

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

**No. 6/12/2021-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

Dated 17th September, 2021

INITIATION NOTIFICATION

(Case No. AD-OI-12/2021)

Subject: Initiation of Anti-Dumping Investigation concerning imports of “Ofloxacin and its intermediates” originating in or exported from China PR.

Whereas M/s Aarti Drugs Limited (hereinafter referred to as the ‘Applicant’ or the ‘domestic industry’) has 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 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 referred to as the “Rules”) for Anti-dumping investigation concerning imports of “Ofloxacin and its intermediates” (hereinafter referred to as the “subject goods” or specifically as “product under consideration” or “PUC”), originating in or exported from China PR (hereinafter referred to as the “subject country”).

2. The Applicant has alleged dumping of the subject goods, originating in or exported from the subject country and consequent injury to the domestic industry and have requested for initiation of anti-dumping investigation and imposition of the anti-dumping duty on the imports of the subject goods, originating in or exported from the subject country.

Domestic Industry and Standing

3. The application has been filed by M/s Aarti Drugs Limited. The Applicant has neither imported the subject goods during the period of investigation from the subject country nor is related to any exporter or producer of the subject goods in the subject country or any importer of the product under consideration in India.

4. As per the evidence available on record, the production of the Applicant accounts for a major proportion of the total Indian production of the like article. In view of the above, 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.

Product under Consideration

5. The product under consideration in the present petition is Ofloxacin and its intermediates, namely, O-Acid or Ofloxacin Acid and O-Ester or Ofloxacin Ester. O-Ester is the penultimate stage for the production of O-Acid. The process from the stage of O-Ester to O-Acid is an incremental process. O-Ester is hydrolysed in acidic water, which is then cooled and filtered to form fried cakes of O-Acid, which are then further processed to obtain Ofloxacin. Considering, the past practice of circumvention, the applicant has combined O-Acid O-Ester also in the product scope.

6. Ofloxacin is used to treat certain infections including bronchitis, pneumonia, and infection of the skin, bladder, urinary tract, reproductive organs, and prostate. Ofloxacin is in a class of antibiotics called fluoroquinolones and works by killing bacteria that cause infections. Ofloxacin-Acid has dedicated use in the production of Ofloxacin.

7. O-Acid is dedicated to the production of Ofloxacin and has no other usage. The market remains the same for both O-Acid and Ofloxacin. Currently, no anti-dumping duties are in force on the subject goods originating in or exported from China PR.

8. Product under consideration falls under Chapter 29 and 30 of the Customs Tariff Act, 1975. Ofloxacin comes under HS code 30042034 However, the PUC has been imported also under various other HS Codes namely 29419030, 29419060, 29152990, 29163990, 29189900, 29411090, 29349900, 29419090, 29420090.

Like article

9. The applicant has claimed that the goods produced by the domestic industry are identical to the subject goods exported from the subject country to India. The subject goods produced by the domestic industry 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 domestic industry are being treated as 'like article' to the subject goods being imported from the subject country.

Subject Country

10. The subject country in the present investigation is China PR.

Period of Investigation

11. The period of investigation (POI) for the present investigation is April 2020 – March 2021 (12 Months). The injury period of investigation will, however, cover the periods 2017 – 18, 2018 – 19, 2019 – 20 and the POI.

Normal Value

12. The Applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The Applicant has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in the industry producing the subject goods with regard to the manufacture, production and sale of the product under consideration. It has been stated by the Applicant that in case the responding Chinese Producers are not able to demonstrate that their costs and price information are market driven, the normal value should be calculated in terms of provisions of para 7 and 8 of Annexure I to the Rules. The normal value has accordingly been determined in terms of Para 7 of Annexure I to the Rules.

13. The applicant has stated that it has not been able to gather information either with regard to costs or prices in a market economy third country, or price from such third country to other countries, including India. The applicant has thus determined normal value in China PR on other reasonable basis by taking Indian domestic cost of production and after addition for selling, general & administrative expenses and reasonable profits.

14. For the purpose of initiation, the Authority has considered the methodology suggested by the applicant for determination of normal value.

Export Price

15. The export price for the subject goods from the subject country has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made on account of ocean freight, inland freight, handling charges, marine insurance and bank charges.

Dumping Margin

16. Considering the normal value and export price determined, dumping margin determined is above de-minimis level. There is prima facie evidence that normal value of the subject goods in the subject country is higher than the net export price, thereby indicating that the subject goods originating in or exported from the subject country have been exported at dumped prices.

Evidence of Injury and Causal Link

17. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has claimed that the dumping of the product under consideration is causing material injury to the domestic industry. The imports are undercutting

the prices of the domestic industry and causing price depression in the market. The performance of the domestic industry in respect of production, domestic sales, capacity utilization, market share, profits, return on capital employed, cash profits etc., have deteriorated. The overall performance of the domestic industry deteriorated in the POI. There is prima facie evidence of injury to the domestic industry by dumped imports from China PR.

Initiation of Anti-Dumping Investigation

18. On the basis of the duly substantiated 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 product under consideration 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 product under consideration 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.

Procedure

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

Submission of information

20. 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 addresses adg12-dgtr@gov.in; dir12-dgtr@gov.in and dd14-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.

21. The known producers/exporters in the subject country and their government through their Embassies in India, importers and users in India known to be concerned with the Product under consideration and the domestic industry are being informed separately to enable them to file all relevant information in the form and manner prescribed within the time-limit set out below.

22. 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.

23. 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.

24. 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.

Time-Limit

25. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in; dir12-dgtr@gov.in and dd14-dgtr@gov.in. within 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.

26. 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.

Submission of information on confidential basis

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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 generalised or summary form, it may disregard such information.

33. 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.

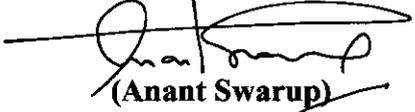
34. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

Sharing of responses/submission amongst interested parties

35. A list of registered interested parties will be uploaded on 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 since the public file will not be accessible physically due to the ongoing global pandemic.

Non-cooperation

36. 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 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