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F. No. 7/17/2022-DGTR  
Government of India  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi- 110001

Dated: 30.09.2022

### INITIATION NOTIFICATION

(Case No. MTR -07/2022)

**Subject: Initiation of Mid Term Review of anti-dumping duty imposed on the imports of "Natural mica based pearl industrial pigments excluding cosmetic grade" originating in or exported from China**

1. M/s Sudarshan Chemicals Industries Ltd. (hereinafter also referred to as the "applicant") have filed an application before the Designated Authority (hereinafter also referred to as the "Authority") as domestic industry of the like article in India, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the "Act") and 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 also referred to as the "Rules") for initiation of a mid-term review investigation concerning imports of "Natural Mica based Pearl industrial Pigment excluding cosmetic grade" (hereinafter also referred as the "product under consideration" or the "PUC" or the "subject goods"), originating in or exported from China PR (hereinafter also referred to as the "subject country").

2. The applicant has submitted that there is a need to re-evaluate and enhance the anti-dumping duty levied against imports of the subject goods exported by M/s Kuncai Material Technology Company Limited.

#### **A. Background of previous investigation**

3. The Designated Authority recommended anti-dumping duty on imports of Natural Mica Based Pearl Industrial Pigment from China PR vide final findings File No. 6/8/2020-DGTR, dated the 8th June, 2021, which was levied vide Notification No. 47/2019 – Customs (ADD) dated 26th Aug., 2021. The applicant has requested for enhancement of the anti-dumping duties levied vide Notification No. 47/2021- Customs (ADD) dated 26<sup>th</sup> August 2021 in respect of the exporter M/s Kuncai Material Technology Company Limited.

#### **B. Product under consideration**

4. The present investigation being a mid-term review, the scope of the product under consideration is the same as that in the previous investigation. The product under consideration is:

*"The product under consideration in the present investigation is "Natural Mica based Pearl Industrial Pigments excluding cosmetic grade".*

*The product under consideration is chemically titanium dioxide coated micaceous and lustrous pearlescent pigment and is commercially known in the marketplace as Titanium Dioxide or Iron Oxide coated Mica Pearl Pigment or Pearl Lustre Pigments or Pearl Pigments. It is extensively used to impart colours and other effects such described as certain inorganic pigments/colouring agents giving lustrous/ shining frosted effects, such pearlescent effects, metallic effects, for coating. inks and plastics application"*

5. The subject goods are classified under Chapter 32 of the Customs Tariff Act under the tariff code 3206 11. The customs classification is only indicative and is not binding on the scope of the product under consideration.

### **C. Like article**

6. The applicant has claimed that the subject goods exported to India are identical to the goods produced by them. The subject goods produced by the applicant are 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 subject goods produced by the applicant are being treated as 'Like Article' to the subject goods being imported from the subject country.

### **D. Domestic industry**

7. The application has been filed by M/s Sudarshan Chemicals Industries Limited, as domestic producers of the like article in India. The domestic producers constitute a major proportion of the total domestic production, and therefore, constitute domestic industry under Rule 2(b) of the Anti-Dumping Rules.

### **E. Grounds for review**

8. The applicant has claimed that there is a need for re-evaluation of dumping margin and injury margin for the Fujian Kuncai Material Technology Company Ltd, due to the following:
- a. The applicant has submitted that there is a significant shift in the product profile exported by the exporter between the previous investigation and the present period.
  - b. The applicant has also submitted that increase in costs on account of raw materials is not proportionately reflected in the increase in the export price.
  - c. The applicant has submitted that the export price of some PCNs has increased less than raw material price increase.

d. The applicant also submitted that the weighted average increase in export price for few PCN is negative, whereas the weighted average increase in costs is positive.

9. The applicant has therefore, claimed that there is a need for enhancement of anti-dumping duties levied.

#### **F. Initiation**

10. On the basis of the duly substantiated written application by the domestic producer of the like article in India, and having satisfied itself, on the basis of prima facie evidence substantiating dumping need for a mid-term review of anti-dumping duty earlier imposed on the subject goods originating in or exported from China PR, and in accordance with Section 9A of the Act read with Rule 23(1A) of the Rules, the Authority, hereby, initiates a mid-term review to examine the need for redetermining the quantum of the anti-dumping duty earlier extended on subject goods from China PR.

#### **G. Subject Country**

11. The scope of the present mid-term review is confined to the subject goods originating in or exported from China PR.

#### **H. Period of Investigation (POI)**

12. The period of investigation (POI) adopted by the Authority for the present investigation is 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

#### **I. Procedure**

13. The review would be limited to the dumping margin and injury margin determined and quantum of duties levied vide final findings F. No. 6/8/2020-DGTR dated 8<sup>th</sup> June, 2021 and Notification No. 47/2021-Customs (ADD) dated 26<sup>th</sup> August, 2021.

14. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules supra shall be mutatis mutandis applicable in this review.

#### **J. SUBMISSION OF INFORMATION**

15. All communication should be sent to the Designated Authority via email at email address [dd12-dgtr@gov.in](mailto:dd12-dgtr@gov.in) and [dd16-dgtr@gov.in](mailto:dd16-dgtr@gov.in) with a copy to [adg14-dgtr@gov.in](mailto:adg14-dgtr@gov.in), and [adv14-dgtr@gov.in](mailto:adv14-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.

16. 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 para 23 of 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.

17. Any other interested party may also make 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 time limit mentioned in this initiation notification.

18. 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.

19. 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**

20. Any information relating to the present investigation should be sent to the Designated Authority via email at email address [dd12-dgtr@gov.in](mailto:dd12-dgtr@gov.in) and [dd16-dgtr@gov.in](mailto:dd16-dgtr@gov.in) with a copy to [adg14-dgtr@gov.in](mailto:adg14-dgtr@gov.in), and [adv14-dgtr@gov.in](mailto:adv14-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.

21. 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.

22. 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**

23. 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.

24. 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.

25. 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.

26. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on 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, 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.

27. The other interested parties can comment on the confidentiality claimed within 7 days of receiving the non-confidential version of the document.

#### **M. INSPECTION OF PUBLIC FILE**

28. 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**

29. 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