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F. No. 7/25/2022-DGTR

Government of India

Ministry of Commerce & Industry

(Directorate General of Trade Remedies)

4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001

Dated: 12.12.2022

INITIATION NOTIFICATION

(Case No. MTR – 10/2022)

Subject: Initiation of Mid Term Review of the anti-dumping duty imposed on the imports of “Aniline” originating in or exported from China PR.

M/s NOCIL Limited (hereinafter also referred to as the "applicant") an importer and user of the subject goods has submitted 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 "AD Rules") requesting for initiation of a mid-term review investigation concerning imports of "Aniline" (hereinafter also referred to as the "product under consideration" or the "PUC" or the "subject goods"), originating in or exported from China PR (hereinafter also referred to as the "subject country").

2. The applicant has submitted that it is an importer and user of the subject goods and has requested the Authority to conduct a mid-term review to determine whether there is any need for the continued imposition of the anti-dumping duty on the subject goods. The mid-term review application is supported by Aarti Industries Ltd. and Kutch Chemical Industries Ltd., importers and users of subject goods.

A. Background of the previous investigation

3. The original investigation was initiated vide Initiation Notification No. 33/2019–DGTR dated 24th January, 2020 based on an application filed by Gujarat Narmada Valley Fertilizers & Chemicals Limited ("Domestic industry"). The Authority had issued Preliminary Findings in the original investigation vide Notification No. 6/42/2019-DGTR dated 12th June, 2020. Pursuant to the same, the Ministry of Finance had imposed provisional anti-dumping duty on imports of the subject goods vide Customs Notification No. 20/2020-Customs (ADD) dated 29th July, 2020.

4. Subsequently, the Authority had issued Final Findings vide Notification No. 6/42/2019-DGTR dated 20th January, 2021. Pursuant to the same, the Ministry of Finance had imposed definitive anti-dumping duty on imports of the subject goods vide Customs Notification No. 08/2021-Customs (ADD) dated 19th February, 2021. The anti-dumping duty is leviable for a period of five years with effect from 29th July, 2020.

B. Product under consideration and Like Article

5. The product under consideration is:

"The product under consideration for the purpose of the present investigation is "Aniline" which is also known as "Aniline Oil". Aniline is a transparent, oily liquid and is a primary amine compound. Its colour transforms to light pale-yellow liquid when freshly distilled. Its colour darkens when exposed to light or air. Aniline is a basic organic chemical, essential for vital industries such as drugs, pharmaceuticals, dyes and dye intermediates.

The subject products are classified under Chapter Heading 29 under code 29214110. The customs classification is indicative only and in no way, binding upon the product scope."

6. The subject goods are classified under Chapter 29 of the Customs Tariff Act under the tariff code 29214110. The customs classification is indicative and is not binding on the scope of the product under consideration.
7. The present investigation being a mid-term review, the scope of the product under consideration is the same as that in the previous investigation.

C. Grounds for review

8. The applicant has requested the Authority to conduct a mid-term review to determine whether there is any need for the continued imposition of the anti-dumping duty on the subject goods. A summary of the grounds raised by the applicant in its application is as follows:
- i. The landed value of the subject goods has increased significantly since the period of investigation of the original investigation. Imports of the subject goods at such high landed value cannot cause any injury to the domestic industry.
 - ii. Benzene is the basic raw material for manufacturing the subject goods and constitutes the major cost of production. The spread earned by the Chinese exporters of the PUC over the Benzene cost has increased significantly since the POI of the original investigation. Similarly, the spread earned by the domestic industry of like article over the Benzene cost has increased significantly since the POI of the original investigation. Both the Chinese exporters and the domestic industry have been charging exorbitant prices for the sale of the subject goods in India.

- iii. Estimated Injury margin is negative based on the landed value prevailing during the proposed period of investigation. Even after adjusting the landed value to account for an increase in the ocean freight, the injury margin remains negative.
- iv. The ex-works price of the domestic industry for the subject goods is significantly higher than their non-injurious price during the proposed period of investigation.
- v. The ocean freight reduced over the course of the proposed period of investigation, but the landed value of the subject goods continued to increase in each quarter of the proposed period of investigation.
- vi. The domestic industry has earned significant profits in the last two financial years. The capacity utilisation of the domestic industry has been more than 100% in the most recent financial year.
- vii. There is huge demand-supply gap in India and imports from China PR continue at high prices as the domestic industry is unable to satisfy the demand in India.
- viii. The exporters from China PR and the domestic industry are organizing the market of subject goods to suit their interests as both sides have continued to increase the prices of the subject goods.
- ix. The user industry is paying anti-dumping duty on top of the high landed value of the subject goods. The landed value is so high that no injury can be caused to the domestic industry at such a high import price.
- x. That the circumstances have significantly changed since the imposition of the anti-dumping duty and such changes are of a long-lasting nature.
9. The applicant has prayed that anti-dumping duty is no longer warranted in view of the change in circumstances and it should either be withdrawn or modified.

D. Initiation

10. Sub Rule (1) and (1A) of Rule 23 of the Anti-dumping Rules, as amended vide Customs Notification No. 15/2011 dated 1st March 2011, inter alia, reads as follows:
11. Any anti-dumping duty imposed under the provision of section 9A of the Act, shall remain in force, so long as and to the extent necessary, to counteract dumping, which is causing injury.
12. The Designated Authority shall review the need for the continued imposition of any anti-dumping duty, where warranted, on its own initiative or upon request by any interested party who submits positive information substantiating the need for such review, and a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty and upon such review, the designated authority shall recommend to the Central Government for its withdrawal, where it comes to a

conclusion that injury to the domestic industry is not likely to recur, if the said antidumping duty is removed or varied and therefore no longer warranted.

13. In terms of aforesaid rules, the Authority shall review from time to time, the need for the continued imposition of Anti-Dumping Duty and if it is satisfied on the basis of information received by it that there is no justification for continued imposition of such duty, the Authority may recommend to the Central Government for its withdrawal.
14. On the basis of the information made available by the aforementioned Applicant before the Authority, the Authority considers it prima facie appropriate to initiate a mid-term review of the anti-dumping duties imposed on the imports of the subject goods originating in or exported from the subject countries.

E. **Subject Country**

15. The scope of the present mid-term review is confined to the subject goods originating in or exported from China PR.

F. **Period of Investigation (POI)**

16. The period of investigation (POI) adopted by the Authority for the present mid-term review investigation is 1st July, 2021 to 30th June, 2022. The injury investigation period will cover the periods April 2018-March 2019, April 2019-March 2020, April 2020-June 2021 and the POI.

G. **Procedure**

17. Having regard to the information provided by the applicant indicating changed circumstances necessitating a review of the measure in force, the Authority now considers that it is appropriate to initiate a mid-term review of the Final Findings notified vide 6/42/2019-DGTR dated 20th January, 2021 read with the Preliminary Findings notified vide Notification No. 6/42/2019-DGTR dated 12th June, 2020 and the definitive anti-dumping duty imposed by the Central Government vide Customs Notification No. Customs Notification No. 08/2021-Customs (ADD) dated 19th February, 2021. The review shall cover all aspects of the Final Findings notified vide Notification No. 6/42/2019-DGTR dated 20th January, 2021 read with the Preliminary Findings notified vide Notification No. 6/42/2019-DGTR dated 12th June, 2020.
18. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the AD Rules supra shall be *mutatis mutandis* applicable in this review.

H. Submission of Information

19. All communication should be sent to the Authority via email addressed to jd16-dgtr@gov.in, dd15-dgtr@gov.in, adg16-dgtr@gov.in and adv13-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.
20. The domestic industry, known producers/exporters in the subject country, the Government of the subject country through its Embassy in India, the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in para 22 of this notification. All such information must be filed in the form and manner as prescribed by this Initiation Notification, the AD Rules, 1995 and the applicable trade notices issued by the Authority.
21. Any other interested party may also make a submission relevant to the present mid-term investigation in the form and manner as prescribed by this Initiation Notification, the AD Rules, 1995 and the applicable trade notices issued by the Authority within the time limit mentioned in this Initiation Notification.
22. 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.
23. Interested parties are further advised to keep a regular watch on the official website of the Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

I. Time Limit

24. Any information relating to the present investigation should be sent to the Authority at the email addresses mentioned above within 30 days from the date of the receipt of the notice as per the Rule 6(4) of the Rules. It may, however, be noted that in terms of the explanation of the said Rule, the notice calling for the information and other documents shall be deemed to have been received one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules 1995.
25. 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 application within the time limit as mentioned above.

26. 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.

J. Submission of information on a Confidential basis

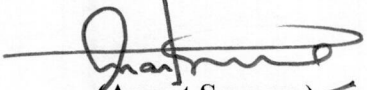
27. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, it is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the AD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
28. Such submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission which 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.
29. The non-confidential version of the information filed by the interested parties should essentially 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.
30. 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 a summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 7 of the AD 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. The other interested parties can offer their comments on the confidentially claimed within 7 days of receiving the non-confidential version of the document.
31. Any submission made without a meaningful non-confidential version therefore without a sufficient and adequate cause statement in terms of Rule 7 of the AD Rules, 1995 and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.

K. Sharing of responses/ submissions amongst other interested parties.

32. 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 since the public file will not be accessible physically due to ongoing global pandemic.

L. **Non-Cooperation**

33. 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 on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.


(Anant Swarup)
Designated Authority