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Extraordinary
MINISTRY OF COMMERCE & INDUSTRY
(Department of Commerce)
Directorate General of Anti-Dumping & Allied Duties**

INITIATION NOTIFICATION

New Delhi, the 8th March, 2002

Sub:- Initiation of Anti-dumping investigation concerning imports into India of D (-) Para Hydroxy Phenyl Glycine Base originating in or exported from European Union.

No. 14/6/2002-DGAD - M/s Daurala Organics Limited, Daurala, U.P. has filed a petition in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of D (-) Para Hydroxy Phenyl Glycine Base originating in or exported from the member countries of European Union and requested for initiation of Anti Dumping investigations and levy of anti dumping duties.

2. PRODUCT UNDER CONSIDERATION:

The product under consideration in the present petition is "D (-) Para Hydroxy Phenyl Glycine Base "also known as" D (-) Alpha Para Hydroxy Phenyl Glycine, D(-) Alpha Para Hydroxy Phenyl Glycine Base, D (-) Para Hydroxy Phenyl Glycine, Para Hydroxy Phenyl Glycine Base , Para Hydroxy Phenyl Glycine " (hereinafter referred to as subject material/PHPG Base). Subject Goods is converted in-situ to D (-) Para Hydroxy Phenyl Glycine Methyl Potassium Dane Salt by the various importers / manufacturers and used for the production of Amoxicillin (bulk drug) and Cefadroxyl. PHPG Base is classified under Customs heading 29.42 in the category of Other Organic compound. PHPG Base is classified under Customs sub-heading no. 2942.00.

Subject material is classified in 'others' category and the statistics shown in DGCI&S data is not representative as other organic compounds are also cleared under the same headings. Since for PHPG Base, the DGCI&S does not give the separate imports data, petitioner has relied upon the data of secondary source i.e. from International Business

Information Services, Mumbai. The data provided by the agency is based on Customs Daily Lists.

3. DOMESTIC INDUSTRY

The petition has been filed by M/s Daurala Organics Limited, Daurala. The petitioner has claimed that they are the sole producer of subject goods in India. Prima facie the petitioners satisfy the criteria of standing to file the petition on behalf of the Domestic Industry in terms of Rule 5(3) (a) of the Rules supra.

4. COUNTRIES INVOLVED:

The petitioners have provided evidence of dumping of the product under consideration from Italy and Spain, both members of the European Union. As there are no custom boundaries in the EU between various member countries, it has been argued that for the purpose of this investigation, EU should be treated as a territory subject to investigation. The submissions of the petitioners have been accepted and the present investigation is against the European Union (hereinafter referred to as the subject territory).

5. LIKE ARTICLE:

The petitioner has claimed that the goods produced by them are Like Article to the goods originating in or exported from subject territory. Therefore, for the purpose of the present investigation, the goods produced by the petitioners are being treated as 'like articles' of the product imported from the subject territory within the meaning of the Rules supra.

6. NORMAL VALUE:

The petitioner has claimed normal value based on the constructed cost of production of the subject goods in the European Union. The Authority has considered the same as prima facie evidence for Normal Value.

7. EXPORT PRICE:

The petitioners have claimed the export price from the subject countries based on the secondary data sources, i.e. M/s International Business Information Service, Mumbai whose data is based on the Customs Daily List. From the data of secondary source, the petitioners have sorted the data on the basis of description and clubbed the transactions for the product under consideration. Adjustments have been claimed on

account of ocean freight, marine insurance, commission, inland transportation in the country of export, port handling and port charges to arrive at the Export Price at ex-factory level.

8. DUMPING MARGIN

There is prima facie evidence that Normal Value of the subject goods in the subject countries is significantly higher than the ex-factory export price indicating prima facie that the subject goods are being dumped by exporters from the subject territory.

9. INJURY AND CAUSAL LINK

Various parameters relating to injury such as the decline in the sales realisation, decline in profitability, price suppression, lower utilisation of capacity, increase in market share of imports from subject countries and losses to the Domestic Industry due to non-realisation of fair and reasonable price from the sale of the subject goods, prima facie indicate collectively and cumulatively that the Domestic Industry has suffered injury caused by dumped imports of the subject goods from European Union.

10. INITIATION OF ANTI DUMPING INVESTIGATIONS

The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from European Union.

11. PERIOD OF INVESTIGATION

The Period of Investigation for the purpose of the present investigation is 1st April, 2001 to 31st December, 2001.

12. SUBMISSION OF INFORMATION

The exporters in the subject territory and the importers in India known to be concerned with this investigation are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, Directorate General of Anti Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Government of India, Udyog Bhavan, New Delhi – 110 011.

As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation, and to

representative consumer organizations who can furnish information which is relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

13. TIME LIMIT

Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately are however required to submit the information within forty days from the date of the letter addressed to them separately.

14. INSPECTION OF PUBLIC FILE

In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. In case where an interest 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.

(L.V. SATHARISHI)
DESIGNATED AUTHORITY