Case No. AD (SSR) – 05/2026

F. No. 7/09/2026-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street,
New Delhi – 110001

Dated November 2026

NOTIFICATION
FINAL FINDINGS
Case No. AD (SSR)-05/2026

Sunset review investigation concerning anti-dumping duty imposed on the imports of "Untreated Fumed Silica" originating in or exported from China PR



F. No. 7/09/2026-DGTR - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the "Anti-Dumping Rules" or "Rules") thereof:

1. The Designated Authority (hereinafter referred to as "Authority") received an application from Cabot Sanmar Limited (hereinafter referred to as the "applicant" or the "domestic industry") seeking initiation of a sunset review for extension of the anti-dumping duty imposed on imports of "Untreated Fumed Silica" (hereinafter also referred to as "subject goods" or "product under consideration" or "PUC") originating in or exported from China PR (hereinafter referred to as "subject country").

2. On the basis of *prima facie* evidence submitted by the applicant, the Authority issued a public notice vide notification no. 7/09/2026-DGTR dated 20th March 2026 published in the Gazette of India, Extraordinary, initiating the subject investigation on imports from China PR. 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 whether there is a need for continued imposition of the anti-dumping duties.

A. BACKGROUND OF THE CASE

3. The original anti-dumping investigation concerning imports of the product under consideration from China PR and Korea RP was initiated by the Authority vide notification dated 22nd September 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 Notification No. 6/40/2020-DGTR dated 20th September 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. 66/2021- Customs (ADD) dated 11th November 2021.

4. Thereafter, the Authority initiated an anti-absorption investigation vide Notification No. 7/05/2024-DGTR dated 31st December 2024 to examine whether the duties were being absorbed by Shandong Dongyue Silicone Material Co., Ltd. The Authority after conducting the investigation found that the producer had absorbed the measures and recommended modification of the quantum of duty imposed vide Final Finding Notification No. 7/05/2025- DGTR dated 11th August 2025 and the same was imposed by the Ministry of Finance vide Customs Notification No. 30/2025- Customs (ADD) dated 27th October 2025. The anti-dumping duties were further extended by Notification No. 19/2026-Customs (ADD) till 10th February 2027.

5. 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 a further period of up to five (5) years where its cessation is likely to result in the continuation or recurrence of dumping and injury, and 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."*

6. 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"*

7. Anti-dumping duties are in force on the imports of the product under consideration from China PR and Korea RP. The application was filed in respect of dumping of the product under consideration from China PR only. Accordingly, since there was no duly substantiated application with regard to likelihood of continuation or recurrence of dumping and injury to the domestic industry in the event of cessation of anti-dumping duty from Korea RP, the present review was not initiated in respect of imports from Korea RP.

8. 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

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

Initiation.

i. The Authority notified the embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation

ii. Upon examination of the application, the Authority found prima facie evidence of dumping and consequent injury. Therefore, vide notification no. 7/09/2026- DGTR

dated 20th March 2026, published in the Gazette of India Extraordinary, the Authority initiated the present proceedings.

9.2 Period of investigation and injury period

iii. The period of investigation ("POI") was considered as 1st October 2024 to 30th September 2025. The injury period was set to cover the period 1st April 2022 to 31st March 2023, 1st April 2023 to 31st March 2024, 1st April 2024 to 31st March 2025 and the POI

9.3 Import data

iv. A request was made to the Directorate General for Systems and Data Management ("DG System") for transaction-wise import data of the product under consideration for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of the transactions.

9.4 Circulation of non-confidential version of the application.

v. In accordance with Rule 6(2), the Authority informed interested parties of the initiation of the investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject country, known importers of the subject goods in India and other interested parties, as per the information made available in the application.

vi. In accordance with Rule 6(3), the Authority provided a copy of the nonconfidential version of the application to the government of the subject country through their embassy in India, known exporters of the subject imports and to other interested parties who requested in writing for a copy of the application.

vii. The Authority sent questionnaire to the government of the subject country through their embassy in India. The government of the subject country was requested to forward the initiation notification and the questionnaires to the producers of the product under consideration in their country and advise them to respond to the questionnaire within the prescribed time limit.

9.5 Intimation and participation by exporters of the subject country and users/importers of the product under consideration in India.

viii. The Authority sent exporter questionnaires to the known producers/exporters of the subject goods calling for necessary information in accordance with Rule 6(4) of the Rules

ix. The following exporters/producers from the subject country have registered as interested parties:

SN	Name of exporters / producers in subject country
1	Wacker Chemicals Fumed Silica ZJG Co Ltd
2	Wacker Chemicals China Co Ltd
3	Wacker Chemicals Fumed Silica Zhangjiagang Co Ltd

4	Shandong Dongyue Silicone Material Co Ltd

x. The Authority sent importer questionnaires to the known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules

xi. The following importers/users from India have registered as interested parties:

SN	Name of importers and users in India
1	Wacker Metroark Chemicals Pvt Ltd
2	Jay Chem Marketing

xii. In response to the initiation notification, no association has participated or made submissions in the present investigation.

xiii. Producers/exporters from the subject country and other interested parties who have not responded, or have not supplied information relevant to this investigation, have been treated as non-cooperating.

9.6 Public file

xiv. The Authority made available the non-confidential versions of the submissions filed by various interested parties through the SETU portal, in the form of a public file.

9.7 Economic Interest Questionnaire

xv. The Authority issued an Economic Interest Questionnaire ("EIQ") to assess public interest and impact of the duties on the wider economy. A copy of the EIQ was sent to the embassy of the subject country, all the known exporters, importers and users and the domestic industry. The EIQ was also shared with the administrative line ministry.

9.8 Oral hearing

xvi. 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 7th July 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.

9.9 Further procedure.

xvii. 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.

xviii. Wherever an interested party has claimed information as confidential, the Authority has not disclosed the same in these final findings. Further, any information that has

been processed by the Authority from confidential information provided by interested parties has also been considered confidential in these final findings and has not been disclosed on actual basis, as, disclosure of such information on actual basis in these final findings shall lead to disclosure of information confidentiality of which has been protected by the rules.

xix. In accordance with Rule 8, the accuracy of information and data provided by the domestic industry and interested parties was verified by the Authority during the course of the investigation to an extent considered relevant, practicable, and necessary. The verification of submitted data and documents forms the basis of these final findings, and the Authority has relied on the verified data of the domestic industry for its analysis in the present proceedings.

xx. The non-injurious price (NIP) has been determined on the basis of the cost of production and the cost to make and sell the domestic like article in India, based on the information furnished by the applicant, having regard to Generally Accepted Accounting Principles (GAAP) and in accordance with the principles laid down in Annexure III to the Rules.

xxi. 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.

xxii. In accordance with Rule 16 of the Rules, the essential facts under consideration were disclosed to the known interested parties through a disclosure statement dated 29th October 2026, and the interested parties were given five days to offer their comments thereon. Comments on the disclosure statement were received from Shandong Dongyue Silicone Material Co., Ltd., the Wacker group (Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd., Wacker Chemicals (China) Co., Ltd. and Wacker Metroark Chemicals Pvt. Ltd.), Jay Chem Marketing and the domestic industry. The comments received, to the extent considered relevant, have been examined and addressed in these final findings.

xxiii. "***" in these final findings represents information furnished by an interested party on a confidential basis and so considered under the Rules.

xxiv. The exchange rate adopted for the present investigation is 1 US$ = ₹86.76, as notified by the Central Board of Indirect Taxes & Customs (CBIC), being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs (CBIC) under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the period of investigation. The same rate has been applied throughout these final findings.
Source: https://foservices.icegate.gov.in/#/services/viewExchangeRate

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submission of the other interested parties.

10. The other interested parties have made the following submissions with regard to the product under consideration and like articles:

i. Untreated Fumed Silica is not a uniform or homogeneous product.

ii. It is manufactured and sold in distinct categories depending upon its end-use and regulatory requirements.

iii. There is a fundamental distinction between pharmaceutical grade material and non-pharmaceutical grade material. The two categories differ in terms of specifications, regulatory compliance, customer requirements, and functional use.

iv. Pharmaceutical grade material must comply with significantly higher purity standards and is required to be manufactured, handled, and in certain cases repackaged in controlled environments.

v. Pharmaceutical grade products involve extensive testing, validation, and certification processes, including batch-wise testing, stability studies, and maintenance of regulatory filings.

vi. The two categories of the product operate entirely in different market segments and are subject to distinct pricing mechanisms.

vii. PCN methodology should be adopted to incorporate grade-based differentiation as a primary parameter.

viii. Shandong Dongyue Silicone Material Co., Ltd., predominantly manufactures and exports industrial grade Untreated Fumed Silica. Wacker supplies higher-value products catering to pharmaceutical and specialised applications. If there is no distinction between pharmaceutical and non-pharmaceutical grades, there is no reason for such a substantial difference in prices between the two producers.

ix. While opposing separate PCNs, it has undertaken a separate analysis of pharmaceutical and non-pharmaceutical grades and admitted that the pharmaceutical segment is significantly more profitable. Its own analysis establishes that the two grades are commercially distinct

C.2 Submission of the domestic industry.

11. The domestic industry has made the following submissions with regard to the product under consideration and like articles.

i. The product under consideration in the present investigation is Untreated Fumed Silica.

ii. The scope of the product is same as defined by the Authority in the original investigation.

iii. The issue of separate PCN for pharma and non-pharma was examined in the original investigation and the Authority had held that the two are not required to be considered as separate PCNs.

iv. Separate PCNs for the two grades are appropriate only when the product has materially different cost of production.

v. The product supplied for pharma and non-pharma applications does not carry any different cost of production.

vi. Unless the producer from the subject country claims that it is operating in a market economy condition, difference in price has no impact on dumping margin determination.

vii. No information on differences in cost and price has been provided by the producer from the subject country.

C.3 Examination by Authority

12. 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 –

> *"3. The product under consideration in the application is "untreated fumed silica". Synthetic silica manufactured from a vapour phase flame hydrolysis of a silane compound, is popularly known as fumed silica. This type of synthetic silica is different from other silica by its functionality and manufacturing process and the raw materials needed. While other synthetic silicas are made from silicate solution in a liquid phase, fumed silica is manufactured in d gas phase at a very high temperature.*
> *4. Fumed silica is classified as untreated fumed silica and treated fumed silica. Untreated fumed silica is made by the flame hydrolysis of Chlorosilane feedstock in an oxygen hydrogen flame at temperatures of 1800 deg C. This process allows production of the silica with unique structure comprising of chain like aggregates and agglomerates.*
> *5. Untreated fumed silica has a large specific surface area. Depending upon its surface area values such as 150 or 200 or 300 or 380 m2/gm the untreated fumed silica is classified as different grades suitable for different applications. The most popular grade is 200m2/gm, used in variety of applications.*
> *6. It is free-flowing powered product, used for wide applications. Untreated Fumed Silica improves free flow properties in solid systems and used as free flow and tableting agent in pharmaceuticals and an anti-caking agent in foods and agrochemicals. It is also used as a carrier for liquid flavours and fragrances. Product concerned is solid in terms of net weight expressed in terms of kg or MT.*
> *7. Fumed Silica or Silicon di-oxide is classified under Chapter 28, subheading 2811 2200. The untreated fumed silica being imported into India under different HS codes also under subheading 28112190, 2839100 of Chapter 28 and 34049090 of Chapter 34 of the Customs Tariff Act, 1975. Customs classification is only indicative in nature and not binding on the scope of the investigation."*

13. The imports of the product under consideration attract concession on basic customs duty of 4.13% under the Asia-Pacific Trade Agreement, 1975 on imports from China.

14. No interested party has sought any exclusion from, or modification of, the scope of the product under consideration. The submissions of the other interested parties are confined to the adoption of a PCN methodology, which is examined below. Accordingly, the Authority retains the same scope of the product under consideration as defined in the original investigation.

➢ Comments on PCN

15. The Authority has examined the submissions made by the interested parties regarding the need for adoption of PCN methodology.

16. With regard to the request for adoption of PCN methodology, the Authority notes that the other interested parties have proposed segregation of the product into pharmaceutical and

non-pharmaceutical grades based on differences in end-use, regulatory requirements, and pricing. It is seen that while there is an admitted difference in the price between the pharma and non-pharma grades (by the domestic industry as well as by the Shandong), none of the parties have quantified, or substantiated with verifiable evidence, any difference in the cost of production of the two grades. The alleged differences between the two grades are stated to arise from pharmaceutical grade products involving extensive testing, validation, and certification processes, including batch-wise testing, stability studies, and maintenance of regulatory filings. However, the cost impact of these processes has not been demonstrated. Further, the domestic industry has contended that there is no material difference in the cost of production of different grades. As regards the contention of Shandong that the need for separate PCNs for pharmaceutical and non-pharmaceutical grades is substantiated by the difference in price between the exports of Wacker and Shandong, as Wacker exclusively exports pharmaceutical grade product and its price is higher, Wacker has contested this claim and has clarified that Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. does not manufacture, and Wacker Chemicals (China) Co., Ltd. does not export, pharmaceutical grade subject goods to India. Both the participating producers export non-pharmaceutical grade product to India. The Authority considers that a comparison of export prices between two exporters cannot by itself establish a difference between grades, because each exporter's price reflects its own commercial considerations.

17. The Authority observes that sufficient evidence has not been put on record to demonstrate that such differences in product characteristics result in material variation in cost of production, warranting separate PCNs. The Authority notes that the purpose of a PCN methodology is to ensure a fair comparison between product types whose physical or technical characteristics cause material differences in cost and price. A difference in selling price alone does not decide the need for separate PCNs, since prices are shaped by various factors, some of which may not relate to the cost of production. Even otherwise, the costs of testing, validation, certification and regulatory filings are in the nature of quality-control and compliance overheads. No interested party has shown that these costs form a significant share of the total cost of production, or that they cause a material difference in cost between the two grades. The Authority further notes that the issue of segregation between pharmaceutical and non-pharmaceutical grades was examined in the original investigation, wherein it was concluded that such distinction does not warrant separate PCNs. In the present investigation, no new evidence has been placed on record to justify a departure from the earlier approach. The Authority also considers that the non- injurious price is based on cost structures of the domestic industry. In a situation where the domestic industry has reported no material difference in the cost of production of different grades, the non-injurious price shall remain the same for different grades, particularly when the party requesting separate PCN has not claimed that it has exported both the grades. Therefore, no useful purpose shall be served by segregating import prices of different grades and there shall be no impact on resultant injury margin whether the products are treated as one or different PCNs. In light of the foregoing, the Authority concludes that while distinct commercial and regulatory attributes including market pricing exist between pharmaceutical and non-pharmaceutical grades, the interested parties have failed to discharge the requisite burden of proof by placing on record verifiable and quantified

material demonstrating a variance in the actual cost of production between the respective grades.

18. In view of the above, the Authority considers that no PCN methodology is required to be adopted in the present investigation.

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

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submission of the other interested parties

20. The other interested parties have made no submissions with respect to the domestic industry and standing.

D.2 Submission of the domestic industry

21. The domestic industry has made the following submissions with respect to the domestic industry and standing:
    i. The application has been filed by Cabot Sanmar Limited which is the sole producer of the subject goods in India.
    ii. The applicant has not imported the subject goods from the subject country and is not related to any exporter in the subject country nor to any importers in India.

D.3. Examination by the Authority

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

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

23. The present application has been filed by Cabot Sanmar Limited. The applicant is the sole producer of the subject goods in India.

24. The applicant has certified that it has not imported the subject goods from the subject country during the period of investigation and that it is neither related to any exporting

producer of the subject goods in the subject country nor to any importer of the product in India. The DG Systems data has been examined, and it is found that the applicant has not imported the product under consideration from the subject country.

25. In view of the above, it is held that the applicant constitutes eligible domestic industry within the meaning of Rule 2(b) of the Rules and that the application satisfies the requirements of standing in terms of Rule 5(3) read with Rule 23 of the Rules.

E. MISCELLANEOUS ISSUES AND CONFIDENTIALITY.

E.1 Submission of the other interested parties

26. The other interested parties have made the following submissions with regard to confidentiality and other issues: -

i. The domestic industry has relied upon unauthenticated market research report to claim likelihood.

ii. The domestic industry has relied upon unauthenticated import data to ascertain import volume and value of imports.

iii. Anti-dumping duties are not intended to provide perpetual protection and can be continued under Rule 23 only where positive evidence establishes likelihood of continuation or recurrence of dumping and injury. Since no such evidence has been produced, the existing duties should be allowed to lapse.

E.2 Submission of the domestic industry

27. The domestic industry has made the following submissions with regard to confidentiality and other issues: -

i. On the submission of the interested parties that domestic industry has relied on unauthenticated data, DGTR calls information from DG Systems or DGCI&S and adopts the same for the purpose of determination. The domestic industry has not insisted on using only their data for proposed determination.

ii. On the submission of the interested parties that domestic industry has relied on unauthenticated data, the domestic industry has relied upon reports by Beijing Sino Advanced Chemical Materials Technology Institution (ACMI), which is a professional service organization specializing in the research and development of new chemical materials industry.

E.3 Examination by the Authority

28. The Authority made available the non-confidential versions of the submissions filed by various interested parties through the SETU portal, in the form of a public file. With regard to the confidentiality of information, Rule 7 of the Rules provides as follows:

> *"Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated*

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

(2) The designated authority may require the parties providing information on 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."

29. 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 non-injurious price and price undercutting has been disclosed in the range by the applicant.

30. 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.

31. The Authority has examined the confidentiality claims of the interested parties having regard to the nature of the information and the reasons furnished in support of each claim. 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.

32. On the submissions made by the interested parties concerning the reliability of the data used by the domestic industry for the examination of imports, it is clarified that the Authority called for transaction-wise import data from DG Systems and compared it with the import data furnished by the applicant, and found that the import volume and price were comparable. In any event, the Authority has relied upon the DG Systems transaction-

wise data for the purpose of initiation, the present investigation and proposed determination.

33. On the submissions made by the interested parties concerning the reliability of the market research reports relied upon by the applicant, the Authority notes that the applicant has relied upon information sourced from industry-specific sources. In particular, the report relied upon by the domestic industry has been published by Beijing Sino Advanced Chemical Materials Technology Institution and Sino Alliance of Green Development of Silicon Industry, which are institutions engaged in research and development relating to the silicon industry. The interested parties have not placed on record any material or evidence to establish that the said reports are unreliable or lack credibility. Further, no contrary evidence or information has been provided by the interested parties for the Authority's consideration. The Authority has also considered the information furnished by the participating producer from China while assessing the likelihood of dumping and injury in the event of cessation of the existing measures. In view of the above, the Authority finds no sufficient basis to disregard the information contained in the said reports and has, accordingly, taken the same into consideration for the present purpose.

34. With regard to the submissions of the other interested parties that the domestic industry has not furnished substantive evidence to justify the continued imposition of anti-dumping duty, it is noted that sufficient information and prima facie evidence had been placed on record to warrant initiation of the investigation. The Authority, upon examination of the information available, was satisfied that sufficient prima facie grounds existed for initiation of the investigation to examine if there is a need for continued imposition of anti-dumping duty. The final conclusion will be based on examination of all the facts.

Assessment of Dumping – Methodology and Parameters

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

F.1 Submission of the other interested parties

35. The other interested parties have made the following submissions concerning normal value, export price and dumping margin.

i. The presumption of China PR as a non-market economy and the requirement to file MET ceased on 11th December 2016 with the expiry of China's Accession Protocol provisions. Accordingly, normal value must be determined on the basis of actual domestic prices and costs of participating Chinese producers, and reliance on surrogate country methodology post-2016 is inconsistent with WTO obligations

ii. Normal value for China may be determined based on cost and price information provided by the producers from China.

iii. The actual export price trend of Shandong Dongyue Silicone Material Co., Ltd. does not support the allegation that the producer/exporter is likely to continue or resume dumping in the Indian market.

iv. The Wacker group operates on a global reference pricing model for intra-group transfers benchmarked to European sale prices, and reliance on Wacker's pricing would distort the determination of normal value.

v. Domestic Industry has not placed any evidence on record to establish that Japanese export prices are an appropriate benchmark or that the products are comparable in terms of specifications, grades, market conditions or cost structure.

F.2 Submission of the domestic industry

36. The domestic industry has made the following submissions concerning normal value, export price and dumping margin:

i. As per the Accession Protocol and practice of Authority, China should be treated as a non-market economy. Market economy treatment can be allowed only when the same is claimed and appropriateness thereof is demonstrated.

ii. None of the producers have filed the NME questionnaire.

iii. Since none of the producers have shown that market economy conditions prevail in their industry, the Authority is not required to determine the normal value based on domestic prices or costs in China.

iv. The normal value should be based on the import price from Japan adjusted to arrive at net ex-factory level.

F.3 Examination by the Authority

37. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:

i. The comparable price, in the ordinary course of trade, for the like article when destined for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or

ii. When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:

a. comparable representative price of the like article when exported from the exporting country or territory to an appropriate third country as determined in accordance with the rules made under sub-section (6); or

b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

38. The questionnaires were sent to the known producers/exporters from the subject country, advising them to provide information in the prescribed form and manner. The following producers/exporters have filed questionnaire responses: (a) Shandong Dongyue Silicone Material Co., Ltd. (producer and exporter); and (b) Wacker Chemicals Fumed Silica

(Zhangjiagang) Co., Ltd. (producer), together with its related exporter, Wacker Chemicals (China) Co., Ltd.

F.3.1 <u>Normal value determination for China.</u>

39. The Authority notes the following provisions under Para 7 and Para 8 of Annexure-I to the Rules with regard to the determination of normal value for producers in China PR:

> *"7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, 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 a similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay of the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.*
>
> *"8. (1) The term "non-market economy country" means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).*
>
> *(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3)*
>
> *(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by*

sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

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

40. At the stage of initiation, the Authority proceeded with the presumption of treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers / exporters in China PR to respond to the notice of initiation and provide information on whether their data/information could be adopted for normal value determination. The Authority sent copies of the market economy treatment / supplementary questionnaire to all the known producers/ exporters in China PR to provide relevant information in this regard.

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

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:
(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;
(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.
(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), l4(c) and l4(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.
(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

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

42. The Authority notes that while the provisions of Article 15 (a)(ii) of China PR's Accession Protocol have expired with effect from 11th December 2016, the provisions of Article 2.2.1.1 of the Anti-Dumping Agreement read with the obligation under Article 15(a)(i) of the Accession Protocol require the criteria stipulated in para 8 of Annexure I to the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming MET status.

43. The Authority notes that none of the producers/exporters from China PR has filed market economy questionnaire response to rebut the presumptions as mentioned in para 8 of Annexure – I of the Rules. The presumption under para 8(2) therefore stands unrebutted, and the request of the other interested parties that normal value be determined on the basis of the domestic prices and costs of the participating producers cannot be accepted. Under these circumstances, the Authority has to proceed in accordance with para 7 of Annexure – I of the Rules.

44. It is noted that paragraph 7 of Annexure-I to the AD Rules stipulates multiple plausible methods for calculating the normal value for producers in non-market economy, including (a) on the basis of price or constructed value in a market economy third country; (b) export price from a third country to other countries, including India; and (c) on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. The Authority notes that under the provisions of paragraph 7 of Annexure-I to the AD Rules, the normal value must first be determined on the basis of the price or constructed value in a surrogate country, or the price of the exports from such country to other countries, including India.

45. At the stage of filing the application, the applicant submitted that the normal value for China PR should be based on the import price from Japan adjusted to arrive at net ex-factory level. For the purpose of initiation, the normal value was determined based on the import price from Japan adjusted to arrive at net ex-factory level.

46. The first option under the Rules is to determine normal value on the basis of the price or cost in an appropriate market economy third country. This may include the domestic selling price of the product under consideration in such third country, whether charged by a domestic producer or reflected in the price paid by a consumer, including where the product has been procured from an international supplier or the cost of production in an appropriate market economy third country, with a reasonable addition for profit. None of the parties to the investigation have provided information relating to the cost of

production of the product under consideration in an appropriate market economy third country. Accordingly, normal value could not be determined based on this method.

47. The next alternative is the export price from a market economy third country to another country, including India. The highest volume of imports of the product under consideration into India from a country not subject to anti-dumping measures was from Japan. Imports of the subject product from Japan have been recorded not only during the Period of Investigation but also throughout the injury period.

48. The table below shows the imports from Japan and China during the period of investigation, along with their segregation between the pharmaceutical and non-pharmaceutical sectors.

Particulars	**Volume in MT**	**CIF Value in Rs lakhs**	**CIF price** Rs per MT
Imports from Japan	762	3,587	4,70,394
Pharma grade	-	-	-
Non-pharma grade	762	3,587	4,70,394
Imports from China PR	1,381	4,409	3,19,361
Pharma grade	199	754	3,78,424
Non-pharma grade	1,181	3,655	3,09,403

49. It is observed that the imports from Japan during the period of investigation are entirely of non-pharmaceutical grade, which is the grade that accounts for about 86% of the imports from China PR. The imports from Japan are, therefore, comparable to the grade predominantly imported from the subject country. It is also noted that in the original investigation and the anti-absorption investigation, the normal value had been determined on the basis of the import price of non-pharma grade from Japan, and the same basis was adopted at the stage of initiation of the present review. In the initiation notification, the interested parties were invited to submit comments and well-substantiated claims regarding the methodology for determining normal value. However, they have failed to provide any substantial justification demonstrating the necessity of departing from the methodology established in the original investigation.

50. In view of the same, the Authority considers that the normal value in respect of China can be most appropriately determined on the basis of average export price from Japan to India. Since this is a CIF export price, the same has been adjusted for the expenses from CIF to ex- factory. The normal value has thus been determined at ex-factory level, by deducting expenses such as ocean freight, marine insurance, commission, bank charges, port expenses and inland freight from the CIF export price from Japan to India. The normal value determined is shown in the dumping margin table below.

F.3.2 <u>Export price</u> <u>determination for China.</u>

i. Shandong Dongyue Silicone Material Co Ltd

51. Shandong Dongyue Silicone Material Co Ltd has participated as a producer of the product under consideration from China. The producer had participated in the original investigation as well and was granted an individual rate of duty. In the present investigation, the producer has reported that it has directly exported the product under consideration to India and that there are no related or unrelated traders involved.

52. The producer has exported *** MT of the product at an invoice value of *** USD. The producer has claimed adjustments on account of ocean freight, marine insurance, inland transportation, port and related expenses, credit cost and bank charges, and the same have been accepted. The export price at ex-factory level is shown in the dumping margin table below.

ii. Wacker Chemicals Fumed Silica Zhangjiagang Co Ltd

53. Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. has participated as a producer of the product under consideration from China. The producer had participated in the original investigation as well and it was found that the landed value of the exports of the producer to India was above the non-injurious price and, accordingly, no duty was recommended on the exports of the producer. In the present investigation, the producer has reported that it has exported the product under consideration to India through Wacker Chemicals China Co Ltd, which too has filed a questionnaire response. Wacker Chemicals China Co Ltd has sold to unrelated customers in India as well as Wacker Metroark Chemicals Pvt Ltd. Wacker Metroark Chemicals Pvt Ltd has consumed the product under consideration for making downstream products.

54. The producer has exported *** MT of the product at an invoice value of *** USD. The producer has claimed adjustments on account of ocean freight, marine insurance, inland transportation, port and related expenses, credit cost, bank charges and commission, and the same have been accepted. It is seen that the producer had a negative injury margin in the original investigation. Further, the domestic industry has mentioned that the injury margin for the producer continues to remain negative in the period of investigation of the present investigation. The export price has been determined on the basis of the questionnaire response as filed. Since there is nothing on record to show that the export price reported to customs is not reliable, the Authority considers that there is no reason to reject the price at which the producer has exported to related user in India from the determination of net export price. The export price at ex-factory level is shown in the dumping margin table below.

iii. Any other producer/exporter from China

55. The export price for other non-cooperative producers/exporters from China PR has been determined on the basis of facts available in terms of Rule 6(8) of the Rules.

F.3.3 Dumping margin determination for China.

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

Particulars	Normal value	Net Export Price	Dumping Margin		
	$/MT	$/MT	$/MT	%	Range
Shandong Dongyue Silicone Material Co Ltd	***	***	***	***	130-140%
Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. (producer) through Wacker Chemicals (China) Co., Ltd. (exporter)	***	***	***	***	50-60%
All other producers / exporters	***	***	***	***	150-160%

57. It is seen that the dumping margin is positive and above *de-minimis* level. The dumping of the product has continued.

Assessment of injury, likelihood of injury, causal link and public interest

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submission of the other interested parties

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

i. The data does not establish that imports from China PR have caused injury to the domestic industry.

ii. Although imports from China PR have increased during the injury period, the domestic industry has simultaneously improved its performance.

iii. Domestic industry has consistently increased its domestic sales, production, capacity utilisation and productivity during the injury period.

iv. Installed capacity has increased by 15%, production has increased by 26%, and capacity utilisation has improved by 8%, demonstrating continued expansion and efficient utilisation of production facilities.

v. Although certain profitability parameters have shown a marginal decline, the domestic industry has remained profitable throughout the injury period.

vi. The claim of dumping is misleading since any reduction in imported price of PUC depends on the existing global price of silicon metal.

vii. The Authority should examine the producer wise import volume excluding Wacker.

viii. The possibility of future injury after the duties are revoked is impermissible under Rule 11(2) read with Annexure II (vii) of the AD Rules.

ix. All of key financial indicators of the domestic industry remain positive and reliance on declining return on capital employed is misleading.

x. Reliance on Wacker Chemicals Fumed Silica (Zhangjiagang) Co. Ltd. product price is an incorrect benchmark since it operates on global referencing pricing model for intra-group transfer, rather than representing open Chinese market pricing;

xi. Wacker Chemicals Fumed Silica (Zhangjiagang) Co. Ltd. landed price is higher than the NIP projected by the applicant and therefore exports of Wacker Chemicals Fumed Silica (Zhangjiagang) Co. Ltd. cannot cause injury to the domestic industry.

xii. Increase in depreciation and selling expenses indicates that the financial performance has also been influenced by the Domestic Industry's own investment decisions.

xiii. Calculation of return on capital employed by adopting 22% uniformly on both the components of capital employed is totally incorrect and needs to be reviewed.

xiv. Domestic industry has itself acknowledged that the Wacker group is not causing injury as the prices are very high.

xv. The Domestic Industry has relied solely on the increase in imports from China PR while ignoring that total demand increased by 124% and its own domestic sales increased by 40% during the injury period.

G.2 Submission of the domestic industry

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

i. The performance of the domestic industry has improved owing to the anti-dumping duty in force.

ii. Mere improvement in performance cannot mean that the duties should be revoked.

iii. The domestic industry is not the price setter in the domestic market and is fixing its prices to the import prices. In case of non-pharma sector, the domestic industry fixes its prices to Chinese suppliers. In the non-pharma sector, the landed price from China is significantly below the prices of the domestic industry.

iv. The landed price of Shandong Dongyue Silicone Material Co. Ltd. is significantly lower than the landed price of Wacker Chemicals (China) Co. Ltd, which currently has NIL duty.

v. The volume of imports increased over the period and was the highest in the period of investigation.

vi. The imports have increased by 377% from the base year.

vii. The subject imports were the highest in relation to the consumption and production in India during the period of investigation.

viii. The subject imports are entering the market at a price materially lower than the domestic industry prices.

ix. The positive price undercutting shows that the imports are likely to depress the prices of the domestic industry in the absence of anti-dumping duty.

x. The landed price without the anti-dumping duty is much below the selling price of the domestic industry.

xi. The import price is materially below the cost to make and sell the product.

xii. If the domestic industry is forced to reduce the prices, the domestic industry would suffer significant financial losses, cash losses and negative return on investment.

xiii. During the injury period, the domestic industry has increased its capacity through de-bottlenecking which resulted in increase in production and capacity utilization.
xiv. Domestic industry is undertaking significant capital investment for expanding its capacity and if duties are removed, these investments will severely suffer
xv. The market share of the domestic industry has decreased over the injury period while the share of the Chinese imports has gradually increased and was the highest in the period of investigation.
xvi. The increase in the import volume and market share of China has been at a higher rate than the increase in the rate of non-subject countries imports.
xvii. The profits of the domestic industry declined in 2023-24, increasing slightly thereafter.
xviii. The domestic industry has been able to earn profits due to the duties in place.
xix. The profitability of the domestic industry in pharma sector is far better as compared to the non-pharma market.

G.3 Examination by the Authority

60. 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.

61. The Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while others may not. The Authority has considered all injury parameters in order to examine whether injury to the domestic industry has continued, and whether injury is likely to continue or recur in the event of cessation of the anti-dumping duty. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and other interested parties.

62. 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.

63. The interested parties have disputed the adoption of a 22% return on capital employed and have contended that the actual return on capital employed earned by the domestic industry during periods free from dumping should be adopted instead. The Authority notes that Annexure III of the Rules refers to reasonable return (pre-tax) on the capital employed and it is a consistent practice of the Authority to determine the non-injurious price of the domestic industry based on a reasonable return on capital employed, which is 22%. The said return is considered reasonable as it is required to cover interest on borrowings, corporate tax and a return on equity. With regard to the interested parties' reference to Bridge Stone Tyre Manufacturing & Others vs. Designated Authority, it is seen that the interested parties in this case had produced specific evidence before the Hon'ble CESTAT justifying a departure from the Authority's consistent practice in this particular case. However, interested parties in the present case have not placed any evidence on record to justify such departure. With regard to the interested parties' reference to M/s Hyosung Corporation vs. Designated Authority, it is seen that post this decision by the Hon'ble CESTAT in 2011, there have been multiple cases including Tangshan Sanyou Group Hong Kong International Trade Co. Limited v. Union of India, Merino Panel Products v. Designated Authority and M/s Perstorp Chemicals GmbH & Anr. v. Designated Authority & Ors. wherein the Hon'ble CESTAT has consistently upheld the Authority's practice of adopting a 22% ROCE for injury analysis. Therefore, the Authority considers a 22% return on capital employed to be appropriate in the present investigation.

G.3.1 Volume effect of the dumped imports

a. Assessment of demand/consumption

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

Particulars	Unit	2022-23	2023-24	2024-25	POI
Subject imports	MT	770	960	1,300	1,381
Other imports	MT	1,530	1,589	1,755	1,776
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	121	143	140
Total demand	MT	***	***	***	***
Trend	Indexed	100	116	138	139

65. It is seen that the demand for the product under consideration has increased over the injury period and was the highest in the period of investigation.

b. Imports in absolute and relative terms

66. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of the injury

analysis, the Authority has relied on the DG Systems import data. The information is as below:

Particulars	Unit	2022-23	2023-24	2024-25	POI
Subject imports	MT	770	960	1,300	1,381
Other imports	MT	1,530	1,589	1,755	1,776
Total imports	MT	2,301	2,549	3,055	3,156
Imports in relation to:					
Indian production	%	***	***	***	***
Trend	Indexed	100	115	136	142
Indian consumption	%	***	***	***	***
Trend	Indexed	100	107	122	129
Total imports	%	33%	38%	43%	44%

67. It is seen that:
   i. The volume of subject imports increased over the injury period, with the sharpest increase in 2024-25. The volume was the highest in the period of investigation.
   ii. The imports from the subject country have increased by 79% from the base year till the period of investigation.
   iii. The imports have also increased in relation to production and consumption in India. The subject imports were the highest in relation to the consumption and production in India during the period of investigation.
   iv. The imports in relation to Indian production increased from *** in the base year to *** in the period of investigation, an increase of 13 percentage points over the injury period.
   v. The imports in relation to Indian consumption increased from *** in the base year to *** in the period of investigation, an increase of 4 percentage points over the injury period.

68. The applicant has provided information on import data for the product under consideration in pharma and non-pharma application. It has been stated that majority of the imports that have entered the Indian market from the subject country are in the non-pharma grade whereas imports from non-subject countries are in the pharma grade. The table below shows the information as per DG Systems transaction-wise data. It is seen that while it is true that the imports from China are primarily in non-pharma grade, imports from other countries are spread in both pharma and non-pharma grade. The domestic industry too has sold in both pharma and non-pharma grade.

Particulars	Units	2022-23	2023-24	2024-25	POI
Imports from China	**MT**	**770**	**960**	**1,300**	**1,381**
Pharma	MT	190	214	274	199
Non-Pharma	MT	580	746	1,026	1,181
Imports from other	**MT**	**1,530**	**1,589**	**1,755**	**1,776**

countries					
Pharma	MT	684	692	867	858
Non-Pharma	MT	846	897	888	918
Sale of domestic industry	**MT**	*******	*******	*******	*******
Pharma	MT	***	***	***	***
Non-Pharma	MT	***	***	***	***

69. The table below shows the price of non-pharma and pharma grade during the injury period from different sources. The Authority notes that whereas there is no material difference in the cost of production of pharma and non-pharma grade, there is a material difference in the price of pharma and non-pharma grade. The price difference is seen in respect of each of the suppliers, barring Chinese producers (where the difference is much lower).

Particulars	Units	2022-23	2023-24	2024-25	POI
Imports from China					
Pharma	Rs/MT	5,05,983	4,21,447	4,05,416	3,78,424
Non-Pharma	Rs/MT	4,31,300	2,82,076	3,22,299	3,09,403
Imports from other countries					
Pharma	Rs/MT	6,48,703	6,23,856	5,95,523	6,32,068
Non-Pharma	Rs/MT	5,48,698	4,99,181	4,81,657	4,77,352
Sale of domestic industry					
Pharma	Rs/MT	***	***	***	***
Non-Pharma	Rs/MT	***	***	***	***

G.3.2 Price effect of the dumped imports

70. 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

71. Price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the subject imports for the period of investigation.

Particulars	Unit	Value
Landed price	₹/MT	3,33,870
Selling price	₹/MT	***

Price undercutting	₹/MT	***
Price undercutting	%	50-60%

72. It is seen that the subject imports were significantly undercutting the price of the domestic industry during the period of investigation.

b. Price suppression and depression

73. 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:

Particulars	Unit	2022-23	2023-24	2024-25	POI
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	90	81	78
Net sales realization	₹/MT	***	***	***	***
Trend	Indexed	100	79	74	75

74. It is observed that both the cost of sales and selling price of the domestic industry declined over the injury period, and that the decline in selling price (25%) was higher than the corresponding decline in cost of sales (20%). The decline in selling price occurred mainly in 2023-24. Thereafter, the selling price declined marginally. The Authority notes that the selling price of the domestic industry has remained above its cost of sales throughout the injury period, which may be attributable to the anti-dumping duty in force. The domestic industry has, accordingly, been able to sell the product at an adequate and remunerative level. Therefore, it is considered that, with the anti-dumping duty in force, the dumped imports have not suppressed or depressed the prices of the domestic industry to a significant degree during the period of investigation.

G.3.3 Economic parameters of the domestic industry

75. Annexure II to the Rules provides 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.

Particulars	Unit	2022-23	2023-24	2024-25	POI
Installed capacity	MT	***	***	***	***
Trend	Indexed	100	100	111	115
Total production	MT	***	***	***	***
Trend	Indexed	100	107	122	124
PUC production	MT	***	***	***	***
Trend	Indexed	100	109	124	126
NPUC (treated fumed silica)	MT	***	***	***	***
Trend	Indexed	100	98	110	113
Capacity utilization	%	***	***	***	***
Trend	Indexed	100	107	110	108
Domestic sales	MT	***	***	***	***
Trend	Indexed	100	121	143	140
Export sales	MT	***	***	***	***
Trend	Indexed	100	-	-	-

77. It is seen:

a. The plant is not dedicated to the product under consideration and is used to make both treated and untreated fumed silica. However, untreated fumed silica constituted *** of total production over the injury period.

b. The domestic industry had a capacity of *** MT and undertook debottlenecking with an investment of Rs *** crore to expand capacity by *** MT to *** MT.

c. The domestic industry has submitted copy of the Board Resolution which states that the domestic industry is installing a new green field plant with a capacity of *** MT at an investment of Rs *** crore. The plant will become operational by ***. Once commercialized, the domestic industry would have a gross capacity of around *** MT.

d. The production and capacity utilization of the domestic industry have increased over the injury period. However, the Authority notes that a certain level of unutilized capacity continues to exist with the domestic industry.

e. The domestic sales of the domestic industry have also increased.

f. The domestic industry did not have any export sales after 2022-23. The domestic industry is selling only in the Indian market.

b. Market share

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

Particulars	Unit	2022-23	2023-24	2024-25	POI

Subject imports	%	***	***	***	***
Trend	Indexed	100	107	122	129
Other imports	%	***	***	***	***
Trend	Indexed	100	90	83	84
Domestic industry	%	***	***	***	***
Trend	Indexed	100	104	104	101

79. It is seen that:
    a. The market share of the domestic industry increased in 2023-24 and marginally declined in the period of investigation.
    b. The share of the subject imports increased over the injury period.
    c. The market share of non-subject countries has declined over the injury period.

c. Profitability, cash profit and return on capital employed

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

Particulars	Unit	2022-23	2023-24	2024-25	POI
Net sales realization	₹/MT	***	***	***	***
Trend	Indexed	100	79	74	75
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	90	81	78
Profit before tax	₹ / MT	***	***	***	***
Trend	Indexed	100	63	64	70
Profit before tax	₹ Lacs	***	***	***	***
Trend	Indexed	100	77	92	98
Profit before interest	₹ / MT	***	***	***	***
Trend	Indexed	100	64	64	70
Profit before interest	₹ Lacs	***	***	***	***
Trend	Indexed	100	77	92	98
Cash profit / loss	₹ / MT	***	***	***	***
Trend	Indexed	100	65	66	72
Cash profit / loss	₹ Lacs	***	***	***	***
Trend	Indexed	100	78	94	101
Return on investment	%	***	***	***	***
Trend	Indexed	100	64	129	71

81. It is seen that –
    a. The profits of the domestic industry declined in 2023-24, by 23% in absolute terms and by 37% on a per unit basis, and partially recovered thereafter.
    b. The domestic industry has remained profitable throughout the injury period, with the anti-dumping duties in place.
    c. Cash profits and profits before interest have shown a similar trend.

d. The return on investment increased in 2024-25 but declined in the period of investigation. It has remained positive throughout the injury period.
e. The domestic industry has remained healthy over the injury period.

82. The domestic industry has provided information on its profitability in the domestic market in both pharma and non-pharma sector which is produced below.

Particulars	Unit	2022-23	2023-24	2024-25	POI
Total profit before tax	₹ / MT	***	***	***	***
Trend	Indexed	100	63	64	70
Pharma profit before tax	₹ / MT	***	***	***	***
Trend	Indexed	100	79	86	92
Non-pharma profit before tax	₹ / MT	***	***	***	***
Trend	Indexed	100	53	49	56
Return on investment	%	***	***	***	***
Trend	Indexed	100	64	129	71
Pharma ROCE	%	***	***	***	***
Trend	Indexed	100	74	154	83
Non-pharma ROCE	%	***	***	***	***
Trend	Indexed	100	56	107	61

83. The Authority notes that the profitability of the domestic industry in the non-pharmaceutical sector is lower as compared to that in the pharmaceutical sector. The domestic industry has submitted that it primarily competes with producers from China in the non-pharmaceutical sector, whereas competition in the pharmaceutical sector is predominantly with exporters from countries other than China.

84. The Authority further notes that the comparatively lower profitability in the non-pharmaceutical sector coincides with the presence of imports from China in this segment. While the anti-dumping duty may have enabled the domestic industry to compete at remunerative prices, the likely impact of continued dumped imports, in the event of cessation of the duty, would need to be assessed having regard to the prevailing level of competition and the likely price effects of such imports.

d. Inventories

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

Particulars	Unit	2022-23	2023-24	2024-25	POI
Opening inventory	MT	***	***	***	***
Closing inventory	MT	***	***	***	***
Average inventory	MT	***	***	***	***

Trend	Indexed	100	122	71	43

86. It is seen that the average inventories of the domestic industry have declined over the injury period.

e. Growth

87. The table below shows the information on growth.

Particulars	UOM	2023-24	2024-25	POI
Production	Y/Y	8.70%	14.51%	1.46%
Domestic Sales	Y/Y	20.93%	18.59%	-2.33%
Inventory	Y/Y	22.18%	-42.29%	-38.55%
Profit/(Loss) ₹/MT	Y/Y	-36.54%	1.32%	8.89%
Profit/(Loss) ₹ Lacs	Y/Y	-23.26%	20.15%	6.35%
PBIT- ₹ Lacs	Y/Y	-22.72%	19.46%	6.35%
Cash Profits- ₹ Lacs	Y/Y	-21.59%	20.41%	6.49%
Return on capital employed	Y/Y	-36.18%	102.77%	-45.11%

88. It is seen that the volume parameters of the domestic industry have grown over the injury period, although domestic sales declined marginally in the period of investigation. The profitability parameters declined in 2023-24 and have grown thereafter, although the return on capital employed declined in the period of investigation.

f. Ability to raise capital investment

89. The Authority notes that the domestic industry has increased its production capacities during the injury period and is further working to expand its capacity by installing a new green field plant with a capacity of *** MT and an investment of Rs *** crore. The domestic industry has been profitable over the injury period. It is seen that the performance of the domestic industry is not impacted in respect of its ability to raise capital investments.

g. Employment, wages and productivity

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

Particulars	Unit	2022-23	2023-24	2024-25	POI
No of employees	Nos.	***	***	***	***
Salaries & Wages	₹ Lacs	***	***	***	***
Productivity Per day	MT	***	***	***	***
Productivity Per employee	MT	***	***	***	***

91. It is noted that the number of employees increased up to 2024-25 and declined in the period of investigation, while remaining above the base-year level. The salaries and wages

have increased over the injury period. The productivity of the domestic industry, both per day and per employee, has increased over the injury period.

h. Factors affecting domestic prices

92. The domestic industry has submitted that it is not the price setter in the domestic market and benchmarks its prices to the import prices. The selling price of the domestic industry is comparable to the import price. In case of non-pharma sector, the domestic industry benchmarks its prices to those of suppliers from China. The price is higher in pharma sector as compared to the non-pharma sector, owing to better product specifications demanded by consumers in pharma sector. In the pharma sector, the domestic industry is selling its product in competition to the import price from countries other than China.

93. The table below shows the landed price from China without and with ADD and from other countries and the selling price of the domestic industry.

Particulars	Units	Total	Non-pharma	Pharma
China				
Import volume	MT	1,381	1,181	199
Landed price China without ADD	Rs/MT	3,33,870	3,23,459	3,95,615
Landed price China with ADD	Rs/MT	4,22,195	4,11,784	4,83,940
Other countries				
Import volume	MT	1,776	918	858
Landed price other countries	Rs/MT	6,20,303	5,78,563	6,32,068
Net sales realization	Rs/MT	***	***	***

94. It is observed that, in the pharma sector, the selling prices of the domestic industry are lower than the landed prices of imports from other countries, but much higher than the Chinese imports, indicating that the domestic industry is not pricing its product at a level higher than the prevailing import prices from non-Chinese imports. In the non-pharma sector, the selling price of the domestic industry is lower than the landed price of imports from other countries and is about 8% higher than the landed price of the subject imports after taking into account the applicable anti-dumping duty. The above indicates that the prices of the domestic industry move in line with the prices of imports.

95. It is considered that the domestic industry has remained profitable over the injury period and the dumped imports have not had any adverse effect on the prices of the domestic industry. The anti-dumping duties in place have ensured that the dumped imports do not have any suppressing/ depressing effect on the price of the domestic industry.

i. Magnitude of dumping

96. 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 country.

G.3.4 Conclusion

97. Based on the above, the following can be concluded: -
    a. The demand for the product under consideration increased when duties were in place and were the highest in the period of investigation.
    b. The volume of imports from China PR has increased over the injury period and was the highest in the period of investigation.
    c. The landed price of the subject imports, both with and without the anti-dumping duty, is below the selling price of the domestic industry; price undercutting without the duty is 50-60%.
    d. The subject imports have not suppressed or depressed the prices of the domestic industry because of anti-dumping duties in place.
    e. The domestic industry has increased its capacity in the injury period. The domestic industry is in process of further increasing its capacity by *** MT.
    f. The production, capacity utilization and domestic sales of the domestic industry have increased over the injury period.
    g. The market share of the domestic industry has declined marginally.
    h. The domestic industry has remained profitable throughout the injury period, with the duties in place.

98. The Authority concludes that the domestic industry has not suffered continued injury as a result of dumped imports.

H. CAUSAL LINK & NON-ATTRIBUTION ANALYSIS

99. 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

100. It is noted that, other than the subject imports, imports have entered from Korea RP, Belgium, Japan and Germany. The volume of these imports has increased. However, the exports from Belgium, Japan and Germany are at prices significantly higher than the subject imports and the Imports from Korea RP are negligible. Imports from other countries are not undercutting the prices of the domestic industry and are at a price

materially higher than China. The domestic industry has earned profits over the injury period. Imports from non subject countries are not a likely cause of injury in the event of cessation of the anti-dumping duty on the subject imports. The table below shows the information on imports from all sources in the injury period.

Country	UOM	2022-23	2023-24	2024-25	POI
Volume in MT					
China	MT	770	960	1,300	1,381
Korea RP	MT	56	71	104	82
European Union	MT	791	780	966	930
Japan	MT	683	737	680	762
CIF Price in Rs/MT					
China	Rs/MT	4,49,734	3,13,097	3,39,838	3,19,361
Korea RP	Rs/MT	5,08,008	4,28,519	2,41,001	2,61,675
European Union	Rs/MT	6,57,434	6,35,661	6,13,253	6,42,431
Japan	Rs/MT	5,20,979	4,76,069	4,65,133	4,70,394

b. Contraction in demand

101. It is seen that the demand for the product under consideration has increased over the injury period. Possible decline in demand cannot be a likely cause of injury.

c. Change in the patterns of consumption

102. The pattern of consumption regarding the product under consideration has not undergone any material change.

d. Trade restrictive practices

103. It is seen that there are no trade restrictive practices in India which could have contributed to the likely injury to the domestic industry.

e. Productivity

104. There is no decline in the productivity of the domestic industry.

f. Development of technology

105. It is noted that there has not been any significant development in the technology to produce the subject goods. Hence, developments in technology are not a likely cause of injury to the domestic industry.

g. Export performance

106. The domestic industry has not exported the subject goods after 2022-23. Exports in 2022-23 were also quite negligible when compared with the volume of domestic sales. The injury analysis has been carried out with respect to the domestic operations of the domestic industry only. Export performance is, therefore, not a likely cause of injury.

h. Performance of other products of the company

107. 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.

I. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

I.1 Submission of the other interested parties

108. The other interested parties have made the following submissions with regard to likelihood of injury:

i. The Authority should examine the post-POI developments and the impact of the revised anti-dumping duty before arriving at any conclusion regarding likelihood.

ii. Domestic industry's claims of likelihood are unsubstantiated. The Panel in Pakistan-Anti-Dumping Measures on BOPP Film from UAE held that an authority "must determine that continuation or recurrence of injury is likely, and not merely possible based on positive evidence anti not assumption".

I.2 Submission of the domestic industry

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

i. If the duties are revoked, the exporters from China will once again flood the Indian market with dumped imports.

ii. The dumping and injury margin continues to remain positive and significant.

iii. The exporters from China PR have engaged in continued exports of the product in the Indian market, by absorbing the duty in force.

iv. The fact that the exporters are resorting to such practices clearly indicates that the Indian market is important for the Chinese producers.

v. In case the duties are revoked the Chinese exporters will aggressively start dumping at prices much below the cost of sales of the applicant, rendering the applicant injured.

vi. If the applicant is forced to match these prices, their profits will plunge down into losses.

vii. Nearly 43% of the global capacity for the subject goods is in China.

viii. Wacker Chemie (Zhangjiagang Site) Co., Ltd continues to be the largest producer in the world with a capacity of 20 KT per annum and Shandong Dongyue Silicone Material Co., Ltd had a capacity of 19 KT in 2022.

ix. China has been the largest exporter of fumed silica, followed and Germany. India is amongst the top importers of fumed silica, along with USA and Vietnam.

x. The producers in China are suffering from under-utilised capacities.

xi. It is estimated that China will see a capacity addition of about 137.8 KT per annum before 2027.

xii. With the demand in the subject country being very low in comparison to the capacities held by the producers, it clearly indicates that the Chinese producers/exporters are significantly export oriented.

xiii. The capacity in the subject country would be almost double the demand in China, and the exportable capacity will be more than 25 times the demand in India.
xiv. The producers in the subject country are also suffering from significant idle capacities. The idle capacities are 19 times the demand in India.
xv. Despite duties in place, India accounts for a significant share of the total exports from China PR.

I.3 Examination by the Authority

110. The Authority has examined the likelihood of continuation or recurrence of dumping and 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 Rules, and other relevant factors brought on record by the interested parties. Under the Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

111. As regards the submission on likelihood of injury, the Authority notes that a sunset review under Section 9A(5) of the Act read with Rule 23 of the Rules is, by its very nature, a prospective enquiry into whether the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury, and is distinct from a determination of injury in an original investigation. The factors listed in Annexure II(vii) have been considered as relevant guidance for this purpose. These are, however, not exhaustive parameters examined by the Authority.

112. With regard to the comments of the interested parties concerning the examination of post-period of investigation data, the Authority notes that the twelve-month period of investigation, read together with the data pertaining to the preceding three years, provides a sufficient basis for undertaking such an assessment. The interested parties have also not placed on record any specific post-period of investigation data or development that would have a bearing on the likelihood analysis.

113. 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 the following. The Authority also considers that these are the parameters to analyse threat of material injury to the domestic industry in a situation where there is no anti-dumping duty in place and the domestic industry has not suffered material injury during the injury period. Therefore, these guiding factors are required to be considered and applied, having regard to the fact that anti-dumping duty was in place during the injury period and the purpose of examination is to ascertain likely situation where the anti-dumping duty is not extended further.

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 being investigated.

114. The Authority has, *inter alia*, considered the above factors 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. For this purpose, the Authority has examined the information furnished by the participating producers/ exporters from the subject country in their questionnaire responses, as well as the relevant information brought on record by the domestic industry and the other interested parties.

a. <u>Continued dumping</u>

115. It is noted that the dumping margin continues to remain positive and significant. The dumping margin determined by the Authority in the present review is higher than the margin determined by the Authority in the original investigation. Continued dumping at increased margins, despite the measure in force, indicates that dumping is likely to continue in the event of expiry of the duty.

Producer	Original	Sunset review
Wacker Chemicals Fumed Silica (Zhangjiagang) Co Ltd.	10-20%	50-60%
Shandong Dongyue Silicone Material Co., Ltd	50-60%	130-140%

b. <u>Increase in imports of the product</u>

116. The table below shows the trend of imports over the injury period.

Particulars	Unit	2022-23	2023-24	2024-25	POI
China	MT	770	960	1,300	1,381

117. It is seen that the imports of the product under consideration from the subject country have increased over the injury period and were the highest in the period of investigation. The increase in the volume of subject imports despite the anti-dumping duty in force indicates that the volume of imports is likely to increase further in the event of expiry of the duty.

c. <u>Absorption of the existing anti-dumping duty</u>

118. The Authority notes that, in the anti-absorption investigation concluded vide Final Findings No. 7/05/2025-DGTR dated 11th August 2025, it was found that Shandong Dongyue Silicone Material Co., Ltd. had absorbed the anti-dumping duty in force, pursuant to which the quantum of duty was enhanced. The absorption of the duty by the exporter in

order to retain and increase its sales in India is indicative of the importance of the Indian market for the exporter and of its likely pricing behaviour in the event of cessation of the duty.

d. Whether import price is likely to suppress/depress the prices of domestic industry.

119. The table below shows the landed price of imports from China and the selling price and cost of sales of the domestic industry in the period of investigation.

Producer	UOM	Value
Wacker Chemicals Fumed Silica (Zhangjiagang) Co Ltd.	Rs/MT	***
Shandong Dongyue Silicone Material Co., Ltd	Rs/MT	***
Average landed price of imports.	Rs/MT	3,33,870
Cost of sales of domestic industry	Rs/MT	***
Selling price of the domestic industry	Rs/MT	***

120. The Authority notes that the average landed price of imports is above the cost of sales of the domestic industry. However, the questionnaire responses filed by the two participating producers indicate a significant difference in the prices of imports from Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. and Shandong Dongyue Silicone Material Co., Ltd. It is further noted that imports from Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. are presently subject to nil anti-dumping duty. In contrast, the landed price of imports from Shandong Dongyue Silicone Material Co., Ltd. is below both the selling price and cost of sales of the domestic industry. The Authority considers that, upon cessation of the anti-dumping duty, imports at such lower price levels may exert downward pressure on the prices of the domestic industry and adversely affect its price realisation and profitability.

121. The table below shows the landed price without duty and the likely adverse effect of that on the prices of the domestic industry. For the purpose of this analysis, the performance of the domestic industry in the non-pharma sector alone has been considered, since the subject imports are predominantly of non-pharma grade. The landed price of imports from Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. has been excluded, since such imports are presently subject to nil anti-dumping duty and their landed price would not change on cessation of the duty.

Particulars	Unit	Actual performance	Likely performance
Landed price (excluding Wacker)	₹/MT	2,71,267	2,71,267
Cost of sales	₹/MT	***	***
Selling price	₹/MT	***	***
Profit/ loss	₹/MT	***	***
Profit/ loss	₹ lakhs	***	***
Cash profit / loss	₹ lakhs	***	***
PBIT	₹ lakhs	***	***

122. It is seen that if the domestic industry is required to match the landed price of such imports in the absence of the anti-dumping duty, its profit of ₹*** lakhs in the non-pharma sector would turn into a loss of ₹*** lakhs. The profits, cash profits and return on capital employed of the domestic industry as a whole would decline significantly.

e. <u>Under-utilized capacity in China</u>

123. The domestic industry has provided report about Chinese market, which shows that in 2022, the fumed silica capacity in the subject country was 211 KT per annum with a production of only 140 KT which shows that producers in the subject country have large, under-utilized capacities which can be utilized for increasing exports to India. The table below shows the information provided in the market research report.

Unit: KT

Particular	Quantity
Capacity	211
Production actual	140
Capacity utilisation	66%
Demand in China	121
Export	18
Likely production, considering capacity utilization in India	190
Additional feasible production with current capacity	50
Indian demand	6.44

124. It is seen that there are significant idle capacities in China. It is also seen that during the period, total exports of fumed silica from China were 18.6 KT with a domestic consumption of only 121 KT and the idle capacities in China can produce to the extent of additional 50 KT. Further, as per the evidence submitted by the applicant, capacity in China PR is expected to increase by 137.8 KT per annum before 2027.

125. As per the information submitted by the domestic industry, the global capacity for fumed silica stood at 491 KT out of which 211 KT was in China. Nearly 43% of the global capacity for fumed silica is in China with approximately 21 producers in China.

Unit: KT

Particular	Capacity
Global Capacity	**491**
Capacity in US	73
Capacity in Europe	105
Capacity in China	211
Capacity in Asia (excluding China)	102

126. The information provided by the domestic industry has also been compared with the participating producers from China.

Particulars	Unit	Shandong	Wacker
Capacity	MT	***	***
Production	MT	***	***
Idle capacity	MT	***	***
Idle capacity	%	***	***
Idle capacity	Range	15-25%	5-10%

127. It is seen that both the producers are operating with significant idle capacities.

f. <u>Surplus capacities in China.</u>

128. It has been stated by the domestic industry that the demand in the subject country is very low in comparison to the capacities available. The Chinese producers/exporters are export oriented and in case the duties are revoked, they will use their surplus capacities to export to India. The table below shows the information provided by the domestic industry.

Unit: KT

Particular	Quantity
Capacity	349
Demand in China PR	187
Capacity meant for exports	162
Demand in India (in 2025)	6.44
Exportable capacity in relation to Indian demand	2516%

129. As per the information submitted by the domestic industry, the capacity in the subject country would be almost double the demand in China, and the exportable capacity will be more than 25 times the demand in India.

130. The information provided by the domestic industry has also been compared with the participating producers from China.

Particulars	Unit	Shandong	Wacker
Capacity	MT	***	***
Domestic sales	MT	***	***
Export sales (total)	MT	***	***
Surplus capacity (Capacity-domestic sales)	MT	***	***
Surplus capacity (Capacity-domestic sales)	%	***	***
Export orientation (Exports/	%	***	***

Production)			
Export orientation (Exports/ Production)	Range	10-20	10-20%

131. It is seen that in case of both the participating producers, a significant share of production is being utilized for export operations.

g. Third-country analysis

132. The Authority has examined the information with regard to exports to third countries provided by the participating producers. A comparison has been made between the prices of exports to third countries, normal value, non-injurious price and selling price of the DI. The following is seen in this regard:

Exports below normal value

133. The Authority has analysed the third country exports to examine if the third country exports are below the normal value. The table below summarizes.

Particular	Unit	Shandong	Wacker
Total exports to third countries	MT	***	***
Dumped exports to third countries	MT	***	***
Dumped exports to third countries	%	95-100%	95-100%

134. It is seen that out of the total exports to third countries by Shandong, 95-100% is below normal value. In case of Wacker, almost the entire volume (about 100%) is below the normal value.

Price Attractiveness

135. The Authority has analysed the third country exports to examine if the third country exports are priced below the exports priced to India and if in cessation of measures, the producers will have any incentive to divert these third countries exports to the Indian market. The table below summarizes.

Particular	Unit	Shandong	Wacker
Total exports to third countries	MT	***	***
Exports to other countries below price in India	MT	***	***
Exports to other countries below price in India	%	45-55%	55-65%

136. It is seen that out of the total exports to third countries by Shandong, 45-55% is below the export price to India. In case of Wacker, it is seen that 55-65% is below the export price to India. It is therefore considered that there is a likelihood of diversion of exports to India in event of expiry of measures.

Exports below non-injurious price

137. The Authority has analysed the third country exports to examine if the third country exports are below the non-injurious price and if their diversion will be injurious to the domestic industry. The table below summarizes.

Particular	Unit	Shandong	Wacker
Total exports to third countries	MT	***	***
Total injurious exports to third countries	MT	***	***
Injurious exports to third countries	%	95-100%	35-40%

138. It is seen that out of the total exports to third countries by Shandong Dongyue Silicone Material Co., Ltd., about 95-100% by volume is at prices which, after addition of the applicable customs duty, are below the non-injurious price of the domestic industry. In the case of the Wacker group, about 35-40% by volume of the exports to third countries is at such prices. It is seen that if the exports to third countries are diverted to India, a substantial part of these would be at injurious prices.

J. MAGNITUDE OF INJURY MARGIN

139. 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 country 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.

140. 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:

Particulars	NIP	Landed price	Injury margin		
	$/MT	$/MT	$/MT	%	Range
Shandong Dongyue Silicone Material Co Ltd	***	***	***	***	40-50%
Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd. (producer) through Wacker Chemicals (China) Co., Ltd. (exporter)	***	***	***	***	Negative

All other producers / exporters	***	***	***	***	50-60%

K. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

K.1 Submission made by the other interested parties.

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

i. The fall in imports during the POI and rise in import price will only cause increasing costs for downstream users and MSMEs.

ii. The domestic industry's impact calculation is incorrect and omits key user segments. Continued duty in the post-POI period, when the prices have increased, would lead to a cost increase of 24.37%.

iii. Domestic industry is presently the sole producer. Continued anti-dumping protection would reduce competitive pressure in the domestic market and increase dependence on a single domestic supplier.

iv. Subject goods are an important input used in a wide range of downstream industries, including pharmaceuticals, food products, paints, coatings, inks, adhesives, sealants, silicone polymers, polyester resins, cosmetics, battery gels and construction chemicals.

v. Imports of the product under consideration are already subject to Basic Customs Duty (BCD) of 4.13%, social welfare surcharge (10% of the Basic Customs Duty), in addition to the existing anti-dumping duty.

vi. Continuation of the existing anti-dumping duties would not be in the larger public interest.

vii. Anti-dumping duties cannot be continued merely to protect future investment decisions of the Domestic Industry.

viii. As the sole domestic producer, continued protection would reduce competition and increase dependence on a single supplier. Accordingly, the existing anti-dumping duties have served their remedial purpose and should be allowed to lapse.

K.2 Submission made by the domestic industry.

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

i. The cost of the product under consideration in the final product is very minimal and will have almost no effect on the end-users.

ii. The impact of continuation of the anti-dumping on these end products is below 1%.

iii. The duties have been in force for last five years and there has been no adverse effect of the measures.

iv. The plant set up by the applicant is intended to eliminate the reliance on imports and make country AtmaNirbhar.

v. The duties in place have allowed the domestic industry to grow and sell the product in the Indian market at profitable prices. The domestic industry is further utilizing profits earned to increase its capacity to reduce the demand-supply gap in the country.

vi. The domestic industry is undertaking debottlenecking and investing Rs 200 crore for capacity addition in order to fulfil the growing demand in the country.
vii. The significant investments being made by the applicant will severely suffer, if the duties are revoked.
viii. Continuation of duties would result in a fair market situation, and outgoing foreign exchange would be conserved
ix. Even if the duties are continued, the users have alternate sources of supply.

K.3 Examination by the Authority

143. 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.

144. The Authority issued initiation notification inviting views from all the interested parties, including importers, consumers and others. 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 consumers 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.

145. 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 examination above shows that the performance of the domestic industry has improved with the duty in force and that injury to the domestic industry is likely to recur in the event of cessation of the duty. The continued imposition of anti-dumping duty would, therefore, be in the interest of the domestic industry.

146. 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.

147. The Authority had prescribed an economic interest questionnaire which was sent to all interested parties in this investigation. The domestic industry has provided the following impact of anti-dumping duty. It is seen that the domestic industry had claimed an anti-dumping duty of Rs 50 per KG in its calculation of impact of duty. However, since the

anti-dumping duty in force is USD 1,296 per MT (or Rs 112 per KG), the impact has been re-quantified and is shown below.

SN	Product		Pharma	UPR	Paints	Food - Anti caking agent
1	Product assumed		Paracetamol (Dolo-650 mg) 1 tablets weights 10g	Resins - Gel coats	Enamel Paints (high gloss)	Garam masala / curry powders
2	Average FS consumption	A	1%	3%	2%	2%
3	Unit of product, Kg	B	0.01	1.00	1.00	1.00
4	Price product Rs/KG	C	2.00	168.00	350.00	450.00
5	Avg FS Price Rs/KG	D	378.00	309.00	309.00	309.00
6	Fumed silica cost Rs/KG	E = A*B*D	0.04	9.27	6.18	6.18
7	Fumed silica cost on total price of product	F = E/C	2%	6%	2%	1%
8	ADD Rs/KG (estimated)	G	112.00	112.00	112.00	112.00
9	Impact of ADD Rs/KG	H =A*B*G	0.01	3.36	2.24	2.24
10	Impact of ADD %	I = H/C	1%	2%	1%	0%

148. It is seen that the impact of continuation of anti-dumping duty on downstream industries is insignificant. Apart from Wacker Metroark Chemicals Pvt. Ltd., which is related to a participating producer/exporter from the subject country, no user of the subject goods has participated in the present investigation, and no user has furnished verifiable information quantifying any adverse effect of the anti-dumping duty.

149. As regards the submissions that the domestic industry is the sole producer and that continuation of the duty would increase dependence on a single domestic supplier, the Authority notes that the anti-dumping duty does not restrict imports and only addresses dumped prices. Imports from other countries account for a significant share of the demand in India, and the subject imports have continued to enter the Indian market, and have increased, despite the duty in force. The capacity of the domestic industry is lower than the demand in India, and the users will, therefore, continue to have access to imports from multiple sources. The market share of the domestic industry has remained broadly stable over the injury period, the balance being met by imports.

150. It is also considered that the imposition of anti-dumping duty has contributed to the development and expansion of domestic production capacity in India. The domestic industry has already undertaken capacity expansion of approximately *** MT during the

injury period, has commissioned a further debottlenecking of approximately *** MT in October 2026, and is in the process of setting up a greenfield plant of approximately *** MT, expected to become operational by ***. Such capacity additions are expected to enhance the availability of the product from domestic sources and reduce dependence on imports. Consequently, the increased domestic availability has also contributed to a reduction in the outflow of foreign exchange associated with imports of the subject goods. The Authority therefore considers that the capacity additions undertaken by the domestic industry reflect the positive impact of the anti-dumping measure in promoting domestic manufacturing and reducing import dependence. The Authority notes that the capacity additions undertaken and planned by the domestic industry are expected to reduce the demand-supply gap in the country.

L. POST DISCLOSURE COMMENTS

151. The essential facts of the investigation were disclosed to the interested parties through the disclosure statement dated 29th October 2026. The comments received from the interested parties on the disclosure statement have been examined and addressed in the following section.

L.1 Comments of the other interested parties

152. The other interested parties have made the following comments to the disclosure statement:

i. The Authority has acknowledged a substantial difference in prices between the two grades and domestic industry has expressly admitted that its profitability in the pharmaceutical segment is far better than that in the non-pharmaceutical segment. When such differences have been admitted, the Authority has erred in rejecting the request for separate PCNs for pharmaceutical and non-pharmaceutical grades.

ii. The Authority has not adequately examined the post period of investigation developments. Shandong had submitted that its export prices have shown an increasing trend after the period examined in the anti-absorption investigation. The observation that no specific post-POI information or development was placed on record, is not correct.

iii. The mere increase in absolute import volumes cannot establish that such imports are likely to cause injury upon expiry of the existing duties. Accordingly, the increase in imports should not be treated as conclusive evidence of likelihood of injury.

iv. The mere existence of surplus capacity in the exporting country does not establish that such capacity will necessarily be directed towards India. The Authority is also required to examine the availability of other export markets, prevailing international demand, actual export trends and the commercial feasibility of diverting exports to India.

v. The domestic industry has enjoyed anti-dumping protection since November 2021 and has substantially improved its production, capacity utilisation and domestic sales. The domestic industry has not suffered continued injury as a result of dumped imports. Anti-dumping duties are intended to remedy injury caused by dumped

imports and are not meant to provide perpetual protection or guarantee the commercial viability of future investments of the Domestic Industry.

vi. Non-participation of downstream users cannot be treated as evidence that continued duties have no adverse impact. The absence of user participation does not discharge the Authority from objectively examining the impact of duties on downstream industries.

vii. Jay Chem Marketing has requested that anti-dumping duty may be recommended in the form of minimum import price. The trader has claimed that since continuation of measures rests on likelihood, the form of anti-dumping duty may be modified to a reference price, which would keep fair-priced imports duty-free and ensure that MSMEs do not suffer.

viii. The Authority has observed that Wacker has exported non-pharma grade materials and its prices are higher in both the grades. However, Wacker has exported only the non-pharma grade to India.

L.2 Comments of the domestic industry

153. The domestic industry has made the following comments to the disclosure statement: -

i. Likelihood must be judged country-wide, not producer by producer. Only 2 Chinese producers have participated, out of more than 10 producers that can supply the product. The Appellate Body in US – Corrosion-Resistant Steel Sunset Review (WT/DS244/AB/R, para 149) held that Article 11.3 of the Anti-Dumping Agreement does not require company-specific likelihood findings.

ii. Both pharma and non-pharma grades come out of the same process; pharma grade is simply output tested to be within impurity limits. The Authority frames separate PCNs only where costs differ (typically by more than 5%). For pharmaceutical companies, impurity limits are non-negotiable, the product is a minor cost item, and buyers source mainly from qualified European suppliers, so pharma prices follow European prices.

iii. Framing PCNs would have no bearing on the outcome of the investigation, as Shandong has not exported both grades, so its export price is unaffected. Normal value is based on Japanese imports, which had no pharma grade. The domestic industry reports no cost difference, so the NIP is unaffected.

iv. The demand in the period of investigation was *** MT against a capacity of *** MT; the market open to the domestic industry, excluding Wacker and non-Chinese imports, is *** MT. With the expansion, India can replace duty-paid and non-subject imports, export, and become self-reliant (AtmaNirbhar) in the product.

v. If the domestic industry has to match the ex-Wacker landed price of ₹ 2,71,267/MT, it would move from profits to losses and cash losses. The new plant would also face losses from the day it starts production.

vi. The domestic industry has not used the duty to overcharge and has priced its product below non-subject imports in both segments. The domestic industry benchmarks to China in non-pharma and to non-subject imports in pharma.

L.3 Examination by the Authority

154. The Authority has examined the comments of the interested parties on the disclosure statement. Most of the comments are reiterations of submissions made earlier in the investigation, which have already been examined and addressed in the relevant sections of these final findings. The issues raised afresh, or requiring further examination, are addressed below. As regards the comment of the Wacker group, the observation at paragraph 16 has been rectified, and the names of the producer and the exporter have been corrected in the dumping margin table, the injury margin table and the duty table.

155. The other interested parties have commented that despite the substantial difference in prices and profitability between the two grades, the Authority has incorrectly rejected the request for separate PCNs for pharmaceutical and non-pharmaceutical grades. The Authority notes that price difference alone does not justify a PCN methodology, as price variations across grades depend on factors beyond production cost. Technical and pharma grades share the exact same manufacturing process with no additional post-production refining; grades are assigned simply by testing and quantifying impurity levels after production (pharma grade requiring lower impurities). Additionally, records show that most pharma-grade imports originate from the European Union. The responding producers from China have not reported that they have exported both the pharma and non-pharma grades. It is also noted that adopting a PCN methodology would not change the outcome in the present case. The Authority has concluded that there is no material difference in the cost of production for the two grades. The Authority also considers that the non-injurious price is based on the cost structure of the domestic industry and therefore, framing PCN methodology will have no impact on the injury margin. Further, the normal value is based on the imports from Japan which are only of non-pharmaceutical grade and therefore, framing PCN methodology will have no impact on the dumping margin. Therefore, no useful purpose shall be served by segregating export price of different grades and there shall be no impact on resultant dumping margin and injury margin whether the products are treated as one or different PCNs.

156. Regarding the comments by Shandong Dongyue Silicone Material Co. Ltd. that its export prices increased after the period of investigation of the anti-absorption investigation period (1st July 2023 to 30th June 2024), the Authority notes that the period of investigation of the present investigation (1st October 2024 to 30th September 2025) succeeds the period of the anti-absorption investigation, and the injury period of the present investigation covers the intervening period. The pricing of the exporter after the anti-absorption investigation has, therefore, already been taken into account. Furthermore, given that the domestic industry was found not to have suffered continued injury during the present period of investigation, the exporter has not demonstrated how analysing post-period of investigation data would alter any material facts or conclusions of the investigation.

157. As regards the comment of the other interested parties that absolute import volume increase and surplus capacity are insufficient evidence of likelihood of injury or export diversion, the Authority clarifies that these metrics were not evaluated in isolation. Imports have increased relative to both domestic production and total Indian consumption. Responding producers hold idle production capacities, and third-country export data shows

that 95-100% of Shandong's exports to third countries are below normal value, with 45-55% priced even lower than its exports to India. Since the landed price of imports from Shandong is below the cost of sales of the domestic industry, continued low-priced imports pose a direct threat to price stability in the domestic market in the event of expiry of the measures. The Authority therefore holds that there is a clear likelihood of export diversion to India in case of cessation of duties.

158. The other interested parties have commented that the domestic industry has not suffered continued injury as a result of dumped imports and that the domestic industry has enjoyed anti-dumping protection since November 2021. The Authority notes that the Authority has also concluded absence of continued injury to the domestic industry. However, absence of continued injury could be a result of the very imposition of anti-dumping duty and does not in itself establish that there is no likelihood of recurrence of injury to the domestic industry in case the present anti-dumping duty is allowed to cease. The mere fact that the performance parameters of the domestic industry recorded improvement during the injury period does not warrant removal of the duty. It is considered that the improvement is attributable to the measures in force. The Authority also notes that the landed price of imports from Shandong Dongyue Silicone Material Co., Ltd. is below both the selling price and cost of sales of the domestic industry. The Authority considers that, upon cessation of the anti-dumping duty, imports at such lower price levels will exert downward pressure on the prices of the domestic industry and will adversely affect its price realisation and profitability. The Authority has already examined above the adverse effect of cessation of anti-dumping duty on the domestic industry which shows that cessation of duty will likely lead to domestic industry suffering financial and cash losses. The domestic industry has also placed on record information on its completed, ongoing and planned capacity additions, the viability of which would be adversely affected in case of cessation of the duty.

159. On the comments of the interested parties that measures may be modified to a reference price, the Authority notes that it is recommending continuation of the measures on the basis of likelihood of continuation of dumping and or recurrence of injury. Therefore, it would not be appropriate to re-quantify the quantum or change the form of the duty in force in the facts and circumstances of the present case.

160. The other interested parties have argued that non-participation of downstream users cannot be treated as evidence that continued duties would have no adverse impact. The Authority notes that the non-participation has not been seen in isolation. However, the fact that the users have not participated further reinforces the claim of the domestic industry that the cost of the product under consideration in the final product is minimal and that the duty will have almost no effect on the end-users. The responding interested parties have also not provided any evidence to counter the facts stated by the domestic industry. In any case, the impact of the anti-dumping duty on downstream products has been examined and is found to be low. It is also considered that the analysis of public interest is not restricted to the user industry alone and also takes into account the domestic producers. The Authority also considers that the duties in place have allowed the domestic industry to grow. The domestic

industry has already undertaken de-bottlenecking to increase its capacity from *** MT to *** MT at a capital investment of ₹ *** crore. The domestic industry has recently undertaken another debottlenecking, increasing its capacity by *** MT and invested nearly ₹ *** crore in this debottlenecking. The domestic industry is now setting up a new production line for the product under consideration with a capacity of *** MT and an investment of ₹ *** crore.

M. CONCLUSION

161. 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 dumping, injury and causal link, the Authority concludes that:

i. The present sunset review investigation was initiated under Section 9A(5) of the Act read with Rule 23 of the Rules to examine whether the expiry of the anti-dumping duty in force on imports of "Untreated Fumed Silica" originating in or exported from China PR, is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

ii. The Authority considers that no PCN methodology was required to be adopted in the present investigation.

iii. None of the producers/exporters from China PR filed market economy treatment questionnaire so as to rebut the presumption of non-market economy status. The normal value has accordingly been determined under Para 7 of Annexure I to the Rules on the basis of import price from Japan adjusted to arrive at net ex-factory level. The normal value has been determined considering the import price from Japan, which in the present investigation period pertained to imports of the product for non-pharma application.

iv. The investigation has shown existence of significant dumping from China. The Authority has determined dumping margin as 50-60% in case of Wacker Chemicals Fumed Silica (Zhangjiagang) Co. Ltd, 130-140% in case of Shandong Dongyue Silicone Material Co Ltd and 150-160% for all other producers/exporters.

v. The demand for the product under consideration increased while the duties were in place. The demand was highest in the period of investigation. The volume of imports from China PR has increased over the injury period and was the highest in the period of investigation.

vi. The landed price of imports from Shandong Dongyue Silicone Material Co., Ltd. is below the selling price and cost of sales of the domestic industry. It is seen that if the domestic industry is required to match the landed price of such imports in the absence of anti-dumping duty, its profit would turn into losses, and the domestic industry would suffer cash losses and negative return on capital employed.

vii. The production, capacity utilization and domestic sales of the domestic industry have increased over the injury period. The profitability parameters of the domestic industry have also improved over the injury period. The domestic industry has not suffered continued injury in view of anti-dumping duty in place.

viii. Continued dumping at increased margins, despite the measure in force, establishes that dumping is likely to continue in the event of expiry of duty. Both the volume of

imports and dumping margin have increased in the current POI as compared to the original investigation.

ix. Producers in the subject country are operating with significant idle capacities, and a significant share of production is being utilized for export operations. The additional production feasible in China PR with its current capacity, at the capacity utilisation level of the domestic industry, is nearly 8 times the demand in India. This clearly shows ability of the Chinese producers to take away entire Indian demand, in case of cessation of anti-dumping duty and the domestic industry chooses to hold on to its prices despite such cessation.

x. In case of Shandong Dongyue Silicone Material Co Ltd., 15-25% of its capacity is idle and 10-20% of its production is exported. The volume is quite significant, having regard to demand for the product in India.

xi. Exports of both the participating producers to third countries are largely below normal value, and a substantial part of such exports is below their export price to India and below the non-injurious price of the domestic industry.

xii. The information on record shows likelihood of continuation of dumping and likelihood of recurrence of injury to the domestic industry in case the anti-dumping duty in force is allowed to cease at this stage.

xiii. Impact of the anti-dumping duty on the downstream industry is found minimal at 0% to 2%.

xiv. The duty has allowed the domestic industry to increase its capacity and meet the growing demand in the country. The domestic industry is reinvesting its earnings in three projects totalling *** MT. While the domestic industry has already undertaken two capacity debottlenecking, it is now investing in a new greenfield plant of *** MT capacity. The Authority notes that the investments made and committed by the domestic industry are significant and level playing field in the form of anti-dumping duty against unfairly priced dumped imports is necessary to protect these new and existing investments in the country.

N. RECOMMENDATION

162. The Authority notes that the present proceedings were conducted in accordance with the Act and the Rules. All interested parties were duly notified and were granted adequate opportunity to provide information and present their views on the matters under investigation, including dumping, injury, causal link, likelihood of continuation of dumping and injury and impact of the measures on the Indian industry. Pursuant to the sunset review, the Authority has arrived at the conclusion that continuation of the existing anti-dumping duties is required in the present case for a further period of five years.

163. Since the Authority has recommended continuation of the measures on the basis of the likelihood of continuation or recurrence of dumping and injury, the Authority does not consider it appropriate to re-quantify the quantum of duty in force. The Authority considers it appropriate to recommend continuation of the definitive anti-dumping duty recommended vide Final Findings No. 6/40/2020-DGTR dated 20th September 2021 and imposed vide Customs Notification No. 66/2021-Customs (ADD) dated 11th November

2021, as modified pursuant to Final Findings No. 7/05/2025-DGTR dated 11th August 2025 and accepted by the Ministry of Finance vide Customs Notification No. 30/2025-Customs (ADD) dated 27th October 2025.

164. The Authority, after examining submissions made by all interested parties in the present investigation, considers it appropriate and necessary to recommend continuation of definitive duties equal to the figure indicated in Column 7 of the duty table below for a period of five (5) years from the date of the notification to be issued in this regard by the Central Government, on all imports of the subject goods originating in or exported from the subject country.

Duty Table

SN	Heading	Description	Country of Origin	Country of export	Producer	Amount	UOM	Currency
1	2	3	4	5	6	7	8	9
1	28112200	Untreated Fumed Silica	China PR	Any country including China PR	Shandong Dongyue Silicone Material Co., Ltd.	1,296	MT	USD
2	do	do	China PR	Any country including China PR	Wacker Chemicals Fumed Silica (Zhangjiagang) Co., Ltd.	NIL	MT	USD
3	do	do	China PR	Any country including China PR	Any producer other than 1 and 2	1,296	MT	USD
4	do	do	Any country other than China PR	China PR	Any	1,296	MT	USD

165. The application of the individual duty rate specified for the producer/exporter mentioned at SN 1 and 2 of the above duty table shall be conditional upon presentation to the customs authorities of a valid commercial invoice, on which shall appear a declaration

dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:

> *'I, the undersigned, certify that the (volume) of Untreated Fumed Silica sold for export to India covered by this invoice was manufactured by (company name and address) in China PR. I declare that the information provided in this invoice is complete and correct.'*

166. If no such invoice is presented, the residual duty applicable to 'any other producer' 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

167. An appeal against the determination of the Designated Authority in these final findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with Section 9C of the Customs Tariff Act, 1975 and the relevant provisions of the Rules.

Digitally signed by Amitabh Kumar
Date: 06-11-2026 10:24:18

(Amitabh Kumar)
Designated Authority