To be published in Part-I Section I of the Gazette of India Extraordinary

No. 14/5/2014-DGAD
Government of India
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
New Delhi -110001

Dated: 28th August, 2014

INITIATION NOTIFICATION

Subject: Anti Dumping investigation concerning imports of Gliclazide, originating in or exported from China PR.

F.No.14/5/2014-DGAD: M/s Bal Pharma Ltd., Bangalore (hereinafter also referred to as the Petitioner or applicant) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to 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 also referred to as the Rules) for initiation of anti-dumping investigation and imposition of anti dumping duty on the imports of Gliclazide, originating in or exported from China PR (hereinafter also referred to as the subject country).

Domestic Industry & Standing

2. The Application has been filed by M/s Bal Pharma Ltd., as domestic industry of the product under consideration. According to the Petitioner, they are the sole manufacturer of the subject goods in India. It has been claimed by the petitioner that some other producers who were engaged in the manufacturing of subject goods seem to have discontinued their manufacturing since last few years. The petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party from the subject countries. Since the production of the petitioner accounts for "a major proportion" in the total production of the product under consideration in India, the petitioner satisfies the standing and constitutes Domestic Industry within the meaning of the Rules.

Product under consideration

3. The product under consideration for the purpose of present investigation is "Gliclazide". It is a drug with a chemical name of "1-(Hexahydrocyclopenta (c) pyrrol-2 (1H)-yl)-3-{(4-methylphenyl) sulfonyl} urea" and contains not less than 99.0% and not more than 101.0% of C15H21N3O3, calculated with reference to the dried substance. Gliclazide is a white or almost white powder in appearance practically insoluble in water, freely soluble in dichloromethane, sparingly soluble in acetone and slightly soluble in ethanol (96%).

4. Gliclazide is a Bulk Drug used in pharmaceutical preparations concerning Anti diabetic / Hypoglycemic drugs. Gliclazide is used for control of hyperglycemia in gliclazide-responsive diabetes mellitus of stable, mild, non-ketosis prone, type 2 diabetes. It is used when diabetes cannot be controlled by proper dietary management and exercise or when insulin therapy is not appropriate.

5. The subject goods are classifiable under Chapter 29 of the Custom Tariff Act, 1975 under Tariff item 2942 00 90. As per the petitioner's claim subject goods are also being imported under other sub-headings such as 29110090, 2912 19 90, 2921 59 90, 2924 19 00, 2927 00 90, 2930 90 99, 2932 99 00, 2933 19 90, 2933 59 90, 2933 99 00, 2934 99 00, 2935 00 90, 2937 19 00, 2941 90 11, 2941 90 90, 2942 00 11, 2942 00 90, 3822 00 11, 3822 00 19. The HS codes are only indicative and the product description shall prevail in all circumstances.

Like Article

6. The applicant has claimed that the subject goods being produced by the domestic industry are identical to the subject goods being dumped into India from subject country. The applicant has claimed that Gliclazide produced by the petitioner and imported from the subject country are having comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. 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.

Countries involved

7. The present investigation is in respect of alleged dumping of the product under consideration from China PR.

Normal Value

8. The petitioner has claimed that China PR should be treated as a non-market economy and has determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. In view of the non-market economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure I to the Rules. The applicant has determined the normal value based on cost of production in India, duly adjusted with selling, general and administrative expenses and reasonable profit.

Export Price

9. The applicant has determined the export price on the basis of data published by the DGCI&S. Price adjustments have been claimed on account of commission, ocean freight, port expenses, inland freight, marine insurance, VAT difference and bank commission.

Dumping Margin

10. The normal value and the export price have been compared at ex-factory level, which show significant dumping margin in respect of the subject country. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject country.

Injury and Causal Link

11. The applicant has claimed that domestic industry has suffered material injury from dumped imports. The demand for the product under consideration has increased over the injury period and subject imports have increased in absolute terms. The imports are undercutting the domestic prices. The imports have suppressed/depressed the domestic prices over the injury period. With regard to consequent impact of the imports on the domestic industry, it is noted that performance of the domestic industry has deteriorated in respect of parameters such as profits; return on capital employed and cash profits. The domestic industry is suffering significant financial losses, cash losses and negative return on investments. There is sufficient prima facie evidence of injury to the domestic industry caused by dumped imports from subject country to justify initiation of an anti-dumping investigation.

12. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject country; injury to the domestic industry and causal link between the alleged dumping and injury exist to justify initiation of an anti-dumping investigation, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Para 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

Period of Investigation (POI)

13. The period of investigation (POI) is from 1st April 2013 to 31st March 2014. However, for the purpose of analyzing injury, the data of previous three years, i.e. Apr'10-Mar'11, Apr'11-Mar'12, Apr'12-Mar'13 and the period of investigation has been considered

Submission of Information

14. The exporters in the subject country, their government through their Embassy in India, the importers and users in India known to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

The Designated Authority
Directorate General of Anti-Dumping & Allied Duties
Department of Commerce,
Jeevan Tara Building, 4th Floor
5, Parliament Street
New Delhi -110001

15. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below. 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

16. 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 (40 days) from the date of publication of this Notification. 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 AD Rules.

17. 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 and offer their comments to the domestic industry's application within forty days (40 days) from the date of publication of this Notification. The information must be submitted in hard copies as well as soft copies.

Submission of information on confidential basis

18. The parties making any submission (including Appendices/Annexure attached thereto), before the authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:-

(a) one set marked as Confidential (with title, number of pages, index, etc.), and
(b) the other set marked as Non-Confidential (with title, number of pages, index, etc.).

19. 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. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in five (5) sets of each.

20. The confidential version shall contain all information which are by nature confidential and/or other information which the supplier of such information claims as confidential. 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 can not be disclosed.

21. 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, 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.

22. 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.

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

24. 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

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

Non-cooperation

26. 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.

J K Dadoo
Designated Authority