

F. No. 7/14/2024 - 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: 30th December 2024

INITIATION NOTIFICATION

CASE No. ADD (SSR) - 05/2024

Subject: Initiation of sunset review anti-dumping investigation on imports of 'Toluene Di-Isocyanate' (TDI) originating in or exported from European Union and Saudi Arabia.

1. **F. No. 7/14/2024 -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'), Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as the 'applicant') has filed an application before the Designated Authority (hereinafter referred to as the 'Authority'), for initiation of sunset review investigation of anti-dumping duty on the imports of Toluene Di-Isocyanate (TDI) (hereinafter referred to as the 'product under consideration' or 'subject goods'), originating in or exported from European Union, Saudi Arabia, Chinese Taipei and United Arab Emirates.
 2. In terms of Section 9A (5) of the Act, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition, and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
- A. Background of previous investigation.**
3. The original anti-dumping investigation concerning imports of subject goods from subject countries was initiated on 31st January 2020 by the Authority. The preliminary finding was issued on 4th September 2020, recommending imposition of provisional anti-dumping measures. The Ministry of Finance imposed vide Customs Notification No. 43/2020-Customs (ADD) dated 2nd December 2020 imposed provisional anti-dumping measures. The Authority vide Notification F. No. 6/43/2019-DGTR dated 28th January

2021, confirmed the preliminary finding and recommended imposition of anti-dumping duties for a period of 5 years, which was imposed by the Ministry of Finance vide Notification No. 28/2021-Customs (ADD), dated 27th April 2021. The said duties were levied for a period of 5 years, unless revoked earlier, and are set to expire on 1st December 2025.

B. Product under consideration (PUC).

4. The product under consideration in the present investigation is same as defined in the original investigation which is as follows:

3. The product under consideration in the present investigation is "Toluene Di-Isocyanate (TDI) having isomer content in the ratio of 80:20". Toluene di-isocyanate (TDI) is an organic compound having formula $\text{CH}_3\text{C}_6\text{H}_3(\text{NCO})_2$. Two of the six possible isomers are commercially important: 2,4-TDI (CAS: 584-84-9) and 2,6-TDI (CAS: 91-08-7). 2,4-TDI is produced in the pure state, but TDI is often marketed as 80/20 and 65/35 mixtures of the 2,4 and 2,6 isomers respectively. The product under consideration in the present investigation concerns TDI having isomer content in the ratio of (80:20). All other grades are beyond the scope of product under consideration.

4. The product is classified under the Chapter Heading 29 under the code 2929 10 20. The customs classification is only indicative and is not binding on the scope of the product under consideration.

5. The present application being a sunset review investigation, the product under consideration remains the same as defined in the original final finding notification.

C. Like article.

6. The applicant has claimed that there is no significant difference in the product produced by the domestic industry and the one exported from the subject countries. The product produced by the domestic industry and imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses. product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable and are used by consumers interchangeably. The present application is for sunset review investigation for the continued imposition of antidumping duty. The issue of like article has already been examined by the Authority in the original investigation as well. The product produced by the domestic industry is like article to the product under consideration produced and imported from the subject countries.

D. Domestic industry and standing.

7. The application has been filed by Gujarat Narmada Valley Fertilizers & Chemicals Limited. Applicant is the sole producer of the subject goods in India. The applicant has certified that it has not imported the goods from the subject countries and that it is not related to any exporter of the subject goods in the subject countries or importers of the subject goods in India.
8. In view of the same, and based on information available on record, the Authority is satisfied that the applicant constitutes domestic industry within the meaning of Rule 2(b) and the application has been made 'by or on behalf of the domestic industry'. Further, the application satisfies the requirements of standing in terms of Rule 5(3), even though the requirements of Rule 5(3) are not applicable in sunset review application.

E. Subject countries.

9. The subject countries in the present investigation are European Union and Saudi Arabia. In the original investigation, the duties were also imposed against the imports from Chinese Taipei and United Arab Emirates. In the present investigation, there are no imports from Chinese Taipei and United Arab Emirates in the period of investigation and the applicant has not provided any evidence to establish likelihood of recurrence of dumping and consequent injury. Therefore, Chinese Taipei and United Arab Emirates have not been considered for sunset review investigation.

F. Continuation of dumping and dumping margin.

Normal Value

10. For the purpose of determining the normal value from subject countries, the applicant has claimed that it was not able to fetch information relating to the prices of the subject goods in these countries. The applicant has claimed normal value based on the cost of production in the subject countries based on best estimates of the cost of the production with reasonable addition for selling, general & administrative expenses and reasonable profit margins. For the purpose of initiation, the Authority has considered normal value based on cost of production in India.

Export price

11. The applicant has claimed CIF export price based on market intelligence. The Authority has computed the export price for the subject countries based on the DGCI&S transaction wise import data. Since the information is on CIF basis, it has been adjusted for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses.

Dumping margin.

12. Based on the normal value and the export price determined, as stated above, it is seen that the dumping margin is positive and significant for European Union and Saudi Arabia. It is seen that the dumping of the subject goods has continued.

G. Likelihood of recurrence of dumping and injury.

13. The applicant has provided prima facie evidence with respect to the continued injury suffered by the domestic industry because of the dumped imports. The price undercutting from the subject countries is positive. The price depression caused by dumped imports have been preventing the applicant from moving its prices to recover the full cost and achieve a reasonable rate of return. The applicant is suffering from financial losses. The applicant has also claimed that there is a likelihood of further injury in the present investigation.
14. The information provided by the applicant, prima facie, shows recurrence of dumping from the subject countries and likelihood of injury to the domestic industry in case of cessation of the anti-dumping duty.

H. Initiation of sunset review investigation.

15. On the basis of the duly substantiated application of the applicant, and itself on the basis of the prima facie evidence submitted by the applicant, substantiating the likelihood of continuation/ recurrence of dumping and injury, and in accordance with Section 9A(5) of the Act read with Rule 23 (1B) of the Rules, the Authority hereby initiates a sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

I. Period of investigation (POI).

16. The POI for the investigation is from 1st April 2023 to 30th June 2024 (15 months). The applicant proposed the period of investigation (POI) from 1st April 2023 – 30th June 2024 (15 months). The injury examination period covered April 2020 – March 2021, April 2021 – March 2022, April 2022 – March 2023 and the proposed period of investigation. The applicant has requested on the ground that a comparison of 15-month period proposed with July 23 to June 24 (the next possible 12-month period), would show that the import volume and value are comparable in volume and price.
17. 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 period of investigation considered for the present investigation is 1st

April 2023 to 30th June 2024 (15 months). 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.

J. Procedure.

18. The sunset review investigation will cover all aspects of the final findings published vide Notification F. No. 6/43/2019-DGTR dated 28th January 2021, recommending the imposition of anti-dumping duty on the imports of the subject goods originating in or exported from the subject countries.
19. The provisions of Rules 6,7,8,9, 10, 11, 16, 17, 18, 19, and 20 of the Rules shall be mutatis mutandis applicable in this review.

K. Submission of information

20. All communication should be sent to the Designated Authority via email at email addresses dd19-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.
21. 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.
22. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time-limit set out below.
23. 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.
24. 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.

L. Time limit

25. Any information relating to the present investigation should be sent to the Authority via email at email addresses dd19-dgtr@gov.in and dd18-dgtr@gov.in with a copy to adv11-dgtr@gov.in and adg16-dgtr@gov.in within thirty 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 explanation of the said Rules, the notice calling for information and other documents shall be deemed to have received within one week from the date on which it was sent by the Authority or transmitted to the appropriate diplomatic representative of the exporting countries. 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 Rules.

26. 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.

M. Submission of information on confidential basis.

27. 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.
28. 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.
29. 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.
30. 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.
31. 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.

32. The interested parties can offer their comments on the issues of confidentiality claimed by the other interested parties within 7 days from the date of circulation of the non-confidential version of the documents.
33. 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.
34. 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.

N. Inspection of public file.

35. 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 nonconfidential version of submissions/response/information might lead to consideration of an interested party as non-cooperative.

O. Non-cooperation.

36. In case where an interested party refuses access to or otherwise does not provide necessary information within a reasonable period, or significantly impedes the review 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.



(Darpan Jain)
Designated Authority