the subject countries in India, known producers and exporters of the PUC in the subject countries, known importers of the subject goods in India and other interested parties, as per the information made available in the application.

7.2 Period of Investigation.

- i. As noted in the initiation notification, the period of investigation (POI) was considered as 1st October 2024 to 30th September 2025. The injury period was set to cover the years 2022-23, 2023-24, 2024-25 and the POI.

7.3 Circulation of non-confidential version of the application.

- i. Pursuant to Rule 6(3), the non-confidential version of the application was furnished to the governments of the subject countries through their embassies in India, as well as to known exporters and other interested parties upon written request; questionnaires were also forwarded to such governments for dissemination to relevant producers and for submission of timely responses.
- ii. Pursuant to Rule 6(4), questionnaires were issued to known producers, exporters, importers, and users of the PUC in India to obtain necessary information, including details of normal value and net export price.

7.4 Participation by the interested parties.

- i. No producers/exporters from the subject countries have responded and filed exporter's questionnaire response.
- ii. The following importers/users from India have registered as interested parties:

SN	Name of importers and users in India
1	Marvel Vinyls Limited
2	Payal Plastichem Private Limited
3	Payal Polyplast Private Limited
4	Sandeep Organics Private Limited

5	Vikas Organics Private Limited
6	Vinyl Products Private Limited

- iii. The following importers/users from India have filed importer/user questionnaire response

SN	Name of importers and users in India
1	Marvel Vinyls Limited
2	Payal Plastichem Private Limited
3	Payal Polyplast Private Limited

- iv. In response to the initiation notification, no association has participated or made submissions in the present investigation.
- v. A list of all interested parties that registered themselves within the prescribed timeline was uploaded on the website. All registered interested parties were directed to circulate the non-confidential version of all their submissions in the present proceedings with all other interested parties.
- vi. An economic interest questionnaire was issued to all the known producers and exporters, importers, and the domestic industry. The economic interest questionnaire was also shared with the administrative line ministry. Economic interest questionnaire was filed only by the domestic industry.
- vii. Foreign producers, exporters and other interested parties who have not responded, or have not supplied information relevant to this investigation, have been treated as non-cooperating.

7.5 Further procedure.

- i. The non-confidential version of the submissions filed by the various interested parties were made available to all participating interested parties. A list of all the interested parties was uploaded on the DGTR website along with the request therein to all of them to email the non-confidential version of their submissions to all the other interested parties.
- ii. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 17th April 2026. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.
- iii. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, such parties have been considered as non-cooperative and recorded the findings on the basis of the facts available.
- iv. In accordance with Rule 7, the information provided by the interested parties on confidential basis was examined with regard to the sufficiency of such

- confidentiality claims. On being satisfied, the confidentiality claims have been accepted wherever warranted and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- v. In accordance with Rule 8, the accuracy of information and data provided by the domestic industry and interested parties were verified by the Authority during the course of the investigation to the extent considered relevant, practicable, and necessary. The verification of submitted data and documents forms the basis of the final finding and the Authority has relied on the verified data of the domestic industry for its analysis in the present proceedings.
 - vi. The non-injurious price has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the applicants and having regard to the Generally Accepted Accounting Principles (GAAP) and as per the principles laid down in Annexure III of the Rules.
 - vii. All the arguments raised and information provided by all the interested parties to the extent that the same is supported with evidence and considered relevant to the present investigation have been considered.
 - viii. A disclosure statement containing the essential facts of the investigation which have formed the basis of the final findings was issued to the interested parties on 30th April 2026 and the interested parties were asked to provide comments on the disclosure statement. The submissions made by the interested parties, arguments raised, and the comments to disclosure statement received from the interested parties have been considered, to the extent found relevant, non-repetitive and supported with evidence in this final finding notification.
 - ix. “***” in this final finding represents information furnished by an interested party on a confidential basis and so considered under the Rules.
 - x. The exchange rate adopted for the present investigation is 1 US\$ = ₹86.69, as notified by the Central Board of Indirect Taxes & Customs (CBIC).

C. PRODUCT UNDER CONSIDERATION.

C.1 Submission of the other interested parties.

8. The other interested parties have made the following submissions with regard to the PUC and like articles.
 - i. Failure to adopt PCN or scope exclusion violates Rule 10 and Rule 17 of the AD Rules and settled CESTAT jurisprudence.
 - ii. The Naphthalene and Ortho-xylene route reflect structural cost differences.
 - iii. Goods from China is of inferior quality due to the use of the Naphthalene- based production route, whereas domestic producers in India use the ortho-xylene

production route. Thus, imported goods are not comparable to the goods produced by domestic producers.

- iv. Due to the difference in quality of the product, it is absolutely incumbent upon the Authority to seek more information from the applicant's industry to make appropriate adjustments for carrying out any price analysis.

C.2 Submission of the domestic industry.

9. The domestic industry has made the following submissions with regards to the PUC and like articles.
 - i. The PUC in the present investigation is Phthalic Anhydride.
 - ii. The scope of the product is same as defined by the Authority in the original investigation.
 - iii. Phthalic Anhydride is produced through gas phase catalytic oxidation process of either Ortho-xylene or Naphthalene.
 - iv. Most manufacturers globally use ortho-xylene in production of Phthalic Anhydride. Naphthalene route is known to contain carcinogenic substances.
 - v. In India, Phthalic Anhydride is manufactured only through the ortho-xylene route.
 - vi. The claim that China produces the goods through Naphthalene- based production route and therefore, the imported goods are not comparable to the goods manufactured by domestic industry is devoid of any merit.
 - vii. Domestic industry has never claimed that only Naphthalene- based production route is imported from China. Plants in China are designed to produce both from Naphthalene and Orthoxylene route. There is no way the route from which the product is produced can be identified. The Authority has treated China as a non-market economy. Therefore, the cost structure in China is completely irrelevant to the present investigation.

C.3 Examination by Authority

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

“The PUC in the present application is "Phthalic Anhydride". Phthalic Anhydride is an anhydride of Phthalic Acid and is commercially produced by catalytic oxidation of Ortho-xylene or Naphthalene. It is a colorless solid, variously referred as Phthalic Anhydride flakes, Phthalic Anhydride (98% min.), Phthalic Acid Anhydrous, Phthalic Anhydride (99.8% min) etc. Specifications of Phthalic Anhydride includes its physical appearance, color of solid flakes, color of molten product, solidification point, Phthalic Anhydride content by weight, other anhydrides & organic impurities' content by weight and acidity index.

The PUC is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-heading 2917. The PUC is imported under 29173500. The customs classification is only indicative and is not binding on the scope of the PUC.”.

11. Phthalic Anhydride is produced through gas phase catalytic oxidation process of either Ortho-xylene or Naphthalene. In the Ortho-xylene based process, following manufacturing steps are involved:
 - i. Mixing: a stream of vaporized Ortho-xylene is mixed with compressed air in certain ratio.
 - ii. Feed: Air-Ortho xylene mixture is fed to a reactor containing vanadium pentoxide-based catalyst.
 - iii. Reaction: Mixture of Air-Ortho xylene is allowed to react in presence of catalysts at around 370 deg C and below prescribed pressure (1 bar to 2 bar). The reaction is of exothermic nature; so, a suitable heat transfer medium is used to remove the same, through a heat removal set-up.
 - iv. Cooling: The stream leaving the reactor is cooled in one or more heat exchangers.
 - v. Sublimation: Gases are then allowed to enter switch condensers, where Phthalic anhydride gets collected on walls as a solid and recovered by sublimation. The condensers use a cyclic process to separate the condensable organics (almost 98% or more recovery) from the non-condensable gases.
 - vi. Purification: The organic material, containing Phthalic, other anhydrides and any unreacted xylene are fed to two distillation columns to recover the products.
 - vii. Storage: The product is either stored in a molten state or as flakes.
 - viii. Package: Flakes are packed into bags for transportation.
12. Based on the information on record, it is seen that in case of production through Naphthalene route, the processes for producing Phthalic Anhydride by ortho-xylene or naphthalene are the same except for reactors, catalyst handling, and recovery facilities required for fluid bed reactors.
13. Phthalic Anhydride made from Naphthalene contains impurities like Naphthoquinones which are suspected of cancer-causing compounds and any product which uses Phthalic Anhydride from it will be a potential health hazard. While producers in India are producing through the Ortho-xylene route, producers in China can produce through both the routes.
14. The PUC is covered under the BIS Quality Control Order issued by the Department of Chemicals & Petrochemicals (DCPC), Ministry of Chemicals and Fertilizers, making BIS mandatory for import or sale in India. The quality control order was issued on 24th December 2021, which came into effect from 22nd June 2022 and mandates that all articles should conform to Indian Standard - IS 5158:1987.
15. The basic custom duty applicable on the imports of the PUC is 7.5%. The PUC attracts tariff concessions under ASEAN-India Free Trade Area (AIFTA), and India-Korea

Comprehensive Economic Partnership Agreement (CEPA). Therefore, the customs duty applicable on the imports of the PUC from Korea and Thailand is zero.

16. The prescribed unit of measurement for the PUC is metric tons (MT), and the same has been adopted for this investigation.
17. It has been claimed by the interested parties that since goods imported from China are through Naphthalene based production route and therefore, imported goods are not comparable to the goods manufactured by domestic industry. The Authority notes that the transaction wise import data does not identify if the imported goods are produced through Naphthalene based route or through Orthoxylene route. Product produced through both the routes finds application in the same segment. The information on record shows that the producers from China can produce through both the routes. Naphthalene based Phthalic Anhydride is not produced in India. The interested parties too have not provided any information showing difference in the cost of production. The Authority has treated China as a non-market economy and therefore, difference in cost structure is not relevant. Therefore, the Authority considers that there is no basis to claim that imported goods are not comparable to the goods manufactured by domestic industry.
18. It is noted that the subject goods produced by the domestic industry and that imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. Accordingly, it is concluded that the product produced by the domestic industry is 'like article' to the PUC imported from the subject countries in terms of Rule 2(d) of the Rules.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submission of the other interested parties

19. The other interested parties have made the following submissions with respect to the domestic industry and standing:
 - i. KLJ Petroplast Limited has not imported the subject goods from subject countries. Thus, the reason cited that their non participation is due to ineligibility is untenable in law.
 - ii. The exclusion appears to be deliberate and strategic attempt to withhold correct facts from the Authority.
 - iii. The domestic industry should provide details of the supporter's sales, clearly segregating captive and non-captive consumption as per the prescribed format.

D.2 Submission of the domestic industry

20. The domestic industry has made the following submissions with respect to the domestic industry and standing:

- i. The application was filed by IG Petrochemicals Limited, Thirumalai Chemical Industries Limited and TCL Intermediates Private Limited.
- ii. KLJ Petroplast Limited has supported the application.
- iii. The applicants have not imported the PUC, nor are it related to any producer/exporter of the PUC.
- iv. The applicants form major producer of the subject goods.
- v. There is no reason for the domestic industry to include the producer as applicants, nor that the exclusion is a deliberate and strategic attempt to withhold correct facts from the Authority is untenable.
- vi. Neither in the application or in any subsequent submissions, have the domestic industry claimed that KLJ Petroplast Limited an ineligible applicant because of the imports in substantial quantity from subject or non-subject country.
- vii. KLJ Group has imported from Taiwan. The domestic industry had separately filed an application for imposition of anti-dumping duty on imports of the PUC from Taiwan. Therefore, the domestic industry in order to maintain consistency in the constitution of the domestic industry across the simultaneous anti-dumping applications did not include the producer as “domestic industry”.
- viii. In response to the contention that exclusion of KLJ is a deliberate and strategic attempt to withhold correct facts from the Authority, the domestic industry has provided the data for KLJ Petroplast. The losses are higher.

D.3. Examination by the Authority

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

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

22. The present application has been filed by IG Petrochemicals Limited, Thirumalai Chemical Industries Limited and TCL Intermediates Private Limited. KLJ Petroplast Limited has supported the application.
23. TCL Intermediates Private Limited is the 100% owned subsidiary of Thirumalai Chemicals Private Limited and has commenced commercial production in the POI with effect from March 2025.
24. Post imposition of anti-dumping duty, KLJ Petroplast Limited has set up production capacity of ***MT (at an investment of Rs. *** cr) also commenced production of the product in June 2023.

25. SI Group was another producer of the product in India and had participated in the original investigation. However, the producer has now stopped commercial production of the product. There was no other known producer of the product in India in the injury period of this case.
26. The applicants have certified that they have not imported the subject goods from the subject countries during the POI and that they are neither related to any exporter or producer of the subject goods in the subject countries nor to any importer of the product in India. The DG System data has been examined, and it is found that the applicants have not imported the PUC.
27. The table below shows the production of the applicants and the supporter. Based on the information on record, it is seen that the share of the three participating producers is more than 80%.

SN	Particulars	UOM	POI
1	Applicants	MT	***
i	IG Petrochemicals Limited	MT	***
ii	Thirumalai Chemicals Limited	MT	***
iii	TCL Intermediates Private Limited	MT	***
2	KLJ Petroplast Limited	MT	***
3	Total Indian Production	MT	***
4	Share of the applicants	%	***
5	Share of the supporter	%	***

28. In view of the above, it is concluded that the applicants constitute eligible domestic industry within the meaning of Rule 2(b) of the Rules and that the application satisfies the standing requirements under Rule 23(b) of the Rules.

E. MISCELLANEOUS ISSUES AND CONFIDENTIALITY

E.1 Submission of the other interested parties

29. The other interested parties have made following submissions with regard to confidentiality and other issues: -
- i. There has been critical market shift from phthalic anhydride based downstream products especially in the plasticizer segment, driven by increasing regulatory scrutiny, environmental concerns, and evolving consumer preferences.
 - ii. Non-phthalic plasticizers such as Dioctyl Terephthalate (DOTP), bis(2-ethylhexyl) cyclohexane-1,4-dicarboxylate (DEHCH), and other alternatives are increasingly being adopted as safer and more sustainable substitutes.

- iii. In resins and coatings, alternative feedstocks such as terephthalic acid, adipic acid, and bio-based intermediates are gaining traction.
- iv. This shift has changed the demand dynamics of phthalic anhydride in the downstream industries due to Environmental social and governance (ESG)-driven shifts, particularly in phthalate-based plasticizers and certain pigment applications
- v. In the market, preferred substitutes exist across all major application segments of phthalic anhydride, with regulatory compliance emerging as a key driver accelerating the shift towards non-phthalic and environmentally sustainable alternatives.
- vi. During the oral hearing of the safeguards investigation concerning “Non-Phthalate Plasticizers in the form of DOTP and DEHCH, the supporter industry has admitted that the demand for the subject goods is on a declining trend, owing to a structural shift in end-use applications in the market.
- vii. The subject goods are presently subject to mandatory BIS certification, which has materially and legally restricted imports into India.
- viii. Applicants’ presumption that Chinese producers will obtain BIS licenses post expiry of duties is purely conjectural and unsupported by any concrete evidence
- ix. Applicants’ claim of a robust and expanding demand outlook for Phthalic Anhydride is misplaced and unsupported by evidence on record. All the downstream sectors are either on downward trend or stable, there is no cogent evidence to demonstrate sustained growth in these segments

E.2 Submission of the domestic industry

30. The domestic industry has made following submissions with regard to confidentiality and other issues: -
 - i. TCL Intermediates Private Limited only started production in the POI. Therefore, information prior to the POI pertains only to the other two producers. Disclosure of information on actual basis for the POI would lead to disclosure of information for the previous two years as well.
 - ii. TCL Intermediates Private Limited is a 100% owned subsidiary of Thirumalai Chemical Industries and hence part of the same group company.
 - iii. The participating users/importers have claimed unjustified confidentiality on list of all products sold, write-up on production process, details of purchased PUC from subject countries, other countries and domestic suppliers, total cost breakup of end-products using PUC and details of utilization of PUC.
 - iv. On the submission of the interested parties that the demand is likely to decline due to shift in non-phthalate-based plasticizers, while certain regulatory developments and niche applications have encouraged the use of alternative plasticizers, such changes are gradual and application-specific, and do not establish any industry-wide displacement of phthalic anhydride-based products.
 - v. Payal Group, which is an interested party in the present investigation, has undertaken significant capacity expansion over the last few years. Payal has

- expanded its plasticizer capacity from 1.5 lakh MT to 2.5 lakh MT in 2022. Payal has additionally set up a new 30,000 MT plasticizer plant in Coimbatore.
- vi. During the oral hearing it was also claimed by the other interested parties that the demand has declined in the global market particularly in the European market whereas the imports into European Union have increased considerably over the years.
 - vii. IG Petrochemicals Limited, one of the domestic industries, has also undertaken an investment of ₹[***] crore to set up a new plasticizer plant with an initial capacity of [***] MT.
 - viii. BIS quality order is a mandatory compliance mechanism aimed at safeguarding the interests of users by ensuring that only products of certified safety and quality are allowed into the Indian market. BIS requirement is for all products sold in the domestic market which includes imports as well. This, does not address the issue of dumping.

E.3 Examination by the Authority

31. The non-confidential version of the information provided by various interested parties was made available to all interested parties as per Rule 6(7) and Trade Notice 10/2018 dated 7th September 2018 read with Trade Notice 01/2020 (as extended by the Authority till further notice).

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

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

32. The submissions made by the domestic industry and the participating exporters concerning confidentiality, to the extent considered relevant, were examined by the

Authority and addressed accordingly. It is seen that the domestic industry and interested parties have claimed confidentiality on information, such as production, capacity, capacity utilization, sales volumes, market share, stocks, selling price, costs, profits, cash profits, return on investment, non-injurious price, cost of production related information, normal value, export price, dumping margin, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers names, etc. It is also seen that wherever information is for injury period, the same has been provided on an indexed basis. Information such as normal value, non-injurious price and price undercutting has been disclosed in the range.

33. The interested parties have claimed confidentiality in various supporting documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same has been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible to summary and have given reasons why summarization is not possible.
34. The Authority has consistently allowed interested parties to claim confidentiality in such information and documents provided by domestic industries, foreign producers and other interested parties in all investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.
35. It has been submitted by the interested parties that there is a shift in the market dynamics of phthalic anhydride in the downstream industries from phthalate-based plasticizers to non-phthalate-based plasticizers. The domestic industry has submitted that while there is a shift, it is for niche applications and not for industry-wide displacement of phthalic anhydride-based products. It is noted that the information on record shows that the demand for the PUC has increased in the domestic market. The domestic industry had in its written submissions provided information on capacity expansion of the participating downstream industry which uses the PUC and the contention has not been disputed by the interested party. Therefore, the submission of the interested parties that there is a shift in market dynamics does not hold significant consideration.
36. It has been submitted by the interested parties that there is a BIS license in force which restricts imports. The Authority notes that contention of the interested party that BIS license requirements discourage imports is incorrect and misleading. The said notification merely prescribes the requirement that imports are required to comply with a particular standard. The information on record shows that Naphthalene route generates highly toxic and environmentally persistent byproducts. The purpose of the BIS and the quality control order is just to restrict these imports. The notification does not prescribe any ceiling on

the volume and value of the product imported. These license requirements are equally applicable for the Indian industry as well. Since it is only a registration requirement, the price of such imports can still be dumped and injurious and the same can be addressed through appropriate trade remedial measures.

F. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.1 Submission of the other interested parties

37. The other interested parties have not made any submission concerning normal value, export price and dumping margin.

F.2 Submission of the domestic industry

38. The domestic industry has not made any submission concerning normal value, export price and dumping margin.

F.3 Examination by the Authority

39. 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 countries or territory as determined in accordance both 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 countries or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting countries 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 countries or territory or an appropriate third countries as determined in accordance with the rules made under sub-section (6); or*
 - b. *the cost of production of the said article in the countries 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 countries other than the countries of origin and where the article has been merely transhipped through the countries of export or such article is not produced in the countries of export or there is no comparable price in the counties of export, the normal value shall be determined with reference to its price in the countries of origin.

40. The questionnaires were sent to the known producers/exporters from the subject countries, advising them to provide information in the prescribed form and manner. No producer from subject countries has participated in the present investigation. The normal

value and export price for all producers/exporters from the subject countries have been determined as below.

G.3.1 Normal value and export price determination for China.

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

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

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

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

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

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

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provision of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector.”

42. The domestic industry has relied upon Article 15(a)(i) of China’s Accession Protocol as well as para 7 of the Annexure I. The domestic industry has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry, producing a like product with regard to the manufacture, production and sale of the PUC. It has been stated by the domestic industry that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure I to the Rules.
43. It is noted that while the provision contained in Section 15 (a)(ii) has expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO Anti-dumping Agreement read with the obligation under Section 15(a)(i) of the Accession Protocol require criterion stipulated in paragraph 8 of Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming market economy treatment. It is noted that since no producers/exporters from China PR have participated, the normal value computation is required to be done as per the provisions of paragraph 7 of Annexure I of the Rules.
44. The normal value has been determined in accordance with paragraph 7 of Annexure I of the Rules, which reads as under:

“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner [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; where appropriate, of the investigation if any made in similar matter in respect of any other market economy third country. The parties to the investigation shall be

informed without unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

45. The Authority notes that neither the domestic industry nor the interested parties have provided any information with regard to domestic prices or constructed value in a market economy third country, or price from such a third country to another country, including India. The Authority determined to determine the normal value for China PR based on the price paid or payable in India for the like article. The normal value has been determined considering the cost of production in India after addition of the selling, general & administrative expenses, and the reasonable profits.
46. Since none of the producers/exporters from China have participated in the present investigation, the export price has been determined on the basis of facts available. For this purpose, the information provided in the DG system data has been considered. Price adjustments have been made on account of ocean freight, inland transportation, port related expenses, insurance and credit cost on the basis of facts available. The ex-factory export price so determined is mentioned in the dumping margin table.

G.3.2 Normal value and export price determination for Korea

47. None of the producers/exporters from Korea have participated in the present investigation. Accordingly, the normal value and export price has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value is determined on the basis of best estimates of cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin.
48. Export price has been determined on the basis of facts available. For this purpose, the information provided in the DG system data has been considered. Price adjustments have been made on account of ocean freight, inland transportation, port related expenses, insurance and credit cost on the basis of facts available. The ex-factory export price so determined is mentioned in the dumping margin table.

G.3.3. Normal value and export price determination for Thailand.

49. None of the producers/exporters from Thailand have participated in the present investigation. Accordingly, the normal value and export price has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value is determined on the basis of best estimates of cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin.
50. Export price has been determined on the basis of facts available. For this purpose, the information provided in the DG system data has been considered. Price adjustments have been made on account of ocean freight, inland transportation, port related expenses,

insurance and credit cost on the basis of facts available. The ex-factory export price so determined is mentioned in the dumping margin table.

F.3.4 Dumping margin

51. Based on normal value and export price as determined above, the dumping margin for all producers and exporters from subject countries has been calculated and is shown below.

SN	Particulars	Constructed Normal value	Net Export Price	Dumping Margin		
		\$/MT	\$/MT	\$/MT	%	Range
1	China P RP	***	***	***	***	50-60%
2	Korea	***	***	***	***	40-50%
3	Thailand	***	***	***	***	10-20%

52. It is seen that the dumping margin is positive and above *de-minimis* level.

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submission of the other interested parties

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

- i. The Hon'ble CESTAT has consistently held that where imports are restricted by statutory or regulatory measures, such imports cannot cause material injury to the domestic industry.
- ii. Anti-dumping duty, when imposed in addition to such regulatory barriers, results in double trade restriction, which is impermissible under Rule 11 and Rules 23 of the AD rules and Articles 3 and 11.3 of the WTO Anti-dumping Agreement.
- iii. The injury to domestic industry is due to capacity expansion under utilisation or internal inefficiencies.
- iv. Imports from subject countries have declined.
- v. The market share of the domestic industry has increased. DGTR consistent practice is that declining imports in addition to rising market share negate injury.
- vi. Losses are self-inflicted and due to overcapacity and capacity expansion.
- vii. BIS protection already exists, which regulates quality. The continuation of anti-dumping duty is redundant.
- viii. The total demand reported in non-confidential versions is inconsistent, as different numbers have been reported at various places.
- ix. The Authority should direct the domestic industry to provide details of the supporter's sales, clearly segregating captive and non-captive consumption as per the prescribed format.

- x. The Authority should direct the applicant's industry to clarify whether they have used net sales realization figures while conducting the price injury analysis, as the same has significant implications for the price effect and likelihood analysis.
- xi. With the commencement of Phthalic Anhydride production by KLJ, its demand, which was earlier met through domestic producers as well as imports, is now being utilized through its own production. This has changed the fundamental market dynamics by eliminating a key source of merchant demand for the domestic industry.
- xii. Proforma IV A provided by the applicant's industry is not in the prescribed format of the Authority. Further, the information pertaining to captive consumption is not provided in the prescribed format and essential details such as indexed figures for commission, discounts, rebates, freight, etc, have not been provided.
- xiii. The annual report of the domestic industry for 2022-2023 shows a modest and steady growth, in the range of approximately 5-6% per annum. However, as per the data submitted by the applicants industry on page 58 of the application, the demand over injury investigation period is almost flat.
- xiv. The present situation is a classic case of a self-created structural imbalance, wherein capacity additions have significantly outpaced actual and anticipated demand while demand growth itself remains moderate and constrained.
- xv. The constrained demand has a consequence on price suppression, reduced profitability, and underutilization of capacity.
- xvi. With the commencement of Phthalic Anhydride production by KLJ, its demand, which was earlier met through domestic producers as well as imports, is now being utilized through its own production. This has changed the fundamental market dynamics by eliminating a key source of merchant demand for the applicants.
- xvii. The applicants are in long-term, fixed- volume procurement contracts for its key raw material. This has inherently restricted its operational flexibility and has led to adverse performance. The resulting inefficiencies, including inventory pressure and forced sales, cannot be attributed to imports.
- xviii. Substantial investments and capacity additions during the injury period are indicative of a healthy and expanding industry, not one suffering from material injury.
- xix. The injury to domestic industry is clearly attributable to demand suppression and overcapacity rather than any alleged impact of imports.
- xx. The reliance on historical trade data to suggest a transformation from "export surplus" to "import dependence" is misleading and devoid of causal analysis.
- xxi. The applicants have made no attempt to segregate the impact of other known factors such as capacity additions, changes in domestic demand patterns, downstream integration, or shifts in export competitiveness.
- xxii. The decline in imports from the subject countries both in absolute terms and relative to demand and production clearly shows that imports are neither exerting volume pressure nor posing any threat. The alleged injury, if any, is self-inflicted and attributable to recent capacity additions and admitted demand slowdown, rather than imports.

- xxiii. The simultaneous increase in capacity alongside declining utilisation and profitability is indicative of overcapacity and market adjustments, not import-induced injury.

G.2 Submission of the domestic industry

54. The domestic industry has made the following submissions with regards to injury and causal link:
- i. The Government of India has consistently found that the subject goods are getting adversely affected because of the low-priced imports.
 - ii. The imposition of anti-dumping duty had allowed the applicants to survive and grow.
 - iii. The domestic producers are vulnerable to the surplus capacities with foreign producers.
 - iv. Earlier, India was net exporter for the product. However, with the fact that Indian market is highly price sensitive, the product being a pure commodity product, and the global demand and supply situation, the foreign producers took over the Indian domestic market.
 - v. In India, there is only one domestic supplier of raw material (Ortho-xylene). Consistent requirement requires industry to enter into fixed supply contracts for volumes imports of raw materials. Since volumes are already committed, the industry has no option but to source the raw material, irrespective of the market conditions for the product.
 - vi. Plants of Phthalic Anhydride are so designed and maintained that operating at reduced rate is not an option for the industry as(a) shutting and resumption of the production results in a huge cost and (b) compulsion to buy raw material and (c) reduction in production will anyway lead to increase in per unit cost of production.
 - vii. While the industry has been able to hold onto its market share, it has come at a huge cost of significant erosion of profitability.
 - viii. Demand for the product has consistently increased over the injury period and in the POI.
 - ix. Imports from subject countries have declined in absolute terms and in relation to Indian production and demand.
 - x. The decline in the imports from the subject countries was attributable to the capacity expansion undertaken in India. While there was a demand and supply gap in past, there was no demand and supply gap in the POI.
 - xi. With imposition of duty, the imports from the subject countries have declined.
 - xii. The landed price of subject imports in the POI is below the selling price of the applicants.
 - xiii. While the cost of sales has declined by Rs *** MT only, the selling price has declined by Rs *** per MT. The decline in the selling price was more than the decline in the cost of sales, which was due to the decline in the landed price.
 - xiv. Thirumalai Chemicals Limited has set up a greenfield plant with a capacity of *** MT; IG Petrochemicals Limited has set up new production line (PA-5) and TCL Intermediates Private Limited has also started production from March 2025.

- xv. The production of the applicants increased in 2023-24, further increased in the year 2024-25 but declined in the POI.
- xvi. The domestic sales of the applicants increased in 2023-24, further increased in the year 2024-25 but declined in the POI.
- xvii. With intensified dumping in the proposed POI, the applicants have again suffered losses, steep decline in cash profits and negative return on capital employed.
- xviii. When compared with the year 2022-23, the applicants have suffered a decline in profits of more than Rs [***] cr.
- xix. The market share of the applicants has very marginally declined in the proposed POI.
- xx. The market share of the subject countries has declined. The market share for other countries has increased in the proposed POI.
- xxi. The closing inventory in the proposed POI with the applicants is worth more than Rs [***] cr.
- xxii. The losses suffered by the applicants do not justify any investment in the business. The working capital needs of the applicants have been seriously jeopardised by the dumping of the product.
- xxiii. On the submission of the interested parties that the untimely capacity expansions lead to injury, the capacity additions were based on a sustained and demonstrable historical increase in demand for Phthalic Anhydride.
- xxiv. On the submission of the interested parties that the capacity expansion by KLJ has led to change in market dynamics, but the domestic sales have increased over the injury period. Therefore, it cannot be said to have affected the market dynamics.
- xxv. On the submission of the interested parties that long-term fixed- volume procurement contracts for its key raw material have led to adverse performance, the adverse market conditions are caused due to dumping from subject countries. The long-term agreement of raw material sourcing does not allow curtailment of production but the adverse effect is felt on volume parameters as well which get established from the fact that domestic industry has been forced to suspend production at various lines.

G.3 Examination by the Authority

55. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles...*”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the

state of the industry such as production, capacity 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 Anti-Dumping Rules.

56. The Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority has considered all injury parameters and, thereafter, concludes whether injury to the domestic industry continues, or recur, in case the antidumping duty is ceased. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and other interested parties.
57. The Authority has taken note of various submissions made by the domestic industry and other interested parties on injury and causal link and has analyzed the same considering the facts available on record and applicable laws. The injury analysis carried out by the Authority *ipso facto* addresses submissions made by the domestic industry and other interested parties.
58. It has been contended by the interested parties that the injury to domestic industry is due to capacity expansion undertaken in untimely manner. The Authority notes that post the imposition of anti-dumping measures, the Indian industry has undertaken significant capacity expansions. While there was a demand and supply gap in past, the capacity in India is now more than the demand in the country. It is seen that the situation of surplus capacity over and above the demand existed in 2024-25 as well when the capacity with the domestic industry was more than the demand in India. Had the surplus capacity or the intense competition between the Indian industry been a cause of injury, the domestic industry would have suffered losses in 2024-25 as well. The information on record also shows that the import price from the subject countries and other countries which are under investigation is below the cost of sales of the domestic industry in the POI. The landed price was above the cost of sales in 2024-25. Had the capacity expansion been a cause of injury to the Indian industry, the domestic industry would have suffered losses in 2024-25 as well. The submission of the interested parties cannot be accepted.
59. It has been contended by the interested parties that the raw material procurement decision of the domestic industry has caused injury. In the present case, the domestic industry has clarified that there is only one domestic supplier of Ortho-xylene in domestic market, and therefore, in order to ensure continued supply at fair prices, the Indian industry enters into long term contractual agreement. To ensure a stable supply, the industry typically enters into long-term contractual agreements. The Authority considers such procurement practices to be a normal aspect of business operations, particularly given the need for consistent supply with the nature of the production process being continuous in nature. This has allowed the domestic industry to continue to produce and sell. There is no evidence on record indicating that the domestic industry's operations were negatively impacted by any shortage of raw materials. Accordingly, the submission is not accepted.

60. It has been contended by the interested parties that the capacity for the PUC set up by KLJ Petroplast Limited, which is a major consumer of the product has led to change in market dynamics. The Authority notes that KLJ Petroplast Limited is one of the major consumers of the PUC. The producer has set up a plant of *** MT with an investment of more than Rs *** cr in 2023-24. It is seen that when seen over the injury, the domestic sales of the domestic industry have increased. The demand has also increased in the POI as compared to the year 2023-24. The Authority therefore considers that while it is considered that the setting up of plant for the PUC by KLJ Petroplast Limited for catering its own demand alters the overall demand-supply dynamics in the market, however, the same cannot be said to have caused injury to the domestic industry.
61. On the submission of the interested parties that the domestic industry should be directed to provide details of the supporter's sales segregating captive and non-captive consumption, the Authority notes that the same is part of the application and has been reproduced below in the table on calculation of demand.
62. The Authority has also examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

H.3.1 Volume effect of the dumped imports

a. Assessment of demand/consumption

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

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Sales of domestic industry	MT	***	***	***	***
	Trend	Index	100	100	106	104
2	Sales of supporters (excluding captive)	MT	-	***	***	***
	Trend	Index	-	100	325	324
3	Imports from subject countries	MT	47,522	44,174	21,985	14,445
4	Imports from countries under investigation	MT	28,221	25,304	40,797	46,196
5	Import from Other Countries	MT	11,246	6,266	735	2,095
	Demand excluding captive	MT	***	***	***	***
	Trend	Index	100	98	102	100
6	Domestic industry captive consumption	MT	***	***	***	***
	Trend	Index	100	119	119	123
7	Captive consumption of supporter		***	***	***	***

	Trend	Index	-	100	120	118
8	Demand including captive	MT	***	***	***	***
	Trend	Index	100	113	120	118
9	Capacity in India	MT	***	***	***	***

64. It is seen that the demand for the product excluding captive increased in 2023-24, further increased in 2024-25 and then declined marginally in the POI. It is seen that the demand for the product including captive increased in 2023-24, further increased in 2024-25 and then declined marginally in the POI. The demand (Both including and excluding captive) has increased over the injury period.
65. The overall demand in India in the POI is around *** MT and the capacity of the domestic industry is 5,05,000 MT and of the supporter is ***MT. It is seen that the cumulative capacity in India is *** MT. While there was a demand and supply gap in the base year, the current capacity of the Indian industry is sufficiently higher than the demand in the country.

b. Imports in absolute and relative terms

66. With regards to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of the injury analysis, the Authority has relied on the DG system import data. The information is as below:

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Imports from subject countries	MT	47,522	44,174	21,985	14,445
	China	MT	20,280	30,602	14,416	13,585
	Korea	MT	17,788	3,961	3,140	720
	Thailand	MT	9,454	9,612	4,429	140
2	Imports from country under fresh investigation (Taiwan)	MT	28,221	25,304	40,797	46,196
3	Subject countries import in relation to					
a	Indian production	%	***	***	***	***
	Trend	Index	100	76	35	23
b	Indian consumption	%	***	***	***	***
	Trend	Index	100	95	45	30
a	Total imports	%	55%	58%	35%	23%
	Trend	Index	100	107	63	42

67. It is seen that:
- The volume of imports from the subject countries declined in 2023-24, declined further in 2024-25 and then in the POI.

- ii. The imports from the subject countries have declined over the injury period.
- iii. The imports from subject countries have consistently declined in relation to Indian production and in relation to consumption.
- iv. The imports in relation to total imports have also declined over the injury period.

H.3.2 Price effect of the 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. Price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the imports for the POI.
70. It was submitted by the domestic industry that the gross selling price may be compared with the landed price of imports. The purpose of determining price undercutting is to check how the domestic industry competes with imports. The selling price represents the price at which the domestic industry has sold the product. It is this price at which the domestic industry competes with imports. Therefore, the selling price being compared with landed value to determine price undercutting should not be at ex-factory level. The Authority has been consistently determining price undercutting by considering domestic industry selling prices at ex-factory level, and therefore, the calculations of the price undercutting have been considered by considering selling price at ex-factory levels.

Subject countries	Net sales realisation	Landed price	Price undercutting		
	₹/MT	₹/MT	₹/MT	%	Range
China	***	89,999	***	***	0-10%
Korea	***	91,487	***	***	0-10%
Thailand	***	97,995	***	***	(0-10) %
Subject Countries	***	90,151	***	***	0-10%

71. It is seen that weighted average landed price of imports from the subject countries is below the selling price of the domestic industry resulting in positive price undercutting. It is seen that price undercutting is positive, despite domestic industry selling the product at losses.

b. Price suppression and 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 were compared as below:

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Cost of sales	₹/MT	***	***	***	***
	Trend	Index	100	100	98	98
2	Selling price	₹/MT	***	***	***	***
	Trend	Index	100	94	96	89
3	Landed price from subject countries	₹/MT	1,01,761	99,383	98,943	90,151
	Trend	Index	100	98	97	89
4	Landed price with ADD	₹/MT	1,05,416	1,03,165	1,02,777	93,650
	Trend	Index	100	98	97	89

73. It is seen that when seen over the injury period, the cost of sales has declined by 2 index points, but the selling price has declined by 11 index points. It is seen that the decline in selling price is more than the decline in the cost of sales. It has been stated that industry has been forced to align its prices to the import price to sell the material in the market, even at the cost of profitability. It is considered that the prices of the domestic industry are depressed.
74. It is seen that the landed price of imports has also declined by 12 index points. However, the decline in import price is more than the decline in the cost of sales. It is therefore considered that the landed price of imports has depressed the prices of the domestic industry in the market.

I.3.1 Economic parameters of the domestic industry

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

a. Production, capacity, capacity utilisation and domestic sales

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

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Capacity	MT	***	***	***	***
	Trend	Index	100	102	116	128
2	Production	MT	***	***	***	***
	Trend	Index	100	104	107	106
3	Capacity utilisation	%	***	***	***	***
	Trend	Index	100	103	93	83
4	Domestic sales	MT	***	***	***	***
	Trend	Index	100	100	106	104
5	Export sales	MT	***	***	***	***
	Trend	Index	100	138	88	83

77. It is seen:

- i. The domestic industry has expanded capacity over the injury period.
- ii. With the expansion of the capacity, the production of the domestic industry increased till 2024-25, but declined marginally in the POI.
- iii. The domestic sales of the domestic industry increased till 2024-25 but declined slightly in the POI. Domestic sales have increased over the injury period.
- iv. The capacity utilization of the domestic industry increased in 2023-24 but has declined thereafter.

78. The domestic industry contended that the production process and the sourcing requirements for the inputs do not allow operating the plant at lower rate. The domestic industry has therefore stated that they were forced to continue production and sell the product in the domestic market, even under adverse pricing conditions caused by dumped imports. The domestic industry submitted that, due to dumped imports, it was forced to shut down operations at some of its production lines. The domestic industry has provided the information below with regard to the plant shutdown.

SN	Location	Shutdown start	Shutdown days	Capacity in MT	Production loss in MT
1	IGPL – PA 5	***	***	***	***
2	TCL -Dahej	***	***	***	***
3	TCL - Ranipet	***	***	***	***
4	TCL - Ranipet	***	***	***	***
	Total	***	***	***	***

79. It is seen that the domestic industry has lost significant production as a result of suspension of production.

b. Market share

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

SN	Market share of	UOM	2022-23	2023-24	2024-25	POI
1	Domestic industry	%	***	***	***	***
	Trend	Index	100	102	104	104
2	Supporter	%	***	***	***	***
	Trend	Index	-	100	313	318
3	Subject countries	%	***	***	***	***
	Trend	Index	100	95	45	30
4	Other countries	%	***	***	***	***
	Trend	Index	100	81	103	122

81. It is seen that:

- i. The market share of the domestic industry has increased over the injury period.
- ii. The market share of the subject countries has declined.
- iii. The market share for other countries has increased. It has been prima facie found that these imports from other countries (Taiwan) are at dumped prices and have caused injury to the Indian industry.

c. Profitability, cash profit and return on capital employed

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

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Profit/(Loss)	₹/MT	***	***	***	***
	Trend	Index	100	-20	47	-83
2	Profit/(Loss)	₹ Lacs	***	***	***	***
	Trend	Index	100	-20	50	-86
3	PBIT	₹ Lacs	***	***	***	***
	Trend	Index	100	10	63	-36
4	Cash Profit	₹ Lacs	***	***	***	***
	Trend	Index	100	16	77	-16
5	ROCE	%	***	***	***	***
	Trend	Index	100	10	42	-23

83. It is seen that –

- i. The domestic industry was profitable in the base year. However, as the import price declined in the year 2023-24, despite the cost remaining the same, the domestic industry's profitability was adversely affected.
- ii. The domestic industry recorded losses. The performance improved in the year 2024-25.
- iii. A decline in the landed price of imports during the POI, indicative of dumping, led to a reduction in the domestic industry's selling prices. This occurred despite only a marginal decrease in the cost of sales, resulting in significant financial losses, a

sharp fall in cash profits, and a negative return on capital employed for the domestic industry.

- iv. When compared with the year 2022-23, it is seen that the domestic industry has suffered a decline in profits of more than Rs [***] crores, which is quite significant.

d. Inventories

84. The performance of the domestic industry has been examined in respect of inventory and is shown below.

SN	Stock	Unit	2022-23	2023-24	2024-25	POI
1	Opening stock	MT	***	***	***	***
	Trend	Index	100	75	126	326
2	Closing stock	MT	***	***	***	***
	Trend	Index	100	169	319	762
3	Average Stock	MT	***	***	***	***
	Trend	Index	100	115	209	512

85. The average inventory of the domestic industry has increased sharply in the POI. The domestic industry has claimed that the closing inventory in the POI is worth more than Rs [***] crores.

e. Growth

86. The table below shows the information on growth.

SN	Particulars	UOM	2023-24	2024-25	POI
1	Production	Y/Y	4%	2%	-1%
2	Domestic Sales	Y/Y	0%	6%	-2%
3	Profit/(Loss) ₹ Lacs	Y/Y	-120%	346%	-273%
4	PBIT- ₹ Lacs	Y/Y	-90%	527%	-158%
5	Cash Profits- ₹ Lacs	Y/Y	-84%	364%	-121%
6	Return on capital employed	Y/Y	-90%	344%	-153%

87. It is seen that the domestic industry had recorded negative growth in both volume and price parameters in the POI.

f. Ability to raise capital investment

88. It is seen that post imposition of anti-dumping duties; the Indian industry has made investments and has set up fresh capacities. However, capacity expansions were undertaken in the period when the domestic industry was profitable. Since the domestic industry is suffering significantly in price and volume parameters in the POI, the domestic industry's ability to raise capital investment is severely impacted due to dumped imports. It is also seen that the domestic industry is in loss and earning a negative return on capital employed. Therefore, the domestic industry's working capital needs are also impacted.

g. Employment, wages and productivity

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

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Salary & Wages	₹ Lacs	***	***	***	***
	Trend	Index	100	112	135	143
2	No. of Employees	Nos	***	***	***	***
	Trend	Index	100	111	128	129
3	Productivity per day	MT/days	***	***	***	***
	Trend	Index	100	104	107	106
4	Productivity per employee	MT/Nos	***	***	***	***
	Trend	Index	100	94	84	82

90. It is noted that the number. of employees, and salaries and wages increased over the injury period. Productivity per day increased over the injury period except for the POI. Productivity per employee declined over the injury period. It is seen that with the capacity expansion undertaken by the Indian industry, the employment generated has increased.

h. Factor affecting the domestic prices.

91. The examination of DG System imports data shows that the landed price of the subject countries is below the cost of sales and the selling price of the domestic industry. As examined above, the landed price of imports, including anti-dumping duty, is also below the cost and selling price of the domestic industry. The landed price of imports from other countries, which is under a separate anti-dumping investigation, is also below the cost and price of the domestic industry. These imports too have been *prima facie* found to be at dumped prices.

92. It is therefore considered that the dumped imports from the subject countries and other countries have cumulatively affected the prices of the domestic industry.

i. Magnitude of dumping

93. The investigation has shown that dumping margin is positive and above *de-minimis level*. It is seen that there is continued dumping of the subject goods in India from the subject countries.

H. CAUSAL LINK & NON-ATTRIBUTION ANALYSIS

94. As per the Rules, the Authority is required to, inter alia, examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and

causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

a. Volume and price of imports from third countries

95. It is noted that apart from the imports from the subject countries, there were imports above *de-minis* level from Taiwan. An anti-dumping investigation is separately being conducted on these imports. These imports too have been found on *prima facie* to be at dumped and injurious prices.

b. Contraction in demand

96. It is seen that the demand for the PUC increased till 2024-25 but has declined in the POI. The demand has increased over the injury period. While the domestic sales have declined in the POI, the imports have increased.

c. Trade restrictive practices

97. It is seen that there is no trade restrictive practice which has caused or is likely to cause injury to the domestic industry.

d. Development of technology

98. It is noted that information on record shows that technology for production of the product has not undergone any change. The domestic industry has set up new capacities and therefore technological development cannot be a cause of injury.

e. Export performance

99. The domestic industry has exported the PUC and these exports have declined. The domestic industry has submitted that it is suffering in other export markets as well because the investigation has shown that the third country exports from the subject countries are also below the normal value. The Authority has considered segregated data for domestic operations only. Therefore, the injury found above cannot be attributed to the export performance.

f. Performance of other products of the company

100. The Authority has considered data relating to the performance of the subject goods only. Therefore, performance of other products cannot be a cause of injury.

101. The Authority notes that other known factors which could have caused injury to the domestic industry have been duly examined in the non-attribution analysis above and do not appear to have caused injury to the domestic industry. The following factors establish that injury is caused due to dumping.

a. The dumping margin for all subject countries is positive.

b. The import price is below the selling price and cost of sales of the domestic industry.

- c. Dumped imports have constrained the domestic industry's ability to raise prices in line with rising costs. The resultant decline in domestic prices demonstrates the price-depressing effect of such imports on the domestic industry.
- d. As a result of the low-priced imports, the profit per unit of the domestic industry has significantly declined in the period of investigation and turned into losses. The domestic industry has suffered financial losses, cash losses and a negative return on capital employed.
- e. The domestic industry's production and domestic sales have declined.

I. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY

I.1 Submission of the other interested parties

102. The other interested parties have made the following submissions with regards to likelihood of injury
- i. The Hon'ble Supreme Court and CESTAT have categorically held that likelihood of continuation or recurrence of dumping and injury must be real, imminent and based on contemporaneous evidence and mere reproduction of earlier findings is legally unsustainable.
 - ii. No FTA price or volume assessment has been undertaken, and no evidence has been provided demonstrating likely surge of imports.
 - iii. Continuation of ADD without country-specific likelihood analysis and examination of preferential duty neutralization is contrary to Rule 17(2) of the AD Rules and WTO Jurisprudence.
 - iv. Historical dumping is irrelevant. Current imports have sharply declined.
 - v. China surplus capacity is irrelevant as imports from China are limited.
 - vi. The mere existence of surplus capacity or expansion in another country does not ipso facto translate into diversion of exports to India, particularly in the absence of any cogent evidence on export orientation towards India, price attractiveness of the Indian market, or inability to absorb such capacity in other markets.
 - vii. The producers in China are operating at reduced capacity due to weak demand, which itself demonstrates that the issue is demand-side contraction rather than export diversion.
 - viii. It is an admitted position that, since 2021–22, almost no Chinese producer has obtained BIS certification (barring isolated exceptions), and this position continues unchanged.
 - ix. The contention that imports from China act as a price benchmark is equally untenable when the volume of such imports is negligible and restricted.
 - x. The exporters from Korea have demonstrably shifted their focus towards non-phthalic products, reflecting an ongoing structural transition in the downstream market away from phthalic anhydride.
 - xi. Even in a sunset review, the determination of likelihood must be based on current, objective, and forward-looking evidence.

I.2 Submission of the domestic industry

103. The domestic industry has made the following submissions with regard to likelihood of injury:

- i. The Authority has consistently found that the subject goods is getting adversely affected because of the low-priced imports.
- ii. There is need for an enhancement of the anti-dumping duties, particularly in light of substantial increase in the cost and resultant injury margin.
- iii. The ADD had allowed the domestic industry to survive and grow. However, with the intensified dumping in the Indian market in the POI, the domestic industry has incurred steep decline in profits.
- iv. The domestic producers in India are vulnerable to the surplus capacities with foreign producers.
- v. Earlier, India was net exporter for the product. However, with the fact that Indian market is highly price sensitive, the product being a pure commodity product, and the global demand and supply situation, the foreign producers took over the Indian domestic market.
- vi. The domestic industry has left with no choice but to react to the pricing of the foreign producers.
- vii. Apart from 2022-2023, the landed price of the imports from subject countries were consistently below the cost of sales of the applicants.
- viii. Substantial quantity of exports to other countries are priced below the price in the Indian market.

China:

- ix. China and Korea are the largest exporters of the product globally and the capacities in these countries far exceed the demand.
- x. At present, China is operating with significantly idle capacities, which is more than the demand in India.
- xi. With the aide provided by Chinese government, the producers of subject goods have grown rapidly over the past few decades. In a matter of a decade, China has changed from the largest import to the net exporter.
- xii. Fujian Fuhua Gulei Petrochemical Co. Ltd, China is one of the largest single-line phthalic anhydride production plants in the world, with an annual production capacity of 260,000.
- xiii. UPC Group, China has also added new capacity of 120,000 tons per year in 2023.
- xiv. As per the Industry estimates, there are around 45-50 producers of Phthalic Anhydride in China. The total capacity in China has increased from about 2,700 KT in 2019 to 3,260 KT at present.
- xv. In 2023, China exported a total of 131 kilotons of PA all over the world.
- xvi. There has been a noticeable decline in subject goods demand in China over 2023-2025, reflecting structural and cyclical shifts in the country's downstream chemical and manufacturing sectors.
- xvii. At present, the subject goods are covered under the BIS Quality Control Order and no Chinese manufacturer has a registered license. The import from China is currently entering the domestic market under the Advance Authorisation Scheme.

xviii. The table below shows the information on capacity and demand from China.

SN	Particulars	UOM	Methodology	Data
1	Capacity	MT	A	32,60,000
2	Demand	MT	B	22,00,000
3	Surplus capacities	MT	C= B-A	10,60,000
4	Demand in India	MT	D	4,85,048
5	Surplus capacities as % of demand in India	%	E = C/D	219%

xix. The table below shows the exports made to other countries from China and the volume of exports below normal value. The exports from China have been considered based on trade map data.

SN	Particulars	UOM	Value
1	Normal value	\$/MT	***
2	Export price of third country exports	\$/MT	842
3	Dumping margin for third country exports	\$/MT	339
4	Dumping margin for third country exports	%	40%
5	Dumping margin for third country exports	Range	40-50%
6	Total exports to third countries	MT	1,39,177
7	Exports to other countries below normal value	MT	1,39,172
8	Exports to other countries below normal value	%	100%

Thailand:

xx. The imports from Thailand declined only because of the measures in force. Examination of export data post the imposition of anti-dumping duty in India shows that producers/exporters in Thailand have not developed any other export market.

xxi. The table below shows the information on capacity and exports from Thailand.

SN	Particulars	UOM	Methodology	Data
1	Capacity	MT	A	2,90,000
2	Average exports of 5 years	MT	B	2,346
3	Export orientation	MT	C= B/A	1%

xxii. The table below shows the exports made to other countries from Thailand and the volume of exports below normal value. The exports from Thailand have been considered based on trade map data.

SN	Particulars	UOM	Value
1	Normal value	\$/MT	***
2	Export price of third country exports	\$/MT	944
3	Dumping margin	\$/MT	62

4	Dumping margin	%	7%
5	Dumping margin	Range	0-10%
4	Total exports to third countries	MT	2,206
5	Exports to other countries below normal value	MT	2,206
6	Exports to other countries below normal value	%	100%
7	Demand in India	MT	4,85,048
8	Exports to other countries below normal value as % of demand in India.	%	0%

Korea:

xxiii. In Korea, there are two producers of the subject goods, i.e., Aekyung Petrochemical Company and OCI Company Limited. Aekyung possesses world-class quality and production capacity with an annual production of 210 KT. OCI possess capacity of 80 KT. Combinedly, Korea has a capacity of 290 KT.

xxiv. In 2025, South Korea's domestic demand for Phthalic Anhydride was only 48 KT. Against this, the exports amounted to 125 KT.

xxv. The table below shows the information on capacity and demand from Korea.

SN	Particulars	UOM	Methodology	Data
1	Capacity	MT	A	2,90,000
2	Demand	MT	B	48,000
3	Surplus capacities	MT	C= B-A	2,42,000
4	Demand in India	MT	D	4,85,048
5	Surplus capacities as % of demand in India	%	E = C/D	50%

xxvi. The table below shows the exports made to other countries from Korea and the volume of exports below normal value. The exports from Korea have been considered based on trademap data.

SN	Particulars	UOM	Value
1	Normal value	\$/MT	***
2	Export price of third country exports	\$/MT	897
3	Dumping margin	\$/MT	120
4	Dumping margin	%	13%
5	Dumping margin	Range	10-20%
6	Total exports to third countries	MT	94,278
7	Exports to other countries below normal value	MT	94,278
8	Exports to other countries below normal value	%	100%
9	Demand in India	MT	4,85,048
10	Exports to other countries below normal value as % of demand in India.	%	19%

11	Exports to other countries below normal value as % of demand in India.	Range	20-30%
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xxvii. The table below shows the information on capacity and exports from Korea.

SN	Particulars	UOM	Methodology	Data
1	Capacity	MT	A	2,90,000
2	Exports in POI	MT	B	94,998
3	Export orientation	%	C= B/A	33%

xxviii. The table below shows the exports from Korea to India and whether these exports are at attractive prices as compared to other countries.

SN	Particulars	UOM	Value
1	Total exports from Korea to all countries	MT	94,998
2	Total exports to third countries (excluding India)	MT	94,278
3	Total exports to India	MT	720
4	Share of exports to India in total exports	%	1%
5	Export price to India	₹/MT	955
6	Export price to third countries (excluding India)	₹/MT	897
7	Volume of third countries exports below export price to India	MT	35,754

I.3 Examination by the Authority

104. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure - II (vii) of the anti-dumping rules. and other relevant factors brought on record by the interested parties.
105. The present investigation is a sunset review of duties imposed on the imports of the PUC from China PR, Korea RP and Thailand. 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.
106. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia, for factors which could be taken into consideration, viz.
- i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.
 - ii. 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.

- iii. 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
- iv. Inventories of the article are being investigated.

107. The Authority has, *inter alia*, considered the above requirements and in order to determine whether dumping is likely in the event of cessation of anti-dumping duty, and if so, whether the same is likely to cause injury to the domestic industry in case of cessation of anti-dumping duty. Additionally, as none of the producers from the subject countries participated in the present investigation, the Authority has relied on all the relevant information brought on record by the domestic industry and the other interested parties.

I.3.1 Factors on likelihood of injury from China.

108. The domestic industry has submitted that China is one of the largest producers as well as consumers of Phthalic Anhydride in the world. Based on the information on record, it is seen that China was earlier a net importer of the PUC but the industry in China has grown rapidly over the past few decades has now become one of the largest exporters. The total capacity in China has increased from about 2,700 KT in 2019 to 3,260 KT at present. The information on record also shows that that there has been a noticeable decline in demand for subject goods in China over 2023- 2025.

109. The following parameters have been examined to see if there is a likelihood of injury in event of expiry of measures.

a. Continued dumping.

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

SN	Particulars	UOM	Original investigation	Present investigation
1	Dumping margin	%	20-30%	50-60%

111. It is seen that the dumping from China has continued. The continuation of dumping in the current period shows the likelihood of dumping in event of expiry of measures.

b. Third countries export below normal value.

112. Based on the information available on record, it is seen that the third country exports are also at prices which are below the associated normal value of the country. It is seen that out of the total exports to third countries, 100% of exports to other countries are below

the associated normal value. It is therefore considered that not only are the exports to Indian market below the associated normal value, but the third country exports are also below the normal value.

c. Surplus capacities in China.

113. It is seen that the capacities in China are significantly more than the demand in country. The surplus capacity in China is more than 200% of the demand in the Indian market. It is seen that while current exports to India are low, they are low because of the anti-dumping duty in place and the fact that producers have to obtain BIS license.

I.3.2 Factors on likelihood of injury from Korea RP.

114. The domestic industry has submitted that there are only two producers of Phthalic Anhydride in Korea RP - Aekyung Petrochemical Co. and OCI Company Ltd. None of the producers have participated.

115. The following parameters have been examined to see if there is a likelihood of injury in event of expiry of measures.

a. Continued dumping.

116. The table below shows the dumping margin determined by the Authority in the original investigation and the present investigation.

SN	Particulars	UOM	Original investigation	Present investigation
1	Dumping margin	%	0-30%	40-50%

117. It is seen that the dumping from Korea has continued. The continuation of dumping shows the likelihood of dumping in event of expiry of measures.

b. Third countries export below normal value.

118. It is seen that the third country exports are also at prices which are below the associated normal value of the country. It is seen that out of the total exports to third countries, entire exports to other countries are below the associated normal value. It is therefore considered that not only are the exports to Indian market below the associated normal value, but the third country exports are also below the normal value.

c. Surplus capacities in Korea.

119. It is seen that the capacities in Korea are significantly more than the demand in country. The surplus capacity in Korea is more than 50% of the demand in the Indian market.

d. Export orientation in Korea.

120. The Authority also notes that the exports from Korea have consistently increased over the years. It is seen that the current exports from Korea RP to all countries have declined. It has been stated by the applicants that the same is because of the dumping resorted to by the producers in China.

J.3.3 Factors on likelihood of injury from Thailand.

121. It is seen from the information on record that there is only one producer in Thailand. The following parameters have been examined to see if there is a likelihood of injury in event of expiry of measures.

a. Volume of dumping.

122. In the present case, imports from Thailand have declined steadily since 2022, and is negligible.

b. Surplus capacities in Thailand.

123. The domestic industry has not provided any information on demand in Thailand and existence of surplus capacities in Thailand. There is no evidence on record demonstrating any significant freely disposable capacity or imminent expansion of exportable surplus that could be directed towards the Indian market. In the absence of such essential market data, the allegation of surplus capacity remains unsubstantiated and cannot be relied upon to establish likelihood of increased dumped exports.

124. Further, with respect to price effects, the imports from Thailand are not entering at prices that are causing any significant price undercutting. On the contrary, the undercutting margin is negative, indicating that imported goods are not exerting any adverse price pressure on the domestic industry. This further demonstrates that imports are neither suppressing nor depressing domestic prices.

J.3.4 Likelihood of impact on Indian industry on cessation of anti-dumping duty.

a. Likely suppressing depressing effect of imports.

125. The table below shows the comparison between cost of sales and landed price of imports over the injury period.

SN	Particulars	UOM	2022-23	2023-24	2024-25	POI
1	Cost of sales	₹/MT	***	***	***	***
	Trend	Index	100	100	98	98
2	Landed price	₹/MT	***	***	***	***
	Trend	Index	100	98	97	89

126. It can be seen that except the year 2022-23, the landed price of imports is consistently below the cost of sales of the domestic industry. The above establishes the fact that once duty is removed, the imports are likely to have an adverse effect on the prices of the domestic industry.

J. MAGNITUDE OF INJURY MARGIN

127. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in AD Rules read with Annexure III, as amended. The NIP of the PUC has been determined by adopting the information/data relating to the cost of production provided by the domestic industry. The NIP has been considered for comparing the landed price from the subject countries for calculating injury margin. For determining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax@ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the PUC was allowed as pretax profit to arrive at the NIP as prescribed in Annexure III to the AD Rules.

128. The landed price and non-injurious price determined as above have been compared for the PUC. The injury margin determined for the producers/exporters is provided in the table below:

SN	Particulars	NIP	Landed price	Injury margin		
		\$/MT	\$/MT	\$/MT	%	Range
1	China P RP	***	***	***	***	0-10%
2	Korea	***	***	***	***	0-10%
3	Thailand	***	***	***	***	Negative

K. INDIAN INDUSTRY INTEREST AND OTHER ISSUES

K.1 Submission made by the other interested parties.

129. The other interested parties have made the following submissions with regard to the Indian industry's interest:

- i. The subject goods are a critical intermediate input for downstream industries including Plastics, Resins, Coatings, Paints, Dyes and Pigments. Continuation of ADD will increase input costs, escalate downstream prices and contribute directly to inflation.
- ii. If the duty continued, imports from Korea (CEPA), Thailand (AIFTA), imports by end-users (licensed/captive consumption), imports by integrated domestic players, and imports from non-subject countries (Taiwan) must be excluded.

- iii. The subject goods are a critical input for plasticizers, paints and coatings and construction. Thus, continuation of ADD will increase input costs, trigger inflation, and harm downstream industries.
- iv. The primary consumption of Phthalic Anhydride is to be utilized in plasticizers. However, the applicants has instead relied on niche and negligible segments such as specialty dyes and intermediates, which account for an insignificant proportion of total consumption, thereby distorting the true impact analysis.
- v. The existing anti-dumping duty increases the cost ranging from approximately 1% to 7% of the finished product price, whereas the industry operates on thin profit margins of merely 1.5% to 2%. Such escalation is neither negligible nor absorbable.
- vi. The downstream industry is already facing structural disadvantages such as inverted duty structure and duty-free imports of finished plasticizers under FTAs, which prevent any meaningful pass-through of increased input costs.
- vii. The continuation of duties would have adverse impact on the users. These downstream industries are operating on wafer-thin margins and merely sustaining operations.
- viii. The data furnished by users establishes that the incidence of duties ranges between 3% to 5% of the finished product cost, an impact that is commercially significant and incapable of absorption in a highly competitive commodity market.
- ix. The applicants industry's increasing reliance on captive consumption has materially curtailed merchant availability in the domestic market, while the user industry devoid of any backward integration remains wholly dependent on the applicants for supply.
- x. The applicants attempt to trivalize the impact of duties by presenting them as 4-6% of landed price ignores the actual market evidence.
- xi. The Authority has not initiated investigation against DINP from Korea because of the declined imports. This reflects the broader market trend wherein Korean producers have shifted towards non-phthalic plasticizers in response to evolving regulatory requirements and voluntary demand-side transitions.
- xii. The mere non-filing of a formal Economic Interest Questionnaire cannot be construed to mean absence of adverse impact, particularly when relevant information has otherwise been placed before the Authority.
- xiii. The price of the domestic industry is driven by an import-parity formula benchmark import price plus freight, BCD, ADD, and an additional premium rather than any cost-based discipline.

K.2 Submission made by the domestic industry.

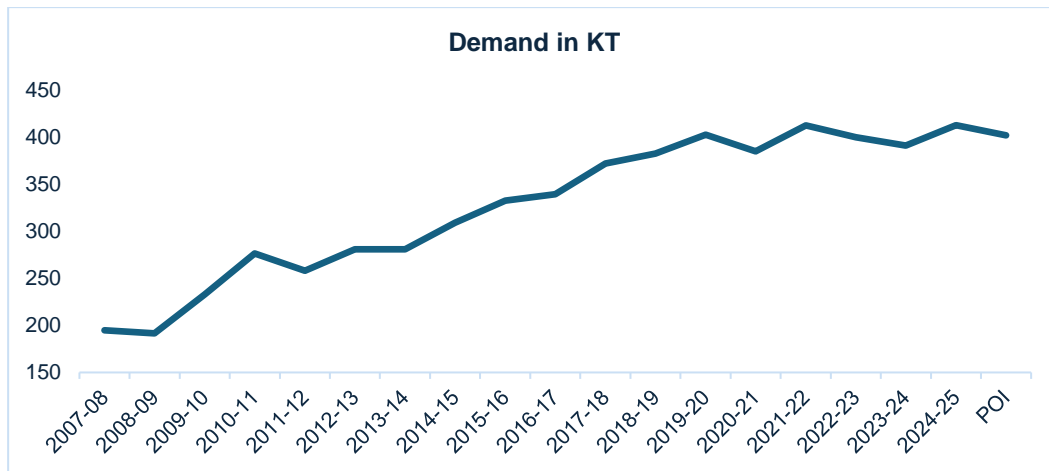
130. The domestic industry has made the following submissions with regard to the Indian industry's interest:
 - i. The anti-dumping duty was imposed in 2021. Therefore, any adverse impact on the downstream industry, if it were to occur, would have already materialized subsequent to the imposition of the duty. Despite duty in force, the demand for the subject goods has seen a sustained growth in demand, save for the marginal decline

- during the POI, clearly demonstrating that the anti-dumping duty has not had any significant adverse effect on the downstream producers.
- ii. There have been no known instances of any adverse impact on the downstream producers because of the duty in force.
 - iii. The impact of the anti-dumping duty on the downstream products is miniscule.
 - iv. Earlier, there was demand and supply gap. However, in the POI there was no demand-supply gap. In fact, the total capacity with the domestic industry is higher than the demand.
 - v. The anti-dumping duty as a % of the landed value ranges only 4-6%.
 - vi. The basic custom duty on the imports of PUC of 7.5% is not applicable on imports from Korea and Thailand because of the existing free trade agreements.
 - vii. The price of the subject goods fluctuated over the years. Despite the price fluctuations, the demand for the PUC increased.
 - viii. The Indian market is world's one of the most price sensitive and large demand markets and the subject goods is a pure commodity product. This has resulted in a situation of India being net exporter to net importer.
 - ix. It is in India's interest in general and consumer's interest in particular to have a domestic producer of the subject goods. The exporters in the subject countries only work with the profit motive.

K.3 Examination by the Authority

131. It was examined whether the recommendation for continuation of imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of various parties including the domestic industry, foreign producers and consumers.
132. The Authority issued initiation notification inviting views from all the interested parties, including importers, consumers and others. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the users/consumers to provide relevant information with regard to the present investigations, including effect of an antidumping duty on their operations. The Authority sought information on interchangeability of the product supplied by various suppliers from different countries, ability of the domestic industry to switch sources, effect of anti-dumping duty on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of anti-dumping duty.
133. The Authority notes that the PUC has had a history of anti-dumping measures. The table below shows the information provided by the domestic industry on the historical demand for the product. It has been claimed that in the period provided below, trade remedial measures were in force for majority of the period. It is seen that the demand for the PUC has increased consistently. The increase in demand when anti-dumping duty is in force

shows that the duties did not affect the demand and the operations of the downstream industry.



Source – Domestic industry EIQ.

134. It is also seen that the capacity with the Indian industry in the original investigation was 3,17,110 MT which has increased to ***MT. it has been stated that since 2023- 24, the industry has brought on stream investment of Rs. *** crores. While there was a demand and supply gap in the original investigation, the gap has been bridged now. Thirumalai Chemicals Limited has set up a new green field plant in India of *** MT. TCL Intermediates Private Limited has commenced commercial production in at *** MT plant. IG Petrochemicals Limited has also set up a new production line of subject goods by ***MT. KLJ Group has set up a *** MT plant in India. It is therefore considered that fair competition in the domestic market has allowed expansion in the country.
135. The purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The domestic industry was suffering financially in the original investigation, and the imposition of anti-dumping duty had allowed the domestic industry to survive and grow. Therefore, the imposition of anti-dumping duty was in the interest of the domestic industry. The domestic industry is suffering financially again, and the continued imposition of anti-dumping duty will be in the interest of the Indian industry.
136. It is noted that imposition of anti-dumping duty does not restrict imports. Imports will continue to happen at fair prices. Anti-dumping duty ensures that the imports are entering the Indian market at fair prices and a level playing field is maintained between the foreign exporters and the domestic industry.
137. The Authority had prescribed an economic interest questionnaire which was sent to all interested parties in this investigation. Barring domestic industry, no interested party has filed response to the economic interest questionnaire. The domestic industry has provided the following impact of anti-dumping duty.

SN	Particulars	Selling price	Consumption of Phthalic Anhydride	ADD	Impact of ADD	Impact of ADD
	Unit	Rs/KG	KG	\$/MT	Rs/KG	%
1	Diethyl Phthalate	450	0.680	40.08	1.63	0.36%
2	CPC	1000	1.030	40.08	2.47	0.25%
3	Diceto Stearyl Phthalate	1550	0.680	40.08	1.63	0.11%
4	DI ISO Nonyl Phthalate	175	0.350	40.08	0.84	0.48%
5	Diisodecyl Phthalate	230	0.330	40.08	0.79	0.34%
6	Reactive Blue 21	350	0.450	40.08	1.08	0.31%

138. It is seen that the impact of continuation of anti-dumping duty on downstream industries is insignificant.
139. On the submission on inverted duty structure, the Authority notes that the present investigation is restricted to examine whether there is a likelihood of recurrence of dumping and consequent injury to the domestic industry in the event of expiry of measures. The existence of inverted duty structure is not relevant to the investigation. It is also seen that the existence of inverted duty structure is equally applicable to the domestic industry as the imports of the PUC from Korea and Thailand are also subject to nil duty under the FTAs.

L. POST DISCLOSURE COMMENTS

L.1 Comments filed by the other interested parties.

140. The following comments on the disclosure statement have been filed by the other interested parties:
- i. Disclosure merely concludes that the products are “technically and commercially substitutable” without undertaking any analysis if the alleged impurities affect marketability or pricing, if consumers differentiate between the two types of products and whether any adjustments are required to ensure a fair comparison.
 - ii. While Authority has stated that it has relied on net sales realization (NSR), for price undercutting, the trend reflected in price suppression / depression relating to sales realization is identical to that derived from gross sales figures used in the application.
 - iii. There is a huge variation in the profit/loss number reported by the applicant industry in Proforma IV A and profit & loss numbers worked out by respondents based on the indexed numbers provided in Proforma IV A relating to ex-factory cost of sales and ex-factory selling prices and actual figures.

- iv. The impact of the proposed measures is far more significant than what has been assessed by the Authority in the disclosure statement.
- v. IG Petrochemicals Limited is planning captive consumption which will materially reduce the availability of such goods in the open market. In a scenario where anti-dumping duties are imposed, the residual supplies available to independent users would become both limited and significantly more expensive.
- vi. Continuation of anti-dumping duties on Phthalic Anhydride from China PR, Indonesia, Korea and Thailand is not warranted, as the statutory requirement of likelihood of continuation or recurrence of injury is clearly not met.
- vii. Authority's own analysis demonstrate that imports have declined in both absolute and relative terms, as merchant demand for the product declined.
- viii. Imports are already subject to mandatory BIS Quality Control Orders, ensuring strict regulatory compliance and no imports from non-BIS license producers.

L.2 Comments filed by the domestic industry.

141. The following comments on the disclosure statement have been filed by the domestic industry:
- i. Current decline in imports from Thailand is attributed to the presence of significant dumped imports from China and Taiwan. When imports from other countries have entered the domestic market, all suppliers will match these prices or exist in the market. If producers in Thailand would have exported to India during the period of investigation, they would have incurred financial losses.
 - ii. The foreign producers opted to not export to Indian market rather than operate at a loss. If anti-dumping duties are withdrawn, the producers in the subject countries are likely to re-enter the Indian market and resume exports at dumped prices.
 - iii. The Authority is requested to examine exports to other countries below non-injurious price and price below the export price to India.
 - iv. Determination of a negative injury margin cannot, by itself, justify cessation of the anti-dumping duties.
 - v. Price fluctuations of the product establish the ability of the downstream industry to bear the cost increase. The incidence of anti-dumping duty is significantly lower than the fluctuations in the price of the product under consideration.

L.3 Examination by the Authority.

142. The Authority has examined the post-disclosure submissions made by the interested parties. It is observed that the majority of these submissions are reiterations of arguments and contentions that have already been examined and are therefore addressed to the extent deemed necessary in the relevant paragraphs of these final findings. For the sake of brevity, the Authority has refrained from repeating responses to such issues in this post-disclosure examination. However, any new issues raised for the first time in the post-

disclosure submissions, as well as those previously addressed but deemed necessary to examine further, are addressed hereunder.

143. Regarding comments of other interested parties that whether the alleged impurities affect marketability or pricing, if consumers differentiate between the two types of products and whether any adjustments are required to ensure a fair comparison, the Authority notes that the scope of PUC has already been discussed at length from para C3.8 to 18. The Authority also notes that no information has been provided by the interested parties to justify that there is a difference in the product's technical and chemical characteristics which affects marketability and pricing, or which led to a difference between the two product types requiring adjustment for fair comparison. Therefore, the Authority does not find merit in the contention that the product imported from China is not comparable to that supplied by the domestic industry.
144. On the comments of the other interested parties' whether net selling price has been considered for assessing the effect of imports, the Authority clarifies that the analysis of price suppression and depression has been undertaken using net selling price and cost of sales as reflected in point 72. The trend remains consistent with that reflected in the gross sales figures provided in the application. It is reiterated that the landed price of imports has exerted a depressing effect on the domestic industry's prices in the market.

Impact Analysis on the downstream products

145. With regard to the comments submitted by the other interested parties contending that the impact of the measures is significantly greater than that assessed by the Authority, it is noted that the import volume among the subject countries is highest from China. Accordingly, the impact of the anti-dumping duties has been assessed with reference to the duty applicable to imports from China. Based on the evidence available on record, the Authority has reassessed the impact, as set out below.

SN	Particulars	Selling price	Consumption of Phthalic Anhydride	ADD	Impact of ADD	Impact of ADD
	Unit	Rs/KG	KG	\$/MT	Rs/KG	%
1	Diethyl Phthalate	450	0.68	40.08	2.36	0.53%
2	CPC	1000	1.03	40.08	3.58	0.36%
3	Diceto Stearyl Phthalate	1550	0.68	40.08	2.36	0.15%
4	DI ISO Nonyl Phthalate	119	0.35	40.08	1.22	1.02%
5	Diisodecyl Phthalate	230	0.33	40.08	1.15	0.50%
6	Reactive Blue 21	350	0.45	40.08	1.56	0.45%

7	N-Butyl Phthalate	101	0.55	40.08	1.91	1.89%
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146. It is noted that the impact of the proposed anti-dumping duty on the prices of downstream products is negligible, ranging between 0.15% and 1.89%. The measures would, however, ensure fair competition in the Indian market by providing a level playing field.
147. On the comments filed by the other interested parties that the commencement of captive consumption by IGPL (one of the applicants) will reduce the availability of such goods in the open market, it is noted that capacity in India is sufficiently greater than demand. In such a scenario, there will be no shortage in the availability of raw material for the downstream industry. It is also noted that the imposition of anti-dumping duty does not restrict imports but ensures that imports will continue to take place at fair prices.
148. On the comments of the other interested parties that imports have declined in both absolute and relative terms, the Authority notes that while there was a demand-and-supply gap in the past, capacities in India now exceed domestic demand. Furthermore, a decline in imports alone does not imply an absence of likelihood of dumping and injury. The data on record shows that capacities in China and Korea exceed domestic demand in those countries, and producers in these countries are export-oriented. Therefore, there is a likelihood of continuation of dumping and consequent injury to the domestic industry in the event of expiry of the measures.
149. On the comments of the other interested parties that imports are already subject to mandatory BIS Quality Control Orders, the Authority notes that imports from the subject countries have taken place throughout the entire injury period, which indicates that producers in those countries have obtained the necessary approvals. It is also noted that BIS requirements do not have any material bearing on the scope of the present investigation, which is to examine whether there is justification for the extension of measures. Through BIS, the Government of India has ensured that the product consumed in the domestic market meets the required specifications. The purpose of BIS is not to discourage imports. Therefore, this submission cannot be accepted.

Third country injurious exports

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

SN	Particulars	UOM	China PR	Korea RP
1	Total Exports	MT	1,39,177	94,278
2	Exports below Non-Injurious Price	MT	45,249	19,832
		%	33%	21%

151. The Authority notes that the substantial quantity of exports from China PR and Korea RP to third countries are below the Non-Injurious Price and in all likelihood if anti-dumping duty is discontinued, would be diverted to India. It is noted that the exports from Thailand are negligible in comparison to the other subject countries.
152. On the domestic industry's contention that the decline in imports from Thailand is due to competitive pricing pressures from dumped imports from China and Taiwan, rendering exports to India financially unviable for Thai producers during the period of investigation, the Authority notes that in light of absence of likelihood of injury with respect to Thailand, continuation of anti-dumping duty from Thailand is not recommended.

M. CONCLUSION

153. Having regard to the contentions raised, information provided, submissions made and the facts available before the Authority as recorded above and on the basis of the above analysis of the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes that: -
- a. The product under consideration is Phthalic Anhydride.
 - b. The application has been filed by IG Petrochemicals Limited (IGPL), Thirumalai Chemical Industries Limited (TCL), and TCL Intermediates Private Limited (TCL IPL), with support from KLJ Petroplast Limited. Together, these applicants represent a major proportion of total domestic production in India.
 - c. The applicant fulfils all requisite conditions under the Rules.
 - d. The present review investigation has established the continuation of dumping of the product, and the findings indicate that dumping is likely to persist should the duties be allowed to lapse.
 - e. The current position of the domestic industry is vulnerable due to dumping as is established by the following: -
 - i. Dumped imports from China PR and Korea RP are priced below the selling price of the domestic industry resulting in positive price undercutting.
 - ii. Dumped imports have constrained the domestic industry's ability to raise prices in line with rising costs. The resultant decline in domestic prices demonstrates the price-depressing effect of such imports on the domestic industry.
 - iii. Following the imposition of anti-dumping measures, the domestic industry undertook significant capacity expansion with an investment of Rs 1900 cr. While production and sales registered growth till 2024-25, both experienced a decline during the period of investigation.
 - iv. During the period of investigation, the domestic industry recorded financial losses, including losses before interest, cash losses, and a negative return on capital employed.

- f. Likelihood of injury to the domestic industry is established by the following factors:
- - i. Producers in the subject countries except Thailand are operating with significant surplus capacities, indicating a strong likelihood of import volumes increasing upon expiry of the measures.
 - ii. Subject Imports entering the domestic market except Thailand are likely to exert a price-suppressing and price-depressing effect on the domestic industry.
 - iii. Third-country exports from the subject countries are also priced below their associated normal values.
 - iv. Substantial quantity of exports from China PR and Korea RP to third countries are below the Non-Injurious Price
- g. There is economic interest in the imposition of anti-dumping measures: -
- i. There is no evidence to suggest that the duties in force have had any adverse impact on downstream industries. In fact, demand for the product has grown steadily over the period during which measures have been in place.
 - ii. The continuation of measures is expected to have a negligible effect on downstream industries.
 - iii. The anti-dumping duties have ensured a level playing field, which has catalysed substantial capacity investment in the domestic market. The historic demand-supply gap has since been bridged, with the industry having invested approximately ₹1,900 crore in new capacity.
 - iv. Given that the domestic industry has suffered continued injury during the period of investigation, the extension of anti-dumping duties from China PR and Korea RP is warranted.

N. RECOMMENDATION

154. The Authority notes that the present proceedings were conducted in accordance with the applicable law. All interested parties were duly notified and were afforded adequate opportunity to provide information and present their views on the matters under investigation, including dumping, injury, causal link, likelihood of continuation or recurrence of dumping and injury and 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.
155. In view of same, the Authority considers it appropriate and necessary to recommend continuation of definitive antidumping duty on the imports of subject goods from China PR and Korea RP.
156. Considering the facts and circumstances of the case, as established hereinabove, antidumping duty equal to the amount indicated in Column (7) of the duty table given below is recommended to be imposed from the date of notification to be issued in this

regard by the Central Government, on all imports of the product under consideration, from the subject countries for a further period of five (5) years.

DUTY TABLE

SN	Heading/ Subheading	Description of the goods	Country of origin	Country of export	Producer	Amount	UOM	Currency
1	2917 35 00	Phthalic Anhydride	China PR	Any country including China PR	Any Producer	40.08	MT	USD
2	-do-	-do-	Any country other than China PR & Korea RP	China PR	Any Producer	40.08	MT	USD
3	-do-	-do-	Korea RP	Any country including Korea RP	Any Producer	140.17	MT	USD
4	-do-	-do-	Any country other than China PR & Korea RP	Korea RP	Any Producer	140.17	MT	USD

Note - The application of the individual duty rates specified for the companies mentioned in the above shall be conditional upon presentation to 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 (product concerned) sold for export to India covered by this invoice was manufactured by (company name and address) in the (name of country). I declare that the information provided in this invoice is complete and correct.’ If no such invoice is presented, the duty applicable to all other companies shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs law and regulations.”

O. FURTHER PROCEDURE

157. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service tax Appellate Tribunal in accordance with the relevant provisions of the Act.

(Amitabh Kumar)
Designated Authority