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**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMERCE & INDUSTRY**  
**DEPARTMENT OF COMMERCE**  
**(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)**  
**NOTIFICATION**

**New Delhi, the 23<sup>RD</sup> June, 2008**

**Initiation**

**Subject: Initiation of anti-dumping investigations concerning import of Thionyl Chloride originating in or exported from the European Union (EU).**

**1. Initiation**

**F.NO. 14/1/2008-DGAD : WHEREAS** M/s Gwalior Chemicals Industries Limited, Mumbai and Transpek Industries Limited, Vadodra (herein after referred to as the Applicants) have filed an application before the Designated Authority (hereinafter referred to as this Authority), in accordance with the 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 (herein after referred as Rules), alleging dumping of Thionyl Chloride (herein after referred to as subject good), originating in or exported from EU, (herein after referred to as subject country/territory) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

**2. Product under consideration**

The product under investigation is Thionyl Chloride having chemical formula  $\text{SOCl}_2$ , also known as Sulfurous Oxychloride, Sulfurous Dichloride, Sulfinyl Chloride, Sulfinyl Dichloride, Dichlorosulfoxide etc. Thionyl Chloride is a reactive chemical used reagent used in chlorination reactions. It is colorless distillable liquid at room temperature and pressure that decomposes above 140 degree C.

Thionyl Chloride is used inside lithium-thionyl batteries as the positive active material with lithium as the negative active material. It is also used as a reagent for the production of other chemical compounds or materials. In military usage, Thionyl Chloride is used in the "di-di" method of producing G-series nerve agents. It is widely used to convert carboxylic acids to acyl chlorides and alcohols to the corresponding alkyl chlorides via an internal nucleophilic substitution. The product is sold in both bulk and packed conditions. The investigation shall cover the above product in all forms and types, irrespective of the condition of packaging in which it is sold.

The subject product is covered under Chapter 28 and the relevant eight digit level classification is 2812.1040.

**3. Like article**

The applicants have claimed that there is no significant difference between the products manufactured by them and the subject goods imported from the subject country/territory, which can have any impact on price, usage, quality etc. The applicants have also claimed that subject goods are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution and marketing and tariff classification of the goods. Therefore, for the purpose of present investigation, the products produced by the applicants are treated as Like Articles of the product imported from the subject country/territory within the meaning of the Rules.

#### **4. Domestic industry and Standing**

The application for initiation of this investigation has been filed by M/s Gwalior Chemicals Industries Limited, Mumbai and M/s Transpek Industries Limited, Vadodra. The Authority notes that there are three other companies which are known to have the capacities to produce the subject goods in India i.e., M/s Emarco Chemicals Pvt. Ltd., Gujrat, M/s Meenakshi Chemicals Pvt. Ltd., Baroda and M/s Shree Sulphuric Limited, Ahmadabad. The Authority has assessed the production volumes of these producers and their support and opposition to the above application. M/s Shree Sulphurics and M/s Meenakshi Chemicals have provided their production information and supported the application. M/s Emarco Chemicals Pvt. Ltd., Gujarat has apparently stopped production and has not responded to the Authorities request for information. On the basis of the information received, the Authority notes that the applicant companies constitute a major proportion in Indian production. Therefore, the Authority holds that for the purpose of this investigation the applicants command the standing in terms of Rule 5(3) and constitutes the domestic industry in terms of Rule 2(b).

#### **5. Country/territory Involved**

The investigation covers the goods originating in and exported from the European Union.

#### **6. Normal value**

The applicants have provided information on the domestic selling prices in the European Union for determination of Normal Value under Section 9A(1)(c)(i). However, in the absence of complete information about the level of trade and conditions of sales, the said data has not been relied upon. The domestic industry has also provided the estimated cost of production of the subject goods in the European Union based on international prices of raw material and other conversion expenses, which has been relied upon for the purpose of preliminary examination of dumping. Accordingly, Normal Value has been estimated in terms of Section 9A(c)(ii)(b) for the purpose of initiation

#### **7. Export price**

The product is sold in bulk and packed form. The export prices of subject goods in packed and bulk forms have been estimated on the basis of transaction-wise import data collected from secondary data sources and summary data of DGCI&S. Weighted average export price has been determined considering the total volume and value of imports for EU. Adjustments have been made on account of ocean freight, port charges, insurance and inland port charges etc. in order to arrive at the ex-factory export price.

#### **8. Dumping margin**

On the basis of positive evidence placed by the applicants before the Authority it appears that the Normal Value of the subject goods in the subject country/territory is significantly higher than the net export price to India, indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject country/territory. The dumping margin so estimated, is positive and above de minimis levels.

#### **9. Injury and causal link**

The applicants have furnished information on volume and value of dumped imports from the subject country/territory and various parameters relating to injury to the domestic industry, on account of the product under consideration. Parameters, such as increase in volume of imports both in absolute terms and in relation to the demand of the products, decline in market share, price undercutting and underselling, price depression, decline in profits, returns on investments and cash flow prima-facie collectively indicates that the dumped import of the subject goods from the subject country/territory has injured the Domestic Industry.

#### **10. Initiation of Anti Dumping Investigations**

Having satisfied itself about the accuracy and sufficiency of the information submitted by the applicant domestic industry, the Designated Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject country/territory, injury to the domestic industry, and causal links between the dumping and injury exist. Accordingly, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry, in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of alleged dumping, if any, and to recommend the amount of antidumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

#### **11. Period of investigation (POI)**

The period of investigation (POI) for the purpose of present investigation consists 12 months period from 1ST January 2007 to 31ST December 2007. The injury investigation period will, however, cover the period 2004-05, 2005-06, 2006-07 and the POI.

#### **12. Submission of information**

The exporters in the European Union, the European Commission, through its delegation in Delhi, the importers and users in India known to be concerned with this investigation, the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the:

**The Designated Authority**  
**Directorate General of Anti-Dumping and Allied Duties**  
**Ministry of Commerce and Industry**  
**Government of India**  
**Room No. 287B**  
**Udyog Bhavan**  
**New Delhi-110011.**

Any other interested party may also make its submissions, 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 should be sent in writing so as to reach the Authority at the address mentioned above not later than forty (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) forty days from the date of the letter addressed to them. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

#### **14. Submission of information on Non-confidential basis**

In terms of Rule 6(7), of the Rules the interested parties are required to submit non-confidential version of any confidential information provided to the Authority. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing such information, such information is not susceptible to summary; a statement of reason thereof is required to be provided. However, if the Designated Authority is satisfied that the request for confidentiality is not warranted, or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized or summary form, the Designated Authority may disregard such information.

**15. Use of facts available**

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, 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.

**16. Inspection of public file**

Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties in terms of Rule 6 (7).

**R. Gopalan**  
**Designated Authority**