

**No. 9/1/2001-DGAD**  
**MINISTRY OF COMMERCE & INDUSTRY**  
**(DIRECTORATE GENERAL OF ANTI-DUMPING AND**  
**ALLIED DUTIES)**

**INITIATION NOTIFICATION**

NEW DELHI, 8th February, 2001

**Subject:-** Initiation of Anti-dumping investigations concerning imports of 2-Methyl (5) Nitro Imidazole ( 2 MNI ) from China PR.

**No. 9/1/2001-DGAD.** – The Directorate General of Anti-dumping and Allied Duties has received a petition for initiation of anti-dumping investigations against alleged dumping of 2-Methyl (5) Nitro Imidazole (2 MNI ) imported from China PR. M/s.Aarti Drugs Limited, Mumbai and M/s Unichem Laboratories limited, Mumbai have filed a petition in accordance with Customs Tariff Act 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of 2 MNI from China PR (also hereinafter referred to as subject country) and requested for initiation of anti-dumping investigation and levy of anti-dumping duty.

2. **Domestic Industry:-** The petition has been filed by M/s Aarti Drugs Limited, Mumbai and M/s Unichem Laboratories limited, Mumbai on behalf of the domestic industry. The petitioners have claimed that it accounts for almost 100% of the production during the period of investigation as M/s Aarey Drugs, Mumbai, M/s Unique Chemicals, Mumbai and M/s Advent Pharma Limited, Mumbai who are also producers of the 2 MNI is intended for their captives consumption and have claimed that the production by these three companies would not form part of ‘eligible production’ for determination of standing and scope of the domestic industry and, therefore, has the standing to file the petition on behalf of the domestic industry under the aforesaid Rules.
3. **Product involved:** The product involved in the petition is 2 MNI originating in or exported from China PR. The product is classified under Customs Tariff heading 2933.39 and at no. 2933.39 09 as per International Tariff Classification. The classification is however, indicative only and in no way binding on present investigation. 2 MNI is a creamish coloured powder. It is used as a Drug Intermediate for production of Metronidazole, Tinidazole, Dimetridazole, Ornidazole, Scenidazole. It is sparingly soluble in water and

soluble in aqueous solution of acid or alkali soluble in 10 parts of N-N Dimethyl Formamide. Other details about the product are as under:-  
Chemical formula: C<sub>4</sub> H<sub>5</sub> N<sub>3</sub> O<sub>2</sub> ; Technical Name: 2- Methyl (5) Nitro Imidazole

Mol Weight: 127 Melting Point: 248 – 2520

4. **Country Involved:** The country involved in the present investigation is China PR.
5. **Like Article:-**The petitioner has claimed that goods produced by it are like articles to the goods produced, originating in or exported from the subject countries. Hence, goods produced by the petitioner are being treated as like articles to the goods imported from the subject countries within the meaning of the Rules.
6. **Normal Value:-** Petitioners have stated that they have not been able to get any reasonable and authentic evidence with regard to prices of 2-MNI in China or price list of exporters either for sale in China or for exports to countries other than India. They have requested that the normal value may be based on constructed normal value. The normal value has been constructed on the basis of estimates of cost of production of subject goods duly adjusted to include selling, general and administrative expenses and a reasonable profit margin.
7. **Export Price:** The petitioners have stated that the information published by Directorate General of Commercial Intelligence and Statistics (DGCI&S), Calcutta cannot be relied upon for determination of volume and value of imports of 2-MNI to India since the classification of the product is described as "others" and includes imports of number of other products. The petitioners have furnished import information received from the secondary source through Bombay Custom Detailed Statement, Mumbai Port. Thus there is sufficient prime facie evidence with regard to prevailing export prices to India from the said country.
8. **Dumping Margin:** There is sufficient prime facie evidence that export price to India from subject countries were lower than the normal value in the said countries. Thus, there is sufficient evidence that the product under consideration is being dumped into India from China PR.
9. **Injury and Causal Link:** Various parameters relating to injury such as quantum of imports, market share, import price from subject country and various indicators affecting domestic industry such as production, capacity utilisation, price undercutting etc. collectively and cumulatively prime facie indicates that the domestic industry has suffered material injury on account of dumping.
10. **Initiation of Anti Dumping Investigation:** The Designated Authority, therefore, initiates anti dumping investigation into the existence, degree and effect of alleged dumping of 2 MNI originating in or exported from China PR.

11. **Period of Investigation:** The period of investigation for the purposes of present investigation is 1st April, 2000 to 31st December, 2000 (9 months).
12. **Submission of Information:** The exporters in the subject countries and importers in India known to be concerned are being addressed to submit relevant information in the form and manner prescribed and to make their views known to **Shri L.V.Saptharishi, Designated Authority and Additional Secretary to Government of India, Ministry of Commerce, Udyog Bhavan, New Delhi-110011.** Any other interested party may also make its submission relevant to the investigation in the prescribed form and manner within the time limit set out below.
13. **Time Limit:-** Any information relating to the present investigation may be sent in writing so as to reach the Designated Authority at the address mentioned above not later than 40 days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however, required to submit the information within 40 days from the date of letter addressed to them separately.
14. All parties must provide a non-confidential summary of any information provided on a confidential basis in terms of Anti-dumping Rule 7(2). Parties, may however, note that such information will be subject to acceptance in terms of Anti-dumping Rule 7(1) and 7(2).
15. **Inspection of Public File:-** In terms of Rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by the other interested parties after the expiry of time limit thus set out.
16. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation or the information is incomplete in any respect, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

**(L.V. SAPTHARISHI)**  
Designated Authority