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Government of India

**Ministry of Commerce and Industry
Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi -110001**

Dated: 21.03.2024

INITIATION NOTIFICATION

Case No. AD(OI)-31/2023

Subject: Initiation of anti-dumping investigation concerning imports of “Aluminium foil” originating in or exported from China PR.

1. M/s Hindalco Industries Ltd., M/s Shyam Sel & Power Ltd, M/s Shree Venkateshwara Electrocast Pvt. Ltd., M/s Ravi Raj Foils Ltd., M/s GLS Foils Product Pvt. Ltd., and M/s LSKB Aluminium Foils Pvt. Ltd. (hereinafter referred to as the "applicants") have 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 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'), seeking initiation of an anti-dumping investigation by alleging dumping of "aluminium foil", originating in or exported from China PR (hereinafter referred to as the “subject country”).

A. Product under consideration

2. The product under consideration in the present application is “aluminium foil” (hereinafter also referred to as "subject goods" or "product under consideration" or "PUC"), excluding the following:
 - i. Aluminium foil below 5.5 microns from China for non-capacitor applications. Aluminium foil for capacitors applications, below 5.5 microns is within the scope of the product under consideration. This was specifically excluded in the anti-dumping duty investigation conducted on “aluminium foil 80 microns and below originating in or exported from China, Malaysia, Thailand and Indonesia.”
 - ii. Ultra-Light Gauge Converted foil meant for use in insulation, spices packing, thermal fluid lines covering and tea bags application – Ultra Light Gauge Converted foil is an aluminium foil having thickness of 5.5 mic to 7 mic which and is backed with kraft paper & scrim, or glass cloth, whether plain or printed for use in insulation, spices packing, thermal fluid lines covering and tea bags application.

- iii. Etched or formed aluminium foils meant for Electrolytic Capacitor - Etched or formed aluminium foils is aluminium foil meant to be used in the manufacture of Electrolytic Capacitor
 - iv. Aluminium composite panel meant for facade cladding and signage applications - Aluminium composite panel is a non-aluminium core (often PE) bonded between two thin layers of aluminium, for use in facade cladding and signage.
 - v. Clad with compatible non clad aluminium foil – Clad with compatible non clad aluminium foil is a corrosion-resistant aluminium sheet formed from aluminium surface layers metallurgically bonded to high-strength aluminium alloy core material for use in engine cooling and air conditioner systems in automotive industry; such as radiator, condenser, evaporator, intercooler, oil cooler and heater.
 - vi. Aluminium foil for beer bottle – aluminium foil of 10.5 micron with rough surface and perforated whether printed or not; to be used in beer bottle.
 - vii. Aluminium- manganese- silicon based and/ or clad aluminium- manganese silicon based alloys, whether clad or unclad- with post brazing yield strength greater than 35 MPA, falling under tariff heading 7607 for use in heat exchangers including radiators, charge air coolers, condensers, oil coolers, heater cores, evaporators, heat ventilation and air conditioning (HVAC) systems and parts thereof.
 - viii. Adhesive tapes
 - ix. Colour coated aluminium foil
3. Aluminium foil is used extensively for protection, storage, and preparation of foods and beverages. It is used as a packaging material, for conservation and preservation of edible and food products.
4. The product under consideration is classified under subheading 7607 of the Customs Tariff Act. Imports of the subject goods are entering into India under the following codes 76071190, 76072090, 76072010, 76071110, 76071999, 76071991, 76071995, 76071910, 76071994, 76071993 and 76071992. The customs classification is indicative and is not binding on the scope of the product under consideration.
5. The applicants have proposed the following product control numbers (PCNs), in the application filed:

SN	Type of Foil	Micron Range	Bare Converted /
1	Alu Alu Stock	45-60	Bare Foil
2	House Foil	8 - 22	Bare Foil
3	Light Gauge (LG)	7 - < 20	Bare Foil
4	Medium Gauge (MG)	20-60	Bare Foil
5	Semi Rigid Container (SRC)	30 - 80	Bare Foil
6	Ultra-Light Gauge Bare	5.5 - <7	Bare Foil
7	Battery Foil	9 - 20	Bare Foil
8	Capacitor	4.5 - 20	Bare Foil
9	Any other Bare Foil (Not falling within 1-8)		Bare Foil

10	Cigarette Foil	<= 7	Converted
11	House Foil Converted	8 - 22	Converted
12	SRC Converted	30 - 80	Converted
13	Medium Gauge (MG) Converted	20-60	Converted
14	Light Gauge (LG) Converted	7 - < 20	Converted
15	Battery Foil Converted	9 - 20	Converted
16	Alu Alu Converted/ laminated	45-60	Converted
17	Any other converted Foil (Not falling within 10-16)		Converted

6. The parties to the present investigation may provide their comments on the PUC and the proposed PCNs, within 15 days of circulation of the non-confidential version of the application filed before the Authority as indicated in paragraph 25 of this initiation notification.
7. Interested parties may intimate their comments, if any, on the scope of the product under consideration, and PCNs within 15 days of this notification. Any submissions in these regards should be duly supported with verifiable documentary evidence. Any request for exclusion or inclusion of some product type should be duly supported with verifiable documentary evidence of imports into India and absence of like article by the domestic industry.

B. Like Article

8. The applicants have stated that there are no significant differences in the article produced by the applicants and exported from the subject country. The article produced by the applicants and that imported from China PR are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The subject goods and the article manufactured by the applicants are technically and commercially substitutable. The applicants have claimed that consumers of the PUC are using the subject goods and the article manufactured by the applicants interchangeably. Thus, for the purposes of initiation of the present investigation, the subject goods produced by the applicants are being treated as like article to the product being imported from China PR.

C. Domestic industry and standing

9. Rule 2(b) defines domestic industry as follows:

"domestic industry' means the domestic producers as a whole of the like article or domestic producers whose collective output of the said article constitutes a major proportion of the total domestic production of that article, except when such producers are related to the exporters or importers of the alleged dumped article, or are themselves importers thereof, in which case such producers shall be deemed not to form part of domestic industry "

10. The application has been filed by M/s Hindalco Industries Ltd., M/s Shyam Sel & Power Ltd., M/s Shree Venkateshwara Electrocast Pvt. Ltd., M/s Ravi Raj Foils Ltd., M/s GLS Foils Product Pvt. Ltd., and M/s LSKB Aluminium Foils Pvt. Ltd. The application has been supported by the following producers i.e. ESS DEE Aluminium Ltd., Sparsh Industries Pvt. Ltd, SRF Altech Ltd., and Trefoil Packaging Pvt Ltd. While Sparsh Industries Pvt. Ltd. is a new producer of the subject goods, ESS DEE Aluminium Ltd., SRF Altech Ltd., and Trefoil Packaging Pvt Ltd., are establishing new production capacities and are yet to commence production.
11. The applicants namely, LSKB Aluminium Foils Pvt. Ltd., Hindalco Industries Ltd., Raviraj Foils Ltd., M/s Shyam Sel & Power Ltd., and Shree Venkateshwara Electrocast Pvt. Ltd. have not imported the subject goods from the subject country. However, GLS Foils Product Pvt. Ltd., has imported subject goods from China. The applicants are also not related to any the importer or the exporter of the subject goods.
12. Since the production of the applicants account for a major proportion of the total production of the subject goods in India, the applicants satisfy the standing and constitutes domestic industry within the meaning of Rule 2(b) of the ADD Rules, 1995 and the application satisfies the requirements of Rule 5(3) of the ADD Rules, 1995.

D. Subject Country

13. The subject country for the present investigation is China PR.

E. Period of Investigation

14. The applicants had initially proposed POI as 1st Oct. 2022 – 30th June 2023 (9 months) as the period of investigation (hereinafter also referred to as 'POI'). The injury information has been provided for the POI and three preceding years, i.e., 1st April 2019- 31st March 2020, 1st April 2020-31st March 2021, 1st April 2021- 30th September 2022 (Annualised), and the POI.
15. However, the Authority has considered period of investigation (POI) for the present investigation is from 1st Oct. 2022 – 30th Sept. 2023 (a period of 12 months) which is appropriate for this investigation. The injury investigation period will cover the period of 2019-20, 2020-21, 1st April 2021- 30th Sept 22 (annualized) and the revised POI from 1st Oct. 2022 – 30th Sept. 2023 (a period of 12 months).

F. Dumping margin computation

(a) Normal Value

16. The applicants have claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of Rule — 7 of a Annexure I of the Rules. The applicants have cited Para 8(2) of Annexure-I of the Rules and have stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail

in the industry producing the subject goods in terms Para 8(3) of Annexure-I of the Rules. The applicants have claimed that for China PR, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules.

17. The applicants have submitted that efforts were made to determine normal value on the basis of price or constructed value in a market economy third country. However, the applicants could not get reliable information regarding the same in absence of any publicly available information. The Authority keeping in view the provisions under para 7 of Annex-1 of the rules, notes that imports into India from other countries are either minimal or attracting duty.
18. Therefore, for the purpose of initiation of the present investigation, the normal value has been constructed based on the estimates of the cost of production of the applicants duly adjusted with selling, general and administrative expenses, along with a reasonable profit margin.

(b) Export Price

19. The Authority has considered the CIF price of the subject goods for the determination of net export price (NEP). The Authority has, thereafter, made necessary adjustments to these prices to arrive at the ex-factory price.

(c) Dumping Margin

20. The normal value and the export price have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin is above the *de minimis* level and is significant with respect to 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 domestic market of India by the exporters from the subject country.

G. Allegation of Injury and Causal Link

21. The applicants have provided *prima facie* evidence with respect to the injury suffered by the domestic industry because of the dumped imports. The volume of the subject imports from the subject country has increased in both absolute as well as in relative terms. The capacity utilization of the domestic industry has declined. While this is additionally because of new capacity additions, the domestic industry has submitted that they would not have faced this decline in capacity utilization, had there been no dumping by the Chinese producers. The price depression caused by the dumped imports have been preventing the domestic industry from increasing its prices to recover the full cost and achieve reasonable rate of returns. The subject imports have an adverse impact on the profitability parameters of the domestic industry due to which the cash profits, PBIT and ROCE are negative in the POI. There has also been an increase in the inventory levels of the domestic industry. Thus, the evidence provided by the applicants *prima facie* shows injury to the domestic industry caused by the alleged dumped imports from China PR.

H. Retrospective imposition of duty

22. The applicants have requested for retrospective imposition of the antidumping duty by claiming the following:
- a. There is clear history of dumping of the product in the country. Not only there is history of dumping from China.
 - b. The importers in India are aware of the fact that exporters practice dumping of subject goods into India. The importers are also aware that such a practice would cause injury to the Indian producers.
 - c. The exporters have resorted to massive dumping is well established by the fact that the dumping margin has remained significant on monthly basis during the period of investigation.
 - d. The performance of domestic industry has steeply declined over the period of investigation.
23. The interested parties may offer their comments in this regard as per time limit given in this notification.

I. Initiation of the Investigation

24. On the basis of the duly substantiated application by the domestic industry, and having satisfied itself, on the basis of *prima facie* evidence submitted by the applicants substantiating the dumping and consequent injury to the domestic industry, the Authority hereby initiates an anti-dumping investigation into the alleged dumping and consequent material injury to the domestic industry in accordance with Section 9A of the Act read with Rule 5 of the Rules, to determine the existence, degree, and effect of alleged dumping and to recommend the amount of dumping duty, which if levied would be adequate to remove the injury to the domestic industry.

J. Procedure

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

K. Submission of information

26. All communication should be sent to the Designated Authority via email at email addresses jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-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.
27. 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 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.

28. 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.
29. 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.
30. 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

31. Any information relating to the present investigation should be sent to the Designated Authority via email jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-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 6(4) of the ADD 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. The time limits specified herein shall be for filing questionnaire responses and any other information that an interested party wishes to provide with regard to present investigation. The Authority may reject any submissions that are filed after the prescribed time limits.
32. All the interested parties are here by 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.
33. 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 ADD Rules, 1995 and such request must come within the time stipulated in this notification.

M. Submission of information on confidential basis

34. 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 7 of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.

35. 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.
36. 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.
37. 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.
38. 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 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.
39. The interested parties can offer their comments on the issues of confidentiality claimed by any interested party 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.
40. Any confidential submission made without a meaningful non-confidential version thereof or without any sufficient cause statement in terms of Rule 7 of the Rules and appropriate trade notices issued by the Authority on the confidentiality claim shall not be taken on record by the Authority.
41. 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 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.

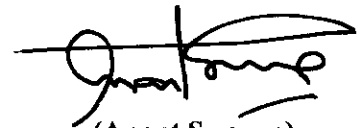
42. The Authority, on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

N. Inspection of Public File

43. 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. Failure to circulate non-confidential version of submissions might lead to action under Section O of this initiation notification.

O. Non-Cooperation

44. 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