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**F. No. 6/06/2024-DGTR**  
**Government of India, Department of Commerce**  
**Ministry of Commerce & Industry**  
**(Directorate (General of Trade Remedies))**  
**4<sup>th</sup> Floor, Jeevan Tara Building,**  
**5, Parliament Street, New Delhi- 110001**

Date: 29<sup>th</sup> March, 2024

**INITIATION NOTIFICATION**

**Case No. - AD(OI)-06/2024**

**Subject: Initiation of an anti-dumping investigation concerning the imports of ‘Azo Pigment’ from China PR.**

1. Sudarshan Chemical Limited (hereinafter referred to as the “applicant”) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”) 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 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”) for initiation of an anti-dumping investigation concerning imports of “Azo Pigment” (hereafter referred to as the ‘subject goods’ or the ‘product under consideration’), originating in or exported from China PR (hereafter referred to as the ‘subject country’).
  2. The applicant has alleged that material injury is being caused to the domestic industry due to the dumped imports from the subject country and has requested for imposition of anti-dumping duty on the imports of the subject goods, originating in or exported from the subject country.
- A. Product under consideration (PUC)**
3. The product under consideration in the present investigation is ‘Azo Pigment’. The product under consideration belongs to a class of synthetic organic pigments, which is widely used in various industries, including paints, inks, plastics, textiles, and cosmetics.
  4. The product under consideration is traded in three different colours such as Yellow Pigment, Red Pigment and Orange Pigment. Every colour has different grades, and each grade has different chemical concentrations and properties and therefore, has different end use application. The product under consideration is used for providing colour effects to various applications and is widely used in various industries.

5. The product under consideration has a dedicated customs classification under Chapter 32 under HS code 32041711, 32041720 & 32041731. However, the product under consideration is also being imported under other sub-heading 32041719, 32041739, 32041740, 32041759, 32041769 and 32041790. The customs classification is only indicative and in no way binding on the scope of the subject investigation.

**B. Product control number (PCN)**

6. The applicant has proposed the below Product Control Number (PCNs) for making a fair comparison of the imported product with like article produced by the applicant.

SN	PCN Parameters	Proposed PCN	PCN Code
1	COLOR	a. Orange b. Red c. Yellow	O/R/Y
2	COLOR INDEX	a. PO 13, PO 34, PO5, PO 36 etc. b. PR 57:1, PR 53:1, PR 48:1, PR 48:2, etc. c. PY 13, PY 174, PY 191, PY 74 etc.	XX

7. The parties to the investigation can provide their comments on the proposed product under consideration/PCN methodology for the purpose of this investigation, if any, within thirty (30) days from the date of initiation of the investigation. The interested parties are required to substantiate their comments with relevant evidences.

**C. Like article**

8. The applicant has claimed that the product produced by the applicant is identical to the imported product. Product produced by the applicant is comparable to the imported goods from the subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as like article under the Rules. Therefore, for the purpose of the present investigation, the product produced by the applicant is being treated as like article to the product under consideration imported from the subject country.

**D. Subject country**

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

**E. Period of investigation (POI)**

10. The period of investigation (POI) for the present investigation is 1<sup>st</sup> October 2022 – 30<sup>th</sup> September 2023 (a period of 12 months). The injury period for the investigation will cover the periods 2020-21, 2021-22, 2022-23 and the period of investigation.

**F. Domestic Industry and Standing**

11. The application has been filed by the M/s Sudarshan Chemical Industries Limited, Anupam Colours Private Limited, Hercules Pigments Private Limited, Kwalichem Private Limited, Micas Organic Limited, Unity Dye Chem Private Limited, Vijay Chemical Industries and Voxco Pigments and Chemicals Private Limited have supported the application. In addition, Pigments Manufactures Association of India has also supported the application.
12. On the basis of the information available, the production of the Sudarshan Chemical Industries Limited accounts for a major proportion in the domestic production of like article in India. Further, the applicant has stated that it has not imported the product under consideration from the subject country and is not related to any exporters in the subject country nor to any importers in India.
13. In view of the above, the Authority notes that the applicant constitutes “domestic industry” within the meaning of Rule 2(b) of the Rules and the application satisfy the criteria of standing in terms of Rule 5(3) of the Rules.

**G. Normal Value**

14. The applicant has claimed that in terms of Article 15(a)(i) of China's Accession Protocol, the normal value for Chinese producers may be determined based on costs or domestic selling prices prevailing in China, only if the responding Chinese producers demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of Para 1 to 6 of Annexure I to ADD Rules, failing which, normal value for Chinese producers must be determined based on para 7 and 8 of Annexure to the rules.
15. The applicant has claimed that the product under consideration is imported into India from Germany and Korea. The import volume of Korea RP is above *de-minimis* level. Therefore, the applicant has determined normal value on the basis of import price from Korea RP. The interested parties may offer their comments on the normal value methodology proposed by the applicant.
16. However, for the purpose of initiation, and in accordance with para 7 of annexure 1 of the rules, the Authority has considered the normal value on the basis of the price paid or payable in India. The Authority has considered the cost of production of the domestic industry as adjusted with reasonable addition for profit for the purpose of determining normal value.

**H. Export Price**

17. The applicant has computed the export price of the product under consideration by considering the CIF price of the subject goods as reported in the secondary source data. The Price adjustments have been made on account of ocean freight, marine insurance, commission, inland freight, port expenses, and bank charges to arrive at ex-factory export price. Export price claimed by the applicant is *prima facie* considered for the purpose of initiation of the investigation.

**I. Dumping margin**

18. Considering the normal value and the export price as determined above, the dumping margin has been determined. It is noted that the dumping margin is significant and above the *de minimis* level. Thus, there is sufficient *prima facie* evidence that the normal value for the product under consideration is higher than the price at which it is exported from the subject country indicating that the product originating or exported from the subject country is being dumped in the Indian market by the exporters.

**J. Injury and causal link.**

19. The information furnished by the applicant has been considered for the assessment of injury to the domestic industry. The applicant has furnished *prima facie* evidence regarding the injury as a result of the alleged dumping, resulting in a significant decline in the profitability of the domestic industry. The applicant has claimed that despite no demand supply gap, the volume of subject imports has increased. To hold its market share, the applicant has sacrificed on their profitability, resulting in decline in profits, cash profits, PBIT, and returns on investments. There is sufficient *prima facie* evidence of material injury being caused to the domestic industry by the dumped imports of the subject goods from the subject country to justify the initiation of the anti-dumping investigation.

**K. Initiation of anti-dumping investigation.**

20. On the basis of the duly substantiated written application by the applicant, and having satisfied itself, on the basis of *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 Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the product under consideration 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.

**L. Procedure**

21. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

**M. Submission of information**

22. All communication should be sent to the Designated Authority via email at email addresses [dd15-dgtr@gov.in](mailto:dd15-dgtr@gov.in) and [dir-16-dgtr@gov.in](mailto:dir-16-dgtr@gov.in) with a copy to [adg16-dgtr@gov.in](mailto:adg16-dgtr@gov.in) and [adv13-dgtr@gov.in](mailto: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.
23. 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 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, 1995 and the applicable trade notices issued by the Authority.
24. 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 AD Rules, 1995 and the applicable trade notices issued by the Authority within the time limit mentioned in this initiation notification.
25. 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.
26. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

**N. Time limit**

27. Any information relating to the present investigation should be sent to the Designated Authority via email at email address [dd15-dgtr@gov.in](mailto:dd15-dgtr@gov.in) and [dir16-dgtr@gov.in](mailto:dir16-dgtr@gov.in) with a copy to [adg16-dgtr@gov.in](mailto:adg16-dgtr@gov.in) and [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in) within 30 days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the AD Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record and in accordance with the AD Rules, 1995.

28. All the interested parties are hereby advised to register themselves in the subject investigation and file their questionnaire responses within the above time limit as stipulated in this notification.
29. 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.

**O. Submission of information on confidential basis**

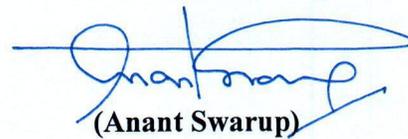
30. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, it is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the AD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
31. 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.
32. 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.
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 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.
34. Any submission made without a meaningful non-confidential version thereof or 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.

**P. 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.

**Q. Non-cooperation**

36. 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**