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**F.No. 6/28/2020-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
Jeevan Tara Building, 5 Parliament Street, New Delhi – 110001**

Dated: 21st August, 2020

INITIATION NOTIFICATION

Case No. ADD – (OI) 23/2020

Subject: Initiation of Anti-dumping Investigation concerning imports of Aceto Acetyl Derivatives also known as Arylides from China PR

1. M/s. Laxmi Organics Industries Limited (hereinafter also referred to as the “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also 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 also referred to as the “Rules”) for original anti-dumping investigation concerning imports of “Aceto Acetyl Derivatives”, also known as “Arylides” (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR (hereinafter also referred to as the “subject country”).
2. The Applicant has alleged that material injury to the Domestic Industry is being caused due to dumped imports from the subject country and has requested for imposition of anti-dumping duty on the imports of the subject goods.

Product under Consideration

3. The product under consideration (PUC) is “Aceto Acetyl Derivatives of aromatic or heterocyclic compounds” or “Arylides”. The following forms of arylides are included within the scope of the present application whilst all other forms are excluded:
 - a. Acetoacetanilide or AAA;
 - b. Acetoacet-meta-xylylide or AAMX;
 - c. Acetoacet-o-aniside or AAOA;
 - d. Acetoacet-O-Toluidide or AAOT;
 - e. Acetoacet-O-chloroanilide or AAOCA.

4. The product is classified under customs classification 29242920 and 29242990. The customs classification is indicative only and in no way binding on the scope of the present investigation.

Like Article

5. The Applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and hence should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the Applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry

6. The application has been filed by M/s. Laxmi Organic Industries Limited. The Applicant has claimed to be the sole producer of the subject goods in India. The Applicant has also claimed that it has neither imported the subject goods from the subject country nor is related to any exporter or producer of subject goods in the subject country or any importer of the PUC in India. On the basis of information on record, it is noted that the Applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

Normal Value

Normal Value for China PR

7. The Applicant has claimed that China PR should be treated as a non-market economy and has determined normal value on the basis price payable in India, duly adjusted. The normal value has been determined on the basis of price paid or payable in India, duly adjusted, after addition for selling, general & administrative expenses and reasonable profits. Owing to differences in price and cost of different types of subject goods, the normal value separately for each type of Arylides has been determined separately.

Export Price

8. The export price for the subject countries has been computed based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made on account of ocean freight, marine insurance, commission, handling charges, port expenses, bank charges, and VAT refund.

9. The normal value and the export price have been compared at ex-factory level, which *prima facie* shows significant dumping margin above the *de minimis* in respect of the subject goods from the subject countries. There is sufficient *prima facie* evidence that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

Injury and Causal Link

10. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to total imports, production and consumption in India and price undercutting on the domestic industry. The Applicant has claimed that its performance has been adversely impacted during the POI leading to decline in production, sales, market share, profits, cash profits and return on capital employed. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

Initiation of Anti-Dumping Investigation

11. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, about dumping of the product under consideration originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates investigation to determine the existence, degree and effect of alleged dumping in respect of the product under consideration originating and exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

Subject Countries

12. The subject country for the present investigation is China PR.

Period of Investigation

13. The period of investigation is from 1st April, 2019 to 31st March, 2020 (12 Months). The injury investigation period shall cover the periods 2016-17, 2017-18, 2018-19 and the period of investigation.

Procedure

14. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

Submission of Information

15. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv12-dgtr@gov.in, dir14-dgtr@gov.in and jd13-dgtr@gov.in.
16. The known producers/exporters in the subject countries, their Governments through their Embassies in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
17. 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
18. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to other interested parties.

Time Limit

19. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses mentioned above within thirty days from the date of receipt of the notice as per Rule 6(4) of the Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.
20. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

Submission of information on confidential basis

21. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.

22. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
23. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
24. The confidential version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
25. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
26. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
27. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
28. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of Public File

29. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

Non-cooperation

30. 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.

(Bidyut Behari Swain)
Special Secretary & Designated Authority