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**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
Udyog Bhavan, New Delhi – 110011**

INITIATION NOTIFICATION

Dated the 26th July, 2012

Subject: Initiation of Anti-Dumping Duty Investigation concerning imports of 4, 4 Diamini Stilbene 2, 2 Disulphonic Acid (DASDA) originating in or exported from China PR

No. 14/1/2012-DGAD - Whereas M/s Deepak Nitrite Ltd. (hereinafter referred to as the applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975, as amended from time to time, (hereinafter 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 referred to as the Rules) alleging dumping of 4, 4 Diamini Stilbene 2, 2 Disulphonic Acid (DASDA) (herein after referred to as subject goods), originating in or exported from China PR, for initiation of anti-dumping investigation and for levy of anti-dumping duties on the imports of the subject goods originating or exported from the subject country.

2. AND WHEREAS, the Authority finds sufficient prima facie evidence of dumping of the subject goods originating in or exported from China PR and injury to the domestic industry and causal link between the dumping and injury, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rule 5 of the Anti-dumping 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 investigation is 4, 4 Diamini Stilbene 2, 2 Disulphonic Acid (also referred to as DASDA). It is also known as 2, 2'- (1, 2- Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4, 4'-Diaminostilbene- 2, 2'-Disulfonic Acid, 2, 2'-ethene-1, 2-diylbis (5-aminobenzenesulfonic acid), Amsonic Acid and DSD Acid.

4. DASDA is a light yellow color powder/cream, which is used in synthesis of dye stuffs, like optical brightening agents, fluorescent brightening agents, etc. The subject goods are classified under chapter heading 29215990, although reportedly being imported under a number of other tariff headings such as 29214290, 29215990 etc. However, the customs classification is indicative only and in no way binding on the scope of this investigation.

DOMESTIC INDUSTRY STANDING

5. The application has been filed by M/s Deepak Nitrite Ltd. on behalf of the domestic industry. As per the evidence available on record, the applicant accounts for a major proportion of the total domestic production of the subject goods constituting more than 90% of Indian production. Apart from Deepak Nitrite Ltd, M/s J. B. Chemicals, M/s. Pranav Chemicals and M/s. Aishwarya Chemicals are reportedly producers of the subject goods as well. On the basis of available information the Authority notes that the applicant company constitutes a major proportion in Indian production. The Authority, therefore, determines that the applicant constitutes domestic industry within the meaning of the Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

LIKE ARTICLE

6. The applicant has claimed that the subject goods, which are being dumped into India, are like articles 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 and the product under consideration manufactured by the applicant. The two are technically and commercially substitutable and hence 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.

COUNTRY INVOLVED

7. The country involved in the present investigation is People's Republic of China.

NORMAL VALUE

8. The applicant has claimed that China PR should be treated as a non-market economy and has determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. The applicant has proposed construction of the normal value on the basis of consumption norms of the applicant and procurement price as per applicant after adjusting for custom duty. Conversion cost has been claimed as incurred by the applicant. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.

EXPORT PRICE

9. Export price of the subject goods from the subject country has been estimated by considering transaction-wise import data as provided by the applicant from International Business Information Services. Price adjustments have been allowed on account of Ocean freight, marine insurance, commission, bank charges, handling charges, adjustment for VAT and port expenses etc. to arrive at the net export price. There is sufficient evidence of the export prices of the subject goods from the subject country to justify initiation of an antidumping investigation.

DUMPING MARGIN

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

INJURY AND CAUSAL LINK

11. 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, price undercutting, price underselling, price suppression and decline in profitability, return on capital employed, cash flow etc. of the domestic industry. There is sufficient evidence of 'injury' being suffered by the domestic industry caused by dumped imports from the subject country to justify initiation of an antidumping investigation.

PERIOD OF INVESTIGATION

12. The period of investigation (POI) proposed by the applicant was 1st January 2011 to 31st December 2011 (12 months). However, for enabling the Authority to make required analysis on the basis of more updated data, the Authority hereby determines the POI as 1st January 2011 to 31st March 2012 (15 months). The injury investigation period will however cover the periods April 2008-March 2009, April 2009-March 2010, April 2010-March 2011 and the POI.

SUBMISSION OF INFORMATION

13. 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 information relevant 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,
Government of India,
Room No. 240, Udyog Bhavan,
New Delhi –110011.**

TIME LIMIT

14. 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 40 (forty) 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 submitted information is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the Rules. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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

21. In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by the interested parties.

NON-COOPERATION

22. In case any interested party refuses access to and 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.

(Vijaylaxmi Joshi)
The Designated Authority