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Government of India

Ministry of Commerce and Industry

Directorate General of Trade Remedies

4th Floor, Jeevan Tara Building,

5 Parliament Street, New Delhi – 110001

Dated: 26 September 2024

INITIATION NOTIFICATION

(Case No. AD(OI) 21/2024)

Subject: Initiation of anti-dumping investigation concerning imports of “certain Antioxidants” originating in or exported from China PR and Singapore.

1. Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on Dumped Articles for Determination of Injury) Rules, 1995 as amended from time to time (hereinafter referred to as the “Rules” or the “Anti-dumping Rules”), M/s Vinati Organics Limited (hereinafter referred to as “VOL” or “applicant” or “domestic industry”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) for initiation of an anti-dumping investigation concerning imports of “certain Antioxidants” (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR and Singapore.
2. The applicant has alleged that dumped imports of the subject goods from China PR and Singapore are causing injury to the domestic industry and has requested for the imposition of anti-dumping duties on the import of the subject goods from the subject countries. The applicant has also sought interim duties on imports of subject goods from subject countries.

A. Product Under Consideration (PUC)

3. The product under consideration in the present investigation is certain types of Antioxidants conforming to the following CAS nos., or their equivalent:

- a. 6683-19-8 also known as Antioxidant 1010 and its equivalents. The chemical name is *Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)*
- b. 2082-79-3 also known as Antioxidant 1076 and its equivalents. The chemical name is *Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate*
- c. 31570-04-4 also known as Antioxidant 168 and its equivalents. The chemical name is *Tris(2,4-di-tert butylphenyl) phosphite*.
- d. 23128-74-7 also known as Antioxidant 1098 and its equivalents. The chemical name is *N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4 hydroxyphenylpropionamide))*
- e. 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents. The chemical name is *Benzene propanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy-, C7-9-branched alkyl esters*
- f. Blends of antioxidants referred to in (a) to (e).
- g. Blends of subject antioxidants referred to at (a) to (e) with any other product if the resultant blend has 50% or more of the subject antioxidants.

4. The applicant has submitted that the different forms of Antioxidants considered within the PUC definition constitute one product. It is seen that while the specific composition and properties of these antioxidants may differ to meet specific end requirements, these subject antioxidants are primarily used as additives in plastics and share a common functionality. Further, the production equipment, the production process and the resultant characteristics are largely the same. While additional raw materials are specific to each antioxidant, all subject antioxidants use metilox as a base raw material. Antioxidants are closely interlinked in trade and usage.

5. Antioxidants are majorly used in petrochemical companies producing plastics like polyolefins, styrenics, PVC, etc. as the stabiliser/ additives. They are further used during the manufacturing of plastic component using base raw materials like polyolefins, styrenics, PVC, etc. The subject goods are also used in the rubber, oil, coatings and, lubricant industry to provide long term stability and durability.

6. Antioxidant additives in polymers are essential to prevent oxidation. Plastic products are manufactured at high temperatures which compromises the raw polymers, as they are exposed to a process called thermal oxidation. For the polymer to remain stable, antioxidants are introduced during the manufacturing process.

7. The product under consideration falls under Chapter 29 and 38 of the Customs Tariff Act, 1975. The PUC is mainly entering the Indian market under the following HS codes: 29054290, 29071990, 29072990, 29181990, 29182910, 29182990, 29183090, 29189990, 29202100, 29202910, 29202930, 29202990, 29209000, 29242990, 29309099, 29336990, 38112900, 38119000, 38123910 and 38123990. The customs classification is only indicative and is not binding on the scope of the product under consideration.

8. The applicant has proposed considering the types of Antioxidants as different PCN, based on the CAS nos.:

- a. 6683-19-8 also known as Antioxidant 1010 and its equivalents.

- b. 2082-79-3 also known as Antioxidant 1076 and its equivalents
- c. 31570-04-4 also known as Antioxidant 168 and its equivalents
- d. 23128-74-7 also known as Antioxidant 1098 and its equivalents
- e. 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents
- f. Blends of antioxidants referred to in (a) to (e)
- g. Blends of subject antioxidants referred to at (a) to (e) with any other product if the resultant blend has 50% or more of the subject antioxidants.

9. The interested parties are advised to furnish their comments/ suggestions on the proposed PCN methodology within 30 days from the date of initiation of this investigation. The interested parties are required to substantiate their comments with relevant evidence.

B. Like Article

10. The applicant has stated that there is no known difference in the product produced by the domestic industry and the product exported from the subject countries. The article produced by the applicant and that imported from the subject countries are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The imported subject goods and the article manufactured by the applicant are technically and commercially substitutable. The applicant has claimed that consumers of the subject goods are using the imported subject goods and the article manufactured by the applicant interchangeably. Thus, for the purposes of the present investigation, the article produced by the applicant has been considered as “like article” to the product being imported from subject countries.

C. Subject Countries

11. The subject countries in the present investigation are China PR and Singapore.

D. Period of Investigation (POI)

12. The applicant has proposed July 2023 – March 2024 (9 months) as the period of investigation. However, the Authority has considered the period of investigation (POI) for the present investigation from 1st July 2023 to 30th June 2024 (a period of 12 months). The injury investigation period will cover the periods 2020 – 2021, 2021 – 2022, April 22 – June 2023 and the period of investigation.

E. Domestic Industry and Standing

13. The application has been filed by M/s Vinati Organics Limited (VOL). However, the production of the subject goods was undertaken by Veeral Additives Pvt Ltd (VAPL), that set up a new plant, commenced trial production in April 2020 and commercialised production in October 2022. The NCLT approved the proposed scheme of amalgamation between VAPL and VOL in

December 2023, retrospectively from April 2021. It has been submitted that records for the pre-merger period, i.e., April 2020- March 2021 is also with VOL.

14. There are two other producers in India i.e., HPL Additives Limited and Krishna Antioxidants Pvt Ltd. While, Krishna Antioxidants Pvt Ltd. is also a new producer which started production in 2021, HPL Additives Limited (HPL) is a producer who has been in existence even before the injury period. However, the applicant has claimed that HPL primarily caters to the export market and has very limited presence in the Indian market.
15. The applicant has further claimed that while it had imported some quantities of the subject goods from China PR in 2019 for testing purposes, it has neither imported the subject goods from the subject countries in the POI nor is it related to any exporter or producer from the subject countries or importers of the PUC in India.
16. On the basis of information available and after due examination, the Authority notes that production by the applicant constitutes “a major proportion” of total Indian production. Thus, the applicant constitutes domestic industry within the meaning of Rule 2(b), and the application satisfies the requirements of Rule 5(3) of the anti-dumping Rules.

F. Basis of Alleged Dumping

a. Normal Value for China PR

17. The domestic industry has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The domestic industry has claimed that the producers in China PR must be asked to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms of Para 8(3) of Annexure I of the Rules with regard to the manufacture, production and sale of the product under consideration. It has been stated by the domestic industry that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market driven, the normal value should be calculated in terms of provisions of para 7 and 8 of Annexure I to the Rules.
18. The domestic industry has thus determined normal value for China PR based on the import price into India from Korea RP at ex-factory levels, which are significant in relation to total imports of the subject goods into India and in relation to imports from China PR and are being imported at a fair market price. Alternatively, the domestic industry has also determined normal value based on the best estimates of cost of production in India as per the best information available with reasonable addition for selling, general & administrative expenses, and profits. Normal value for China PR, for the purpose of initiation of the investigation, has been constructed based on the best estimates of the cost of the production of the domestic industry after duly adjusting the selling, general and administrative expenses and profits.

b. Normal Value for Singapore

19. The domestic industry has claimed that efforts were made to get information/evidence of the price of the subject goods in the domestic market of Singapore, however, data relating to price

in Singapore was not available. This information is also not available with the Authority from any public source. The normal value for Singapore has been considered on the basis of best estimates of cost of production of subject goods in India along with associated selling, general & administrative expenses, and profits.

c. Export Price

20. The CIF price reported for imports into India, as per DG System data has been considered for the determination of export price. Adjustments have been made for ocean freight, marine insurance, handling charges, port expenses and bank charges. There is sufficient *prima facie* evidence with regard to the net export prices claimed by the applicant.

d. Dumping Margin

21. The normal value and export price have been compared at ex-factory level, which *prima facie* shows that dumping margin is not only above the *de-minimis* level but also significant. There is sufficient *prima facie* evidence that the subject goods from the subject countries are being dumped into the Indian market by the exporters from the subject countries.

G. Evidence of Injury and Causal link

22. Information furnished by the domestic industry has been considered for the assessment of injury to the domestic industry. The applicant has provided sufficient *prima facie* evidence with respect to the injury suffered by it because of the dumped imports. The imports from subject countries have increased throughout the injury period, and especially in the POI. Imports in relative terms are significant, despite existence of sufficient production capacities with the domestic industry. The landed price of imports is below even the level of cost of production and has forced the domestic industry to sell at significant financial losses. Market share of the domestic industry is quite low while the capacity with the domestic industry remained grossly underutilised. The level of inventories is significant despite its low level of production and sufficient demand in the market.
23. The domestic industry has also contended that in case the domestic industry is not treated as an established industry for the purpose of evaluating material injury, then, in the alternative, the domestic industry may be treated as an establishing industry. In that case, dumping of the subject goods has materially retarded establishment of the domestic industry in the Country. If the applicant's performance is considered only for the period after commercialisation of production, imports have increased despite commercialisation of significant production. The landed price of imports is below the level of cost of production preventing the domestic industry from achieving the target prices. Imports have prevented the domestic industry from increasing its production and sales. The domestic industry has been incurring losses and negative return on investment. The performance of the domestic industry is much below the levels projected by the applicant.
24. The Authority notes that there is sufficient *prima facie* evidence of injury being caused to the domestic industry due to dumped imports from the subject countries.

H. Initiation of Anti-Dumping Investigation

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

I. Procedure

26. The principles as given in Rule 6 of the Rules will be followed for the present investigation.

J. Submission of Information

27. All communication should be sent to the Designated Authority via email at the email addresses dd15-dgtr@gov.in and dd19-dgtr@gov.in with copy to adv11-dgtr@gov.in and adv12-dgtr@gov.in. It must be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format.
28. The known producers/ exporters in the subject countries, the Government of the subject countries through their embassies in India, the importers and users in India who are 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 and within the time-limit set out in this initiation notification.
29. Any other interested party may also make its submissions relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limit set out in this initiation notification.
30. Any party making any confidential submission before the Authority is required to make at non-confidential version of the same available to the other interested parties.
31. Interested parties are further advised to keep a regular watch on the official website of the DGTR, i.e., <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

K. Time Limit

32. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses dd15-dgtr@gov.in and dd19-dgtr@gov.in with copy to adv11-dgtr@gov.in and adv12-dgtr@gov.in within thirty (30) days from the date on which the non-confidential version of the application filed by the domestic industry would be circulated by the designated Authority or transmitted to the appropriate diplomatic representative of the exporting country 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 based on the facts available on record and in accordance with the Rules.
33. 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 as stipulated in this notification.

L. Submission of Information on Confidential Basis

34. 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.
35. 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.
36. 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.
37. 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.
38. 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. The interested parties including the domestic industry can offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the document.

39. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied 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.
40. 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.
41. 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.

M. Inspection of Public File

42. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties. Failure to circulate non-confidential version of submissions might lead to action under Section O of this initiation notification.
43. 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.

N. Non-cooperation

44. In case any interested party refuses access to, or otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification or subsequent time period provided through separate communication, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as it deems fit.



(Darpan Jain)
Designated Authority