

F. No. 6/25/2023-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building 5, Parliament Street, New Delhi – 110001

Dated: 29th September 2023

Initiation Notification
Case No. CVD (OI) - 03/2023

Subject: Initiation of countervailing duty investigation concerning imports of “Digital Offset Printing Plates” originating in or exported from China PR and Taiwan.

F. No. 6/25/2023-DGTR – M/s Technova Imaging System (P) Ltd. (hereinafter referred to as the ‘applicant’), has filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), on behalf of domestic industry, in accordance with 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 Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the ‘Rules’), seeking initiation of countervailing duty investigation by alleging subsidization of ‘Digital Offset Printing Plates’ (hereinafter referred to as the ‘subject goods’ or the ‘product under consideration’ or the ‘PUC’ or ‘DOPP’), originating in or exported from China PR and Taiwan (hereinafter referred to as the ‘subject countries’).

A. Allegation of Subsidization

2. The applicant has alleged that the producers/exporters of the subject goods in the subject countries have benefitted from the actionable subsidies provided at various levels by the governments of the subject countries, including the governments of different provinces and municipalities in which producers/exporters are located, and other ‘public bodies’. The applicant has relied upon the relevant Laws, Rules and Regulations, and other Notifications of the relevant government agencies and public bodies as available in the public domain and in the determination of other investigating authorities who had conducted comprehensive investigations of such schemes and concluded the existence of countervailable subsidy programs.

B. Consultation

3. In terms of Article 13 of the Agreement on Subsidies and Countervailing Measures (ASCM) pre-initiation consultations were held on 25th September 2023 with the representatives of the Government of China, and Taiwan authorities. The comments of representatives of the

authorities of the subject countries have been taken on record and the same will be duly taken into consideration during the course of the investigation.

C. Subsidy Programs

4. The *prima facie* evidence provided by the applicant shows that the producers and exporters of the subject goods in the subject countries have benefitted from a number of subsidy schemes/programs, granted by the governments of respective subject countries and/or their respective public bodies as listed below. The alleged subsidies consist of direct transfer of funds and potential direct transfer of funds or liabilities; Government revenue that is otherwise due is foregone or not collected; provision of goods and services for less than adequate remuneration; etc.

CHINA PR

I. List of programs/schemes identified in the form of Grants in respect of China PR.

1. Foreign Trade Development Fund Grant
2. Subsidies for Development of Famous Brands and China World Top Brands
3. Reimbursement of Anti-dumping or CVD Legal Expenses by Local governments
4. State Key Technology Project Fund
5. Export Assistance Grant
6. Interest Payment Subsidies
7. Superstar Enterprise Grant
8. National High Technology Research and Development Grant and Fund
9. Special Fund for the Development of Renewable Energies
10. Suzhou Industrial Park of Jiangsu Province Special Fund for Green Development
11. Anhui Fund for Air Pollution Control
12. Direct Government Grants given by Jiangsu Province

II. List of programs/schemes identified in the form of Tax and VAT incentives in respect of China PR.

13. Enterprise Income Tax (EIT) privileges for Resource Products from Synergistic Utilisation
14. Special Economic Zones preferential tax policies for FIE
15. Import Tariff and Value-Added Tax Exemptions on Imported Equipment in Encouraged Industries
16. VAT reduction/exemption for products generated from synergistic Resource Utilisation
17. Enterprise Income Tax ('EIT') reduction for High and New Technology Enterprise

18. Preferential Pre-Tax Deduction of Research and Development Expenses
19. Accelerated Depreciation of Instruments and Equipment used by High-Tech Enterprises for High-Tech Development and Production
20. Dividend Exemption between Qualified Resident Enterprises
21. VAT Rebates on Domestically-Produced Equipment
22. Income Tax Credit for the Purchase of Domestically Manufactured Equipment
23. Tax credit Concerning the Purchase of Special Equipment
24. Preferential Tax Policies for Clean Development Mechanism
25. Preferential Tax Policies for Enterprises established in SEZ and Pudong New Area of Shanghai

III. List of programs/schemes identified in the form of Less than adequate remuneration (LTAR) in respect of China PR.

26. Land Use Rights at Less Than Adequate Remuneration
27. Provision of Power at Less Than Adequate Remuneration
28. Provision of Coal, Steam Coal and Coking Coal at Less Than Adequate Remuneration
29. Exporter Seller's Credit Program
30. Exporter Buyer's Credit Program
31. Export Credit Insurance
32. Preferential Loans for Key Projects and Technologies / Honorable Enterprises
33. Preferential Loans for SOEs
34. Provision of Primary Aluminum at LTAR

TAIWAN

I. List of programs/schemes identified in the form of Tax incentives in respect of Taiwan

1. Income Tax Credit for Research and Development Expenses
2. Duty and Tax Exemptions for In-Zone Enterprises
3. Duty and Tax Exemptions for High Technology Industries
4. Shareholder's Investment Tax Credit for Investment in Newly Emerging, Important and Strategic Industries

II. List of programs/schemes identified in the form of Grants in respect of Taiwan

5. Grants to Promote Certain Activities
6. Grants to Promote International Brands
7. Technology Development Programme for Enterprises
8. Financial Assistance Through the National Development Fund
9. Grants for Development of New Outstanding Projects

10. Self-Evaluation Service for Enterprises Seeking Excellent Performance
11. Conventional Industry Technology Development Fund

III. List of programs/schemes identified in the form of Less than adequate remuneration (LTAR) in respect of Taiwan

12. Subsidies For Companies That Invest in Industrial Parks
 13. Provision of Land at Less Than Adequate Remuneration
5. It has been alleged that the above-mentioned schemes are subsidies since these involve a financial contribution from the governments of the respective subject countries or other regional or local governments of such respective countries, including public bodies and confer a benefit on the recipient (s). These are also alleged to be limited to certain enterprises or groups of enterprises and/or products and/or regions and therefore specific and countervailable. These are also in some cases alleged to be contingent upon the use of domestic over imported goods and/or contingent upon export performance.
6. The Designated Authority reserves the right to investigate other subsidies, which may be found to exist and availed by the producers and exporters of the subject goods, during the course of the investigation.

D. Allegation of Injury and Causal Link

7. The applicant has furnished the information on various parameters relating to 'injury' to the domestic industry as prescribed under the Rules. The evidence provided by the applicant *prima facie* shows injury to the domestic industry that has been caused by the alleged subsidized imports from the subject countries.

E. Initiation of the Investigation

8. The Authority finds that there is *prima facie* evidence of the existence of countervailable subsidies on production and/or export of the subject goods in the subject countries and such subsidized imports are causing material injury to the domestic industry through their volume and price effects. Further, the threat of material injury to the domestic industry on account of subsidized imports has also been alleged by the domestic industry.
9. In view of the above position, the Authority hereby initiates an investigation into the alleged subsidization and consequent material injury and threat of injury to the domestic industry in terms of Rule 6 of the CVD Rules, to determine the existence, degree, and effect of alleged subsidization and to recommend the amount of countervailing duty, which if levied would be adequate to remove the injury to the domestic industry.

F. Domestic Industry

10. The application has been filed by M/s Technova Imaging System (P) Ltd. The applicant is not related to the exporters or importers of the alleged subsidized article. However, the applicant has imported insignificant quantities of the subject goods from both the subject as well as the non-subject countries owing to the reason of regular maintenance shutdowns of two of its manufacturing units. The applicant has certified that the imports made by them during the POI were miniscule as compared to their production of the subject goods. Since the production of the applicant accounts for a major proportion in the total production of the subject goods in India, the applicant satisfies the standing and constitutes domestic industry within the meaning of the CVD Rules.

G. Product under Consideration

11. The product under consideration in the present application is 'Digital Offset Printing Plates'.
12. The PUC is commonly referred to as "Digital Plates". Digital Plates are used in the printing industry for transferring data as an image (dot patterns or text) onto paper or on non-absorbent substrates like tin sheets or poly films, etc. In the printing process using Digital Offset Printing Plates, the digital workflow enables direct transfer of the image from a 'computer to the plate' (CtP) using lasers, unlike the analog workflow that requires an intermediary film to transfer the image.
13. Digital Plates are made from high-purity litho-grade aluminium coils coated with a chemical coating. Digital Plates may be either positive (non-exposed area forms image) or negative (exposed area forms image) working plates. The performance of Digital Plates may also be improved with less use of chemicals in the plate development process making it environment-friendly, also known as Digital Offset "chem-free"/ "green plates". Similarly, the performance of Digital Plates may also be improved to make them processless plates.
14. The coating components, also known as 'sensitizers', vary for different types of plates. Based on the coating components and laser type of plate setters, the Digital Plates may be broadly classified into three categories namely Thermal, Violet, and CtCP/UV CtP ('Computer to-Conventional Plate').
 - (i) Digital Offset Printing Plates that are exposed using infra-red energy are called Thermal plates;
 - (ii) Digital Offset Printing Plates that are exposed using visible and near-visible light energy (violet lasers) are called Violet plates; and

- (iii) Digital Offset Printing Plates that are exposed using ultra-violet rays are known as CtCP/UV CtP plates.
15. All types of Digital Plates in all dimensions are covered within the scope of the product under consideration. The subject goods fall under tariff sub-heading '8442.50' of the Act. However, there have been imports of the subject goods under other headings such as 3701.3000, 3704.0090, 3705.1000, 7606.1190, 7606.9190, and 7606.9290 as well. Customs classifications are therefore indicative only and the product description would prevail for identifying the product.
16. The parties to the present investigation may provide their comments on the PUC and propose PCNs, if any, within 15 days of circulation of the non-confidential version of the documents filed before the Authority as indicated in paragraph 25 of this initiation notification.

H. Like Article

17. The applicant has submitted that the subject goods produced by them and the subject goods imported from the subject countries are like articles. There is no known difference between the subject goods exported from the subject countries and those produced by the applicant. Digital Plates produced by the applicant and imported from the subject countries are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification. 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. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant are being treated as 'like article' to the subject goods being imported from the subject countries.

I. Countries Involved

18. The subject countries in the present countervailing duty investigation are China PR and Taiwan.

J. Period of Investigation

19. The period of investigation (POI) proposed for the present investigation is from April 2022 to March 2023 (12 months). The injury period proposed to be examined is 1st April 2019 - 31st March 2020, 1st April 2020 - 31st March 2021, 1st April 2021 - 31st March 2022, and the POI.

K. Submission of Information

20. All communication should be sent to the Designated Authority via email at email addresses dd11-dgtr@gov.in and ddl6-dgtr@gov.in with a copy to adg14-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.
21. The known producers/exporters in the subject countries, the Government of the subject countries through its Embassies in India, and 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 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 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.
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 Designated Authority via email at email address dd11-dgtr@gov.in and dd16-dgtr@gov.in with a copy to adg14-dgtr@gov.in and adv13-dgtr@gov.in within 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 7(4) of the CVD 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.

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 as stipulated in this notification.
27. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 7(4) of the CVD Rules, 1995 and such request must come within the time stipulated in this notification.

M. Submission of Information on Confidential Basis

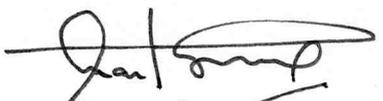
28. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 8 of the CVD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
29. 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.
30. 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.
31. 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.
32. 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 8 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.

33. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days from the date of circulation of the non-confidential version of the documents filed before the Authority as indicated in paragraph 25 of this initiation notification.
34. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 8 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
35. 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 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.
36. 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.
37. 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 and other information to all other interested parties.

N. Non-Cooperation

38. 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 subsequently 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 based on the facts available and make such recommendations to the Central Government as it deems fit.



(Anant Swarup)

Designated Authority