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File No. 6/32/2020-DGTR
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 – 110001

Dated: 4th September, 2020

INITIATION NOTIFICATION
Case No. ADD-OI-27/2020

Subject: Initiation of Anti-Dumping Investigation concerning imports of "Vitamin C" from China PR.

1. M/s. Bajaj Healthcare Limited (hereinafter also referred to as "Applicant") has filed an application (also referred to as "petition") seeking initiation of anti-dumping investigation concerning imports of "Vitamin C in all its form" (hereinafter also referred to as "subject goods" or "product under consideration" or "PUC"), originating in or exported from China PR (also referred to as "subject country") before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with Customs Tariff Act, 1975 as amended from time to time (herein also referred to as the "Act") and Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred to as the "Rules").

2. The Applicant has alleged that material injury to the Domestic Industry is being caused due to dumped imports of subject goods from China PR, and has requested for imposition of anti- dumping duty on the imports of the subject goods from China PR.

Product under Consideration (PUC)

3. The product under consideration is "Vitamin C in all its form", also known as ascorbic acid, L-Xyloascorbic Acid, 3-oxo L-Gulofuranolactone (enol form), L-3-Ketothreohexuronic Acid Lactone etc., as described under entry number '867 of Merck Index'.

4. Vitamin-C is primarily used by the pharmaceutical's companies for production of various medicines. The product has uses also in non- pharmaceutical industry. Vitamin C is an essential nutrient involved in the repair of tissue and the enzymatic production of certain neurotransmitters found in various foods. It is required for the functioning of several enzymes and is important for immune system function. It also functions as an antioxidant.

5. The product under consideration is classified under chapter 29 of the Customs Tariff Act, 1975 (51 of 1975) under customs sub-heading no. 29362700. The customs classification is only indicative and is not binding on the scope of the product under consideration.

Like article

6. The Applicant has claimed that that there is no known difference between the subject goods exported from the subject country and that produced by the domestic industry. Subject goods produced by the domestic industry and PUC imported from subject countryare comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers use the two interchangeably. The Applicant has further claimed that the two are technically and commercially substitutable and, hence, should be treated as like article under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the Applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

Domestic industry and standing

7. The Application has been filed by M/s. Bajaj Healthcare Limited. As per the information on record, the Applicant commands a major proportion of domestic production of like article. The Applicant has claimed that they have neither imported the subject goods from the subject country nor are related to any exporter or producer of subject goods in the subject country or any importer of the PUC in India. There are three other producers of the domestic like product in India, other than the applicant, i.e., M/s Amoli Organics Pvt Ltd, M/s Reckon Diagnostics Pvt. Ltd., and M/s SR Biochem. The support letters have been filed by other three producers. Hence, it is noted that the petition has been supported by the entire Indian Industry, and the Applicant along with supporters account for 100% of the Indian production.

8. In view of the above, and after due 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.

Basis of Alleged Dumping

a. Normal Value of China PR

9. The Applicant has claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of paragraph-7 of Annexure I of the Rules. The Applicant has cited Para 8(2) of Annexure I of the Rules and has 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 Applicant has claimed that for China, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules. The prices or constructed value of the product under consideration in the appropriate market economy third country or the prices from such third country to other countries, including India, has neither been made available by the Applicant nor is this information available with the Authority from any public source. Thus, normal value has been determined on the basis of price paid or payable in India, duly adjusted to include profit, which has been determined considering cost of production in India, after addition for selling, general & administrative expenses and reasonable profits.

b. Export Price

10. The Authority has computed export price for subject goods for the subject countrybased on Directorate General of Commercial Intelligence and Statistics (DGCI&S), transaction-wise import data.Price adjustments have been made for ocean freight, marine insurance, commission, port expenses, bank charges and handling charges.

c. Dumping Margin

11. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin is above the de-minimis level, and is significant in respect of the PUC from the subject country. There is sufficient prima facie evidence that the PUC from subject country is being dumped into the Indian market by the exporters from the subject country.

Evidence of injury and causal link

12. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the price effect i.e., price undercutting, price depression and suppression on the domestic industry. The Applicant has claimed that its performance has been adversely impacted during the POI leading to decline in market share, profits, return on capital employed (ROCE) and cash profits. There is sufficient prima facie evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

Initiation of Anti-Dumping Investigation

13. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, about dumping of the subject goods 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 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.

Subject country

14. The subject country for this investigation is China PR

Period of Investigation (POI)

15. The period of investigation (POI) for the present investigation is 1st April 2019 – 31st March 2020(12 months). The injury investigation period will cover the periods 1st April 2016- 31st March 2017, 1st April 2017- 31st March 2018, 1st April 2018- 31st March 2019 and the POI.

Procedure

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

Submissionof Information

17. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address adg13-dgtr@gov.in, adv13-dgtr@gov.in, jd13-dgtr@gov.in and dd17-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.

18. The known exporters, their Government through their Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.

19. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below on the email address mentioned in Para 17 above.

20. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

Time Limit

21. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv13-dgtr@gov.in, jd13-dgtr@gov.in and dd17-dgtr@gov.inwithin thirty days from the date of receipt of the

notice as per Rule 6(4) of the Anti-Dumping Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. 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 Rules.

22. 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.

23. The interested parties are further advised to keep a regular watch on the official website of DGTR i.e. www.dgtr.gov.in for any updated information with respect to this investigation.

Submission of information on confidential basis

24. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.

25. 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.

26. The "confidential" or "non-confidential" submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.

27. 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.

28. The non-confidential version 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. 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 why summarization is not possible must be provided to the satisfaction of the Authority

29. 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.

30. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.

31. 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.

Inspection of Public File

32. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

Non-cooperation

33. In case where an interested party refuses access to, or otherwise does not provide In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

(Bidyut Behari Swain)
(Special Secretary & Designated Authority)