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**F. No. 6/51/2024-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) – 48/2024**

Subject: Initiation of anti-dumping investigation concerning imports of ‘2,2,4-Trimethyl-1,2-Dihydroquinoline’ (TDQ) originating in or exported from China PR.

1. **F. No. 6/51/2024-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’), NOCIL 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 ‘2,2,4-Trimethyl-1,2-Dihydroquinoline (TDQ)’ (hereinafter referred to as the ‘product under consideration’ or ‘subject goods’ or ‘PUC’). The present investigation concerns import of TDQ 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 ‘2,2,4-Trimethyl-1,2-Dihydroquinoline’, also known as ‘TDQ’.
4. TDQ is a rubber antioxidant produced from acetone and aniline. It is used to provide long-term protection to rubber vulcanizates against oxidative ageing at ambient as well as elevated temperatures. It also offers protection against degradation caused by ozone under static as well as dynamic conditions.

5. The product under consideration is produced and sold in two forms – TDQ normal grade and TDQ HP grade. TDQ HP is outside the scope of the product under consideration.
6. The product under consideration is classifiable in Chapter 38, Heading 3812 under the HS code 3812 31 00. However, the product has been imported under other HS codes, 3812 10 00, 3812 20 90, 3812 31 00, 3812 39 10, 3812 39 20 and 3812 39 90. The customs classification is indicative only and in no way binding on the scope of this investigation.
7. 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.

8. 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.

9. The applicant has been filed by NOCIL 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 is another producer of the product in India, Lanxess India Private Limited. The Authority had sent intimation to the other producer i.e., Lanxess India Private Limited, has supported the investigation.
10. 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).

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

E. Period of investigation.

12. The period of investigation proposed by the applicant was 1st April 2023 – 31st March 2024 (12 months). The injury examination period covered the period April 2020 – March 2021, April 2021 – March 2022, April 2022 – March 2023 and the period of investigation.
13. The Authority has considered the period of investigation as 1st April 2023 to 30th June 2024 (which is a 15 month period). 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. 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.

14. 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.
15. The applicant has submitted that data relating to cost and price in market economy third country is not available. With regard to the price at which the product under consideration have been sold from the market economy third country to any other country, including India, the applicant has submitted that the product under consideration has a dedicated code in India, but it does not have a dedicated code globally and therefore, export price cannot be considered. Therefore, the applicant has claimed normal value based on its export price to third country. The applicant has additionally claimed normal value price actually paid or payable in India, adjusted to include a reasonable profit margin. For initiation, the normal value has been determined based on price paid or payable in India, adjusted to include a reasonable profit margin. The interested parties may offer their comments on the methodology proposed by the applicant.

Export price.

16. 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 data.

Adjustments have been claimed for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses.

Dumping margin.

17. 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.

18. 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 suppression effect on the prices of the applicant. The applicant is suffering financially with cash losses and negative return on capital employed. The performance of the applicant in the proposed period of investigation has been adverse in price parameters. The Applicant has claimed that it is forced to keep its volumes afloat and stable while suffering on price parameters so as to not lose their customers considering investments undertaken for setting up a new plant for the production of the subject goods. The applicant claims that it is increasingly losing its opportunity to sell in the domestic market. Dumping of the product has prevented the applicant from achieving the desired level of operations. 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.

19. 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 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 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.

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

J. Submission of information.

21. All communication should be sent to the Designated Authority via email at email addresses dir14-dgtr@gov.in and jd12-dgtr@gov.in with a copy to adv13-dgtr@gov.in and consultant-dgtr@govcontractor.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.
22. 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.
23. 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.
24. 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.
25. 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.

26. 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 jd12-dgtr@gov.in with a copy to adv13-dgtr@gov.in and consultant-dgtr@govcontractor.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.

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.
36. 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.
37. 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.

38. 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.

39. 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