

To be published in Part-I Section I of the Gazette of India Extraordinary

**F. No. 6/22/2023-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001**

**INITIATION NOTIFICATION
Case No – AD(OI) – (21/2023)**

Dated: 30th September, 2023

Subject: Initiation of Anti-Dumping investigation concerning imports of “Soft Ferrite Cores” originating in or exported from China PR.

1. Cosmo Ferrites Limited (hereinafter referred to as the “applicant”) has filed a petition before the Designated Authority (hereinafter referred to as the “Authority”), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on Dumped Articles for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the “Rules” or the “AD Rules”) for initiation of an anti-dumping investigation concerning imports of “Soft Ferrite Cores” (hereinafter referred to as the “subject goods” or the “product under consideration”), originating in or exported from China PR (hereinafter referred to as the “subject country”).
2. The applicant has alleged that the subject goods are being imported into India, originating in or exported from the subject country at dumped prices in significant quantities causing material injury and threat of material injury to it and has requested for imposition of anti-dumping duty on the import of the subject goods from the subject country.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration in the present investigation is “Soft Ferrite Cores” originating in or exported from China PR. Ferrite cores are magnetic cores made of ferrites, which are polycrystalline oxides. They belong to a class of materials that exhibit the technically applicable property of ferromagnetism. In a ferromagnetic material, magnetism occurs under an externally applied field. On removals of this field, the material returns to its non-magnetic state. This behaviour is termed as magnetically "soft".

4. Soft Ferrites Cores are made from ceramic compounds by mixing, pressing, extruding, and firing large proportions of ferric oxide (Fe_2O_3) blended with a small proportion of one or more additional metallic elements such as strontium, barium, manganese, nickel, and zinc. The most common forms of Soft Ferrite Cores are Manganese-zinc ferrite (MnZn) and Nickel-zinc ferrite (NiZn). The product under consideration in the present investigation is limited to Manganese-Zinc-based Soft Ferrite Cores.
5. The product under consideration is used to attenuate high-frequency noise levels caused by electronic devices. They are available in a variety of geometries to make them suitable for different industries. Owing to their high magnetic permeability & low electrical conductivity, they are equipped in applications, such as RF transformers, switch mode power supplies (SMPS) & ferrite loop stick antennas. They are used in several applications, including but not limited to, electric vehicles, electric vehicle chargers, mobile chargers, LED drivers, telecommunication devices, solar panels etc.
6. The product under consideration is imported under tariff item 85051110 "Ferrite Cores" of the first schedule I to the Customs Tariff Act, 1975. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present petition.
7. The applicant has not proposed the Product Control Numbers (PCNs) in the present investigation. The interested parties, however, can provide their comments/suggestions on the proposed PUC/PCNs for the purpose of this investigation within 30 days from the date of initiation of this investigation.

B. LIKE ARTICLE

8. The applicant has claimed that the subject goods, which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. There are no known differences between the subject goods produced by the Indian industry and the product under consideration produced and exported from the subject country. The two products 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 of the goods. Consumers are using the two interchangeably. The Authority notes that the two are technically and commercially substitutable from the point of view of applicant. Hence, for the purpose of the present investigation, the subject goods produced by the application are being treated by the Authority as 'like article' to the subject goods being imported from the subject country.

C. SUBJECT COUNTRY

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

D. DOMESTIC INDUSTRY AND STANDING

10. The application has been filed by Cosmo Ferrites Limited. The applicant has stated that there are three other Indian producers of the subject goods namely, TDK India Pvt. Ltd., CIE Automotive India and Delta Manufacturing Limited. With respect to CIE Automotive India, the applicant has claimed that it uses approximately 30% of its own production of the subject goods for its captive use. It has also been claimed by the applicant that TDK India Pvt. Ltd., is related to TDK China Co., Ltd., which is engaged in the production and sales of the subject goods in China. TDK China Co., Ltd. has also exported the subject goods to India. Thus, TDK India Pvt. Ltd. should not be considered as an eligible domestic industry as per Rule 2(b) and its production should not be included in the eligible domestic production.
11. The applicant has claimed that it has imported a minuscule quantity of the subject goods from the subject country and is not related to any exporter or producer from the subject country or any importer in India. The Authority has examined the imports made by the applicant and notes that the share of self-imports made by the applicant during the POI in terms of the total Indian production, Indian demand, total imports in the country and its own production and sales is negligible. Keeping in view these aspects, the Authority has *prima facie* considered the applicant as an eligible domestic producer of the subject goods. The Authority notes that the production by the applicant constitutes "a major proportion" of total Indian production in terms of Rule 2(b) and satisfies the criteria of standing also in terms of Rule 5(3) of the AD Rules.

E. BASIS OF ALLEGED DUMPING

i. Normal Value

12. The applicant has claimed that in terms of Article 15(a)(i) of China's Accession Protocol and Para 7 of the Annexure I to the AD Rules, the normal value of producers of China PR may be determined based on the costs or domestic selling prices prevailing in China PR only if the responding producers from China PR demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of paras 1 to 6 of Annexure-I to the AD Rules, failing which, normal value for the Chinese producers must be determined based on paras 7 and 8 of Annexure-I to the AD Rules.
13. The applicant has also claimed that the data relating to cost or price in a market economy third country or recourse to other alternative methods is not available at this stage. The normal value has been, therefore, constructed based on the best estimates of the cost of the production in India of the subject goods as available after adjusting the selling, general and administrative expenses with a reasonable profit margin.

ii. Export Price

14. The applicant has claimed the CIF price reported as per market intelligence for the determination of export price. The export price has been adjusted with ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges.

iii. Dumping Margin

15. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the *de-minimis* level and is significant in respect of the product under consideration from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the Indian market by the exporters from the subject country.

F. INJURY AND CAUSAL LINK

16. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury as a result of dumped, price undercutting and price suppressing effect on the domestic industry. The applicant has claimed that its performance has been adversely impacted. The applicant has also claimed a further threat of material injury. The Authority notes that there is sufficient *prima facie* evidence that the domestic industry has suffered material injury and a further threat to injury due to the alleged dumped imports from the subject country.

G. INITIATION OF ANTI-DUMPING INVESTIGATION

17. On the basis of the duly substantiated written application filed by the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, about the dumping of the product under consideration originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

H. PERIOD OF INVESTIGATION

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

I. PROCEDURE

19. The principles as stipulated under Rule 6 of the AD Rules shall be followed in the present investigation.

J. SUBMISSION OF INFORMATION

20. All communication should be sent to the Authority via email at email addresses adgl6-dgtr@gov.in, adv13-dgtr@gov.in, jdl6-dgtr@gov.in, and dd15-dgtr@gov.in. It should 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, 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 notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the AD 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 form and manner prescribed by this initiation notification, the AD Rules and the applicable trade notices issued by the Authority within the time-limit 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 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.

K. TIME LIMIT

25. Any information relating to the present investigation should be sent to the Authority via email at the email addresses adgl6-dgtr@gov.in, adv13-dgtr@gov.in, jdl6-dgtr@gov.in, and dd15-dgtr@gov.in within thirty days from the date on which it was sent by the Authority or transmitted to the appropriate diplomatic representative of the exporting country as per of Rule 6(4) of the AD Rules. 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.

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 6(4) of the AD Rules and such request must come within the time stipulated in this notification.

L. 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, 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. Failure to adhere to the above may lead to rejection of the response / submissions.
29. The parties making any submission (including appendices/annexures attached thereto), before the Authority including questionnaire response, are required to file confidential and non-confidential versions separately.
30. The 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 the 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 information which are 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 is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and 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 AD Rules 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 confidentiality claimed within 7 days of receipt of the non-confidential version of the documents.

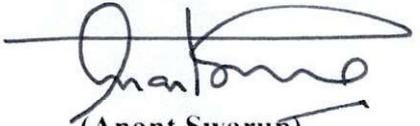
34. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
35. Any submission made without a meaningful non-confidential version thereof or without a good cause statement in terms of Rule 7 of the AD Rules and appropriate trade notices on the confidentiality claim shall not be taken on record by the Authority.
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 authorization of the party providing such information.

M. INSPECTION OF PUBLIC FILE

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 to all other interested parties.

N. NON-COOPERATION

38. In case where an interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority, 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