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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-1 10001

INITIATION NOTIFICATION
Case No. AD (OI) – 08/2023

Dated: 20th September 2023

Subject: Initiation of anti-dumping investigation concerning imports of "Sulphur Black" originating in or exported from China PR.

1. M/s Atul Ltd. (hereinafter referred to as the 'applicant') has filed an application 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 in 1995 and thereafter (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 as the "Rules"), for initiation of an anti-dumping investigation concerning imports of "Sulphur Black" (hereinafter referred to as the 'subject goods' or the 'product under consideration') originating in or exported from China (hereinafter 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, originating or exported from the subject country and has requested the imposition of anti-dumping duties on the imports of the subject goods from the subject country.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration is "Sulphur Black" originating in or exported from China PR. Sulphur Black is mainly used for dyeing cellulose fiber, viscose staple fiber and yarn. It is produced either in a powder form or in a liquid form. Regardless of the form it is produced in, it can be easily converted from one form to another without significant additional costs. The product under consideration is produced in various strengths. These strengths are described as BR 100, BR 200, BR 220, BR 240, etc. BR 220 is designated as standard strength. Though the product is produced in various strengths, they can be interchangeably used.

4. Sulphur Black is primarily used for dyeing cellulose fiber. It is also used for dyeing viscose staple fiber and yarn, paper and leather. The primary application of the product under consideration is, hence, in the textile, paper and leather sectors.

5. The product under consideration is being imported from the subject country under HS Code 32041967 of Chapter 32 of the First Schedule to the Customs Tariff Act, 1975. However,

the applicant claims that import of the PUC has also taken place in other sub-headings as well, i.e. 32041196, 32041218, 32041911, 32041925, 32041958, 32041964, 32041969, 32041979 and 32049000. The customs classification is only indicative and the same is not binding on the scope of the investigation.

6. The interested parties in the subject investigation may provide their comments on the PUC as well as their proposal for the construction of PCNs, if any, within 30 days from the date of initiation of this investigation.

Import Data source and methodology for calculation of volume

7. The Authority has received the transaction-wise import data from the DG System. The Authority has relied on the DG System data to compute import volume, value, and landed price. It may be noted that the imported product is of various strengths such as BR 220, BR 200 etc. However, to arrive at the equivalent volume, the applicant has proposed that imported volumes be converted into the most commonly traded strength of BR 220. The following methodology has been adopted for the conversion of the import data: -

SN	Import Types	Strength	Formulas
1	BR 220	100%	220/220*100
2	BR 100	45%	100/220*100
3	BR 240	109%	240/220*100
4	BR 200	91%	200/220*100
5	BR 260	118%	260/220*100
6	BR 160	73%	160/220*100

8. The Authority may further examine the need for the adoption of any other methodology for the conversion of data or the need for PCN-wise analysis based on the comments from the other interested parties.

B. LIKE ARTICLE

9. 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. Hence, for the purposes of the present investigation, the subject goods produced by the applicant are being treated by the Authority as 'like articles' to the subject goods being imported from the subject country.

C. SUBJECT COUNTRY

10. The subject country in the present petition is China PR.

D. DOMESTIC INDUSTRY AND STANDING

11. The applicant has claimed that they have neither imported the PUC nor is related to any producer/exporter of the product under consideration in China PR or any importer of the subject goods in India. Further, the application has also been supported by Mahadev Dyes & Chemicals, Khekra Chemicals and Allied Products Pvt. Ltd., APCO Dye Chem Pvt. Ltd., and Maulik Dyechem. Considering the information on record, the applicant accounts for a major proportion (more than 70%) of Indian production. In view of the above and after examination, the Authority notes that the applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

E. BASIS OF ALLEGED DUMPING

Normal Value

12. 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 I to the rules.

13. The applicant has claimed the normal value on the basis of the consumption price of the product under consideration imported into Turkey from various countries globally, excluding China PR.

14. 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.

Export price

15. The applicant has claimed the CIF price reported as per market intelligence for the determination of export price. However, the Authority has taken into account DG systems data for computing the export price of the subject goods from China into India. The export price has been adjusted with ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges.

Dumping margin

16. 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-minimus* 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

17. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury that took place as a result of the alleged dumping in the form of an increased volume of dumped imports in absolute terms and in relation to production or consumption in India, price undercutting and price suppressing effect on the domestic industry. The applicant has claimed that its performance has been adversely impacted in respect of production, sale, profitability, return on investment, accumulation of inventories and capacity utilization as a result of the increase in imports of the product under consideration at an injurious price for the domestic industry. There is sufficient *prima facie* evidence that the injury is being caused to the domestic industry by dumped imports from the subject country.

G. INITIATION OF ANTI-DUMPING INVESTIGATION

18. On the basis of the duly substantiated written application by the domestic industry, 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.

H. PERIOD OF INVESTIGATION

19. The applicant had proposed the period of investigation as 1st January 2022 to 31st December 2022. However, the period of investigation (POI) considered by the Authority for the present investigation is from April 2022 to March 2023. The injury investigation period covers the financial years 2019-20, 2020-21, 2021-22 and the POI.

I. PROCEDURE

20. The principles as stated under Rule 6 of the AD Rules, 1995 shall be followed in the present investigation.

J. SUBMISSION OF INFORMATION

21. All communication should be sent to the Designated Authority via email at email addresses dd15-dgtr@gov.in and jd13-dgtr@gov.in with a copy to adv11-dgtr@gov.in and adg13@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.

22. 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.

23. 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.

24. 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.

25. 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.

K. TIME LIMIT

26. Any information relating to the present investigation should be sent to the Designated Authority via email at email address dd15-dgtr@gov.in and jd13-dgtr@gov.in with a copy to adv11-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.

27. 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.

28. 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.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

29. 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.

30. 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.

31. 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.

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 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.

33. 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.

M. INSPECTION OF PUBLIC FILE

34. 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

35. 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