

F. No. No. 6/44/2024-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building 5, Parliament Street, New Delhi – 110001

Dated: 27th December 2024

INITIATION NOTIFICATION

CASE No. AD(OI) – 41/2024

Subject: Initiation of anti-dumping investigation concerning imports of ‘4,4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA)’ originating in or exported from China PR.

1. **F. No. No. 6/44/2024-DGTR:** Having regards to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred 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 referred to as the ‘Rules’), Deepak Nitrite Limited (hereinafter referred to as the ‘applicant’) has filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), for initiation of an anti-dumping investigation on imports of ‘4,4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA)’ (hereinafter referred to as the ‘product under consideration’ or ‘subject goods’ or ‘PUC’). The present investigation concerns import of 4,4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA) originating in or exported from China PR.
 2. The applicant has alleged that material injury is being caused to the domestic industry due to the dumped imports of the subject goods from the subject country and has requested for the imposition of the anti-dumping duties on the imports of the subject goods, originating in or exported from the subject country.
- A. Product under consideration.**
3. The product under consideration in the present investigation is 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA). The product is also known as 2, 2’- (1, 2-Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4, 4’-Diaminostilbene- 2, 2’-Disulfonic Acid and DSD Acid.
 4. The product is a light-yellow colour powder/cream, which is used in synthesis of dye stuffs, like optical brightening agents, fluorescent brightening agents, etc. The product may be supplied in different concentrations such as 95%, 98% or 100% based on the requirement of the consumers.

5. The product functions as a chemical intermediate and is used in synthesis of dye stuffs like optical brightening agents, fluorescent brightening agents. The product may also be used in pesticides.
6. The unit of measurement considered in the present investigation for the product under consideration is Metric Tons (MT).
7. The product under consideration is classified under Chapter 29 of the Customs Tariff Act, 1975 under the sub-heading 2921 59 40. Prior to January 2022, the product under consideration was imported under 29215990. Post January 2022, the product has got a dedicated classification and imported under 2921 59 40. The product has also been imported in the HS code 2921 59 90 and 2921 42 90 as well. The custom classification is only indicative and not binding on the scope of the investigation.
8. The parties to the present investigation may provide their comments on the product under consideration and propose PCNs (with justification), if any, within 15 days of circulation of the receipt of intimation of initiation of the investigation. Submissions made without justification will not be considered by the Authority.

B. Like article.

9. The applicant has submitted that there are no significant differences in the product produced by the applicant and those exported from the subject country, and both are like articles. The product produced by the applicant and those imported from the subject country are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process & technology, functions & usage, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and have been using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules. Thus, for the purposes of initiation of the present investigation, the product produced by the applicant has been *prima facie* considered as like article to the product being imported from the subject country.

C. Domestic industry & standing.

10. The application has been filed by Deepak Nitrite Limited. The applicant has certified that it is not related to an exporter or producer of the subject goods in the subject country or an importer in India either directly or indirectly within the meaning of Rule 2(b) the Rules. The applicant has not imported the product under consideration. There are 4 other producers who have neither supported nor opposed the investigation.
11. As per the evidence available on record, it is seen that the production of the applicant accounts for a major proportion in the domestic production of the like article in India.

Therefore, the applicant constitutes 'domestic industry' within the meaning of Rule 2(b) of the Rules, and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. Subject country(ies).

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

E. Period of investigation.

13. The applicant proposed the period of investigation (POI) from 1st April 2023 – 30th June 2024 (15 months). The applicant has requested 15 months POI on the following ground:
- a. A period of July 23 to June 24 will be a non-financial year and preparation of costing formats will pose significant challenges. Further, the applicant captively produces the raw material required for the product under consideration. Therefore, the entire costing information is required to be prepared not only for the product under consideration, but also for the raw material as well.
 - b. A comparison between April 23 to June 24 and July 23 to June 24 would show that the import volume and price are in similar level.
14. The period of investigation is appropriate, as it is most recent, within 6 months from the date of initiation, and includes a complete year of financial accounting period of the domestic industry. Further, the period considered will not lead to any skewed analysis. Accordingly, the Authority has considered the period of investigation as 1st April 2023 to 30th June 2024 (which is a 15 month period).
15. The injury examination period covers the period April 2020 – March 2021, April 2021 – March 2022, April 2022 – March 2023 and 1st April 2023 to 30th June 2024.

F. Basis of alleged dumping.

Normal value for China PR.

16. The applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol and has claimed that China PR should be treated as a non-market economy and that producers from China PR should be directed to demonstrate that market economy conditions prevail in the industry with regard to the production and sales of the product under consideration. Unless the producers from China PR show that such market economy conditions prevail, their normal value should be determined in accordance with Para 7 and 8 of Annexure-I to the Anti-Dumping Rules, 1995.
17. The applicant has submitted that efforts were made to determine the normal value on the basis of price or constructed normal value in a market economy third country. However, the product is majorly produced in India and China. Further, the applicant has submitted that since the product is imported only from China PR, the price from a country to other

country cannot be considered. Therefore, the applicant claimed normal value based on the price actually paid or payable in India, adjusted to include a reasonable profit margin. The normal value methodology proposed by the applicant has been considered appropriate for the purpose of initiation. The interested parties may offer their comments on the methodology proposed by the applicant.

Export price.

18. The export price of the product under consideration has been determined by considering the CIF price of the product under consideration as reported in DG Systems transaction wise data. Adjustments have been claimed for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses

Dumping margin.

19. The normal value and the export price have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin with respect to the product under consideration imported from the subject country is not only above the *de minimis* level but is also significant. Thus, there is sufficient *prima facie* evidence that the product under consideration is being dumped in the domestic market of India by the exporters from the subject country.

G. Evidence of injury and causal link.

20. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished *prima facie* evidence with respect to the injury suffered because of the alleged dumped imports. There is positive price undercutting and price depression as a result, the applicant has suffered financial losses with negative return on capital employed. Despite increase in the capacity, the production of the applicant has declined. The market share and the domestic sales of the applicant have declined. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

H. Initiation of anti-dumping investigation.

21. On the basis of the duly substantiated written application submitted by the applicant and having reached satisfaction based on the *prima facie* evidence submitted by the applicant concerning the dumping of the product under consideration originating in or exported from the subject country, the consequential injury to the domestic industry as a result of the alleged dumping of the product under consideration and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the 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 country 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.

22. The provisions stipulated in Rule 6 of the Anti-Dumping Rules shall be followed in this investigation.

J. Submission of information.

23. All communication should be sent to the Designated Authority via email at email addresses dir14-dgtr@gov.in and dd18-dgtr@gov.in with a copy to adv11-dgtr@gov.in and adg16-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.
24. The known producers/exporters in the subject country, the government of the subject country through its Embassy in India, and the importers and users in India who are known to be associated with the product under consideration are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
25. Any other interested party may also make a submission 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 limits mentioned in this initiation notification.
26. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
27. Interested parties are further directed to regularly visit the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in/>) to stay updated and apprised with the information as well as further processes related to the investigation.

K. Time limit.

28. Any information relating to the present investigation should be sent to the Designated Authority via email at the following email addresses dir14-dgtr@gov.in and dd18-dgtr@gov.in with a copy to adv11-dgtr@gov.in and adg16-dgtr@gov.in. within 30 days from the date on which the non-confidential version of the documents filed by the applicant 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. If no information is received within the stipulated 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.

29. 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.
30. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules, 1995 and such request must come within the time stipulated in this notification.

L. Submission of information on confidential basis.

31. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
32. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
33. 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 the information which is 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.
34. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
35. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a 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 containing a sufficient and adequate explanation in terms of Rule 7 of the Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.
36. The interested parties can offer their comments on the issues of confidentiality within 7 days from the date of circulation of the non-confidential version of the documents.

37. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
38. 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.
39. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.

M. Inspection of public file.

40. 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.

N. Non-cooperation.

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


(Darpan Jain)
Designated Authority