

To be published in Part-I Section I of the Gazette of India Extraordinary

**Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001**

Dated: 5th August, 2016

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigation concerning imports of “Ammonium Nitrate” originating in or exported from Russia, Indonesia, Georgia and Iran.

F.No.14/1/2016- DGAD – Whereas Deepak Fertilisers and Petrochemicals Corporation Limited and Smartchem Technologies Limited (hereinafter also referred to as ‘petitioner’) have jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority), in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the Act) and 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 initiation of anti-dumping investigation concerning imports of “Ammonium Nitrate” (hereinafter also referred to as the subject goods) from Russia, Indonesia, Georgia and Iran (hereinafter also referred to as the subject countries).

2. AND WHEREAS, the Authority finds sufficient prima facie evidence of dumping of the subject goods originating in or exported from the subject countries, ‘injury’ to the domestic industry and causal link between the dumping and ‘injury’ exists justifying initiation of anti-dumping investigation. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti-dumping duty which, if levied, would be adequate to remove the ‘injury’ to the domestic industry

Product under consideration

3. The product under consideration in the present petition is “Ammonium nitrate”, a chemical compound with the formula NH_4NO_3 . It is composed of nitric acid and salt of ammonia. The nitrogen content exceeds 28% of weight in solid form. In room temperature,

ammonium nitrate appears in a white crystalline colourless form. Its melting point is 169.6 degrees Celsius or 337.3 degrees Fahrenheit.

4. Ammonium nitrate is produced from ammonia and nitric acid, in various forms, such as melt, prills, flakes, granules, lumps, etc. The subject goods, are ammonium nitrate in solid form having density above 0.83 g/cc. The subject goods include ammonium nitrate, whether prilled, granular, or in other solid form, with or without additives or coating, and having bulk density in excess of 0.83 g/cc. Specifically excluded from the scope of product under consideration, is solid ammonium nitrate, having bulk density equal to or below 0.83 g/cc or melt or low density ammonium nitrate.

5. Subject goods are classified under chapter 31 of Customs Tariff Act, 1975 under the sub-heading 3102 30 00. The Custom classification is indicative only and not binding on the scope of investigation.

Like Article

6. The petitioner has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the domestic industry. As submitted by the petitioner, the product under consideration produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The petitioner has further claimed that 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 Authority treats the subject goods produced by the petitioner in India as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry & Standing

7. The petition has been jointly filed by Deepak Fertilisers and Petrochemicals Corporation Limited and Smartchem Technologies Limited. As per information available in the petition, the production of the petitioner accounts for 100% of the total Indian production. The petitioner has also furnished a declaration stating that they have neither imported the subject goods from the subject country during the POI, nor are related to any exporter/importer of the subject goods from the subject country. The Authority, therefore, determines that the petitioner constitutes domestic industry within the meaning of the Rule 2 (b) and the petition satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

Countries Involved

8. The present investigation is in respect of alleged dumping of the product under consideration from Russia, Indonesia, Georgia and Iran (referred to as 'Subject Countries').

Normal Value

9. The petitioner has claimed normal value of the product under consideration in subject countries on the basis of the constructed normal value in accordance with section 9A (1)(C), Customs Tariff Act, 1975. The petitioner has claimed normal value on the basis of cost of production in subject countries, duly adjusted, including selling, general & administration expenses and reasonable profit.

Export Price

10. Export price of the subject goods from the subject country has been determined by considering transaction wise import data collected from the IBIS. Price adjustments have been made on account of ocean freight, inland freight, marine insurance, port expenses in the exporting country to arrive at ex-factory export price.

Dumping Margin

11. Normal value and export price have been compared at ex-factory level in respect of the subject country. There is sufficient prima facie evidence that the normal value of the subject goods in subject countries is significantly higher than the ex-factory export price indicating that the subject goods are being dumped by exporters from subject countries into the Indian market and the dumping margin is estimated to be above de minimis.

Injury and Causal Link

12. Information furnished by the petitioner has been considered for assessment of injury to the domestic industry. The petitioner 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 production and consumption, price undercutting, price underselling and consequent significant adverse impact in terms of decline in market share, return on capital employed, profitability etc. There is sufficient prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject country to justify initiation of an antidumping investigation.

Period of Investigation

13. The petitioner has proposed the period of investigation(POI) for the present investigation from 1st January, 2015 to 31st December 2015 (12 months). However, authority has determined the POI as 1st April, 2015 to 31th March 2016 (12 months) so as to undertake analysis on the most recent data. However, the injury investigation period will cover the data of the previous three years, i.e. April 2012-March 2013, April 2013-March 2014, April 2014-March 2015 and the POI

Submission of Information

14. The known exporters in the subject country and their Government through their Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all relevant information in the

form and manner prescribed. Any other interested party may also make its submissions, relevant to the investigation, within the time-limit set out below and write to:

**The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry, Department of Commerce
4th Floor, Jeevan Tara Building, 5 Parliament Street,
New Delhi -110001.**

Time Limit

15. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the above address 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 (forty) days from the date of the letter addressed to them separately. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the Anti-Dumping Rules.

16. 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 and offer their comments to the domestic industry's petition within 40 days from the date of initiation of this investigation.

Submission of information on confidential basis

17. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

18. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.

19. For information claimed as confidential; 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 and/or why summarization of such information is not possible.

20. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / 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, party submitting the confidential information may indicate that such information is not susceptible of summary; a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

21. 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 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.

22. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. 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 confidential information.

Inspection of public file

23. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

24. In case any 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.

(A.K. Bhalla)
Additional Secretary & Designated Authority