

**TO BE PUBLISHED IN PART 1 SECTION-10F GAZATTE OF INDIA
EXTRAORDINARY
F. No. 7/16/2018-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi 110001**

Dated 29th January, 2019

FINAL FINDINGS

Subject: Sunset Review of the anti-dumping duty on imports of Paracetamol originating in/exported from China PR

1. F. No. 7/16/2018-DGAD : Having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter also 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 also referred as the Rules), the Designated Authority (hereinafter also referred to as the Authority) had recommended imposition of anti-dumping duty on imports of “Paracetamol” (hereinafter also referred to as the subject goods), originating in or exported from China PR (hereinafter referred to as the subject country).
2. Whereas, the original investigation concerning imports of the subject goods from the subject country was initiated by the Authority vide Notification No. 60/1/2000 – DGAD dated 30th January, 2001. The Preliminary Findings were issued by the Authority vide Notification No. 60/1/2000-DGAD dated 16th April, 2001 and the provisional antidumping duty was imposed by the Department of Revenue vide Notification No. 89/2001 Customs dated 6th September, 2001. The Final Findings Notification was issued by the Authority vide notification No. 60/1/2000-DGAD dated 22nd January 2002, recommending imposition of definitive duty. On the basis of the recommendations made by the Authority in the final findings, definitive anti-dumping duty was imposed by the Department of Revenue vide Notifications No. 29/2002 Customs dated 27th March, 2002 on the imports of the subject goods, originating in or exported from the subject country. 1st Sunset Review was concluded and Authority had issued the Final Findings in the Sunset Review vide Notification No. 15/20/2006-DGAD dated 23rd July 2007 and fixed duty was imposed by the Central Government vide Notification No.

99/2007 -Customs dated 3rd Sept, 2007. 2nd Sunset Review was concluded and Authority had issued the Final Findings in the Sunset Review vide Notification No. 14/1009/2012-DGAD –dated 26th August 2013 and fixed duty was imposed by the Central Government vide Notification No 26/2013-Customs dated 28 October, 2013.

3. Whereas, in terms of Section 9A(5) the Customs Tariff Act, 1995, read with Rule 23 of the Rules, the anti-dumping duty imposed under the said Act shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, unless in a review, initiated before the expiry of the duty, the Designated Authority concludes that the cessation of the duties is likely to lead to continuation or recurrence of dumping and injury.
4. And, notwithstanding the above provision, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to the date of expiry of the measure as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
5. Whereas, the petition was filed by M/s Farmson Pharmaceuticals Gujarat Private Limited and M/s Sri Krishna Pharmaceuticals Limited (hereinafter referred to as Petitioners) and was supported by M/s Bharat Chemicals, M/s Granules India Ltd., and M/s Meghmani Unichem LLP in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and 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 AD Rules) for initiation of sunset review investigation of the Anti-Dumping Duty concerning imports of Paracetamol originating in and exported from China PR.
6. In view of the duly substantiated application with prima facie evidence of likelihood of dumping and injury filed on behalf of the Domestic Industry and in accordance with Section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority issued a Notification. No. 07/16/2018-DGAD dated 24th May, 2018, published in the Gazette of India, initiating a Sunset Review investigation to review the need for continued imposition of the duties in respect of the subject goods, originating in or exported from the subject country, and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. The validity of the anti-dumping duty on the imports of the subject goods from the subject country was extended by the Central Government up to 24th May 2019 vide Notification No. 39/2018-Customs (ADD) dated 20th August, 2018.
7. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject country.

A. GENERAL PROCEDURE

8. The procedure described herein below has been followed with regard to the subject investigation:
- i. The Authority notified the Embassy of the subject country in India about the receipt of the anti-dumping application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra.
 - ii. The Authority issued a public notice dated 24th May, 2018 published in the Gazette of India Extraordinary, initiating Sunset Review investigation of anti-dumping duty investigation concerning imports of Paracetamol originating in and exported from China PR
 - iii. The Authority sent a copy of the initiation notification to the embassy of China PR in India, known producers/exporters from China PR, known importers/users and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days from the date of communication in accordance with the Rules 6(2) & 6(4).
 - iv. The Authority provided copy of the non-confidential version of the application to the known exporters/producers and the embassy of the subject country in accordance with Rules 6(3) supra. A copy of the non- confidential version of the application was also made available in the form of a public file and provided to other interested parties, wherever requested.
 - v. The Authority sent exporter's questionnaires to elicit relevant information to the following known producers/exporters in China PR, (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules:
 - a) Anhui Bayi Chemical Industry Co. Ltd.
 - b) Anhui Fubore Pharmaceutical
 - c) Zhejiang Kangle Pharmaceutical Co.
 - d) M/s Wenzhou Pharamaceuticals factory
 - e) Changshu Huagang Pharmaceutical Co. Ltd.
 - f) Hebai Jiheng Group Co. Ltd.
 - g) Jiangsu World Kindly Pharmaceuticals Ltd
 - h) Jiangsu Guoheng Pharma Chemical Co. Ltd.
 - i) Shanghai Bailion Chemicals Co. Ltd.
 - j) Lianoyuan City Baikang Pharmaceutical
 - k) Runqi Trading Co. Ltd.
 - l) AnqiuLu'an Pharamaceutical Co Ltd
 - vi. The following producers/exporters have filed the Exporter questionnaire response :-
 - a) M/s Anqiu Lu An Pharmaceutical Co., Ltd.
 - b) M/s A.H.A International Co., Ltd.
 - c) China Sinopharm International Corporation
 - d) Zhejiang Chemcials Import and Export Corporation
 - e) Lianyungang Kangle Pharmaceutical Co., Ltd.
 - f) Zhejiang Kangle Pharmaceutical Co., Ltd.

- g) Hebei Jiheng (group) Pharmaceutical Co. Ltd.
- vii. Supplementary questionnaire was also forwarded to the known producers/exporters in China PR and the embassy of China PR in India with the request to provide relevant information to the authority within the prescribed time limits.
- viii. However, none of the exporters has filed the Supplementary questionnaire.
- ix. The Authority sent a copy of the Initiation Notification along with Importer's Questionnaires to the following known importers/users/user associations (whose names and addresses were made available to the Authority) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4).:
- a) Aura Pharmaceuticals Pvt. Ltd.
 - b) Shalina Laboratories Pvt. Ltd.
 - c) Medicamen Biotech Ltd.
 - d) Adcock Ingram Ltd.
 - e) Sanofi India Ltd.
 - f) Fourrts (India) Laboratories Pvt Ltd.
 - g) Indoco Remedies Ltd.
 - h) Astra Lifecare (India) Pvt. Ltd.
 - i) J.B Chemicals & Pharmaceuticals Ltd.
 - j) Unilink Pharma Pvt. Ltd.
 - k) Medopharm
 - l) Milan Laboratories (India) Pvt. Ltd.
 - m) Agog Pharma Ltd.
 - n) Combitic Global Caplet Pvt. Ltd.
- x. However, no questionnaire response has been received from any importer of the subject goods.
- xi. The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7).
- xii. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis and the same were kept in the public file maintained by the Authority as per the Rules
- xiii. The Authority has examined the information furnished by the domestic producer to the extent possible on the basis of guidelines laid down in Annexure III to work out the cost of production and the Non-injurious price of the subject goods

in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.

- xiv. Period of Investigation in the present investigation is 01st April 2017- 31st March 2018. The injury investigation period is April 2014-March15, April 2015-March16 and April 2016-March17 and the Period of Investigation (POI).
- xv. Further information was sought from the applicant and other interested parties to the extent deemed necessary. Verification of the data provided by the Domestic Industry was conducted to the extent considered necessary for the purpose of the investigation.
- xvi. Transaction wise data was called from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) & DG Systems. The Authority has relied on DGCI&S data and the data of co-operative exporters for calculating volume and value of imports of the subject goods in India.
- xvii. The Authority held an oral hearing on 29th August, 2018 to provide an opportunity to all the interested parties to present relevant information orally in accordance to Rule 6 (6). The interested parties who had presented their views in the oral hearing were advised to file written submissions of the views expressed orally. The interested parties were provided opportunity to offer rejoinder submissions to the views expressed by the opposing interested parties. The Authority has considered submissions received from all the interested parties appropriately.
- xviii. Exporters, producers and other interested parties who have neither responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties.
- xix. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xx. *** in this disclosure statement represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxi. The exchange rate adopted by the Authority for the subject investigation is 1 US \$ = Rs. 65.33

B. PRODUCT UNDER CONSIDERATION

B.1 Submissions by the Domestic Industry

- 9. The following are the submissions made by the domestic industry with regard to product under consideration and like article:-

- i. The scope of the product under consideration under the present investigation is “Paracetamol also known as acetaminophen” as determined by the Authority in previous investigations. Paracetamol is an organic chemical and is classified under Custom sub-heading 2922.2933 of the Customs Tariff Act, 1975. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation.
- ii. Paracetamol is a white powder. Its chemical formula is C₈H₉N₀₂. Paracetamol is a common analgesic and antipyretic drug that is used for the relief of fever, headache and other minor aches and pains. It is a major ingredient in numerous cold and flu medications and many prescription analgesics.
- iii. The present investigation being a Sunset Review investigation and antidumping duties, as earlier recommended by the Authority, being in force on the imports of the subject goods from the subject country, the Authority should consider that the scope of the PUC in the present investigation remains the same as that of the earlier investigations.

B.2 Submissions by the exporters/importers/other interested parties

10. None of the other interested parties have raised any issues with regard to the product under consideration.

B.3 Examination by Authority

11. The product under consideration in the present Sunset Review investigation is Paracetamol. Paracetamol is classified under Customs sub heading No 2922.2933 under chapter 29 of the Customs Tariff Act, 1975. However, customs classification is indicative in nature and not binding on the scope of the investigation.
12. The Product under consideration as defined in the previous investigations is as follows :-

“The product under consideration, in the original as well as the 1st SSR investigation and the present sunset review investigation, is “Paracetamol also known as acetaminophen”, originating in or exported from China PR. The present investigation being a sunset review, the investigation covers the product covered in the original investigation as well as the 1st SSR investigation”.
13. The present investigation being a Sunset Review investigation and antidumping duties, as earlier recommended by the Authority, being in force on the imports of the subject goods from the subject country, the Authority considers that the scope of the PUC in the present investigation remains the same as that of the earlier investigations. Moreover, none of the interested parties has made any submission in this regard.

14. Therefore the authority has considered PUC as under :-

The product under consideration, in the previous investigations as well as the present sunset review investigation, is “Paracetamol also known as acetaminophen”, originating in or exported from China PR. The present investigation being a sunset review, the investigation covers the product covered in the original investigation.

“Paracetamol is an odourless white crystalline powder. Its chemical formula is C₈H₉NO₂. Paracetamol is a bulk pharmaceutical active ingredient, displaying analgesic and antipyretic properties. It is used in a number of Rx and OTC drug formulations in the form of powders, granules, injectibles and tablets. Paracetamol is an organic chemical and is classified under Custom sub-heading 2922.2933 of the Customs Tariff Act, 1975. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation.”

C. LIKE ARTICLE

C.1 Submissions by the Domestic Industry

15. The domestic industry has claimed that there is no known difference in subject goods exported from subject country and that produced by the Indian industry. Both the products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications and tariff classification etc.

C.2 Submissions by the exporters/importers/other interested parties

16. None of the interested parties have disputed the claims made by the domestic industry in this regard.

C.3 Examination by Authority

17. The Authority notes from the information available on record that the product under consideration produced by the Domestic Industry is like article to the goods imported from the subject country. Product under consideration produced by the Domestic Industry and imported from the subject country are comparable in terms of physical characteristics, manufacturing process & technology, functions & uses, product specifications and tariff classification of the goods. It is further noted that the Designated Authority had examined the issue of product under consideration and like article in the previous investigations, which mutatis mutandis is relied upon in the present review investigation. The goods produced by the Domestic Industry and imported from the subject country are like articles in terms of the Rule 2(d) of the Anti-Dumping Rules. The two are technically and commercially substitutable. The consumers are using the two interchangeably.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submissions by the Domestic Industry

18. The domestic industry has made the following submissions:-
- i. The Petition for review and continuation of the anti-dumping duty in force on imports of Paracetamol originating in or exported from China PR has been filed by M/s Farmson Pharmaceuticals Gujarat Private Limited and M/s Sri Krishna Pharmaceuticals Limited and was supported by M/s Bharat Chemicals, M/s Granules India Ltd., and M/s Meghmani LLP.
 - ii. The Petitioners other than M/s Sri Krishna pharmaceutical have not imported the product under consideration. M/s Sri Krishna pharmaceuticals Ltd have imported merely 30 MT, which is insignificant in relation to its production, Indian production and Indian demand.
 - iii. Petitioners command a major proportion in Indian production and accordingly constitute “domestic industry” within the meaning of the Rules.
 - iv. Petitioner is not related, either directly or indirectly, to any exporter or importer of product under consideration in the subject country. Thus, the petitioner is an eligible Domestic Industry under Rule 2(b) read with Rule 5(3) of the Anti-Dumping Rules.

D.2 Submissions by the exporters/importers/other interested parties

19. The interested parties have made the following submissions:-
- i. The levy of the anti-dumping duty is dependent upon the dumping margin and there is no such principle of granting sufficient protection to the domestic industry in the anti-dumping investigations.
 - ii. There are significant changes in the composition of the domestic industry in all the four investigations concerning the product under investigation before the Authority as may be seen from the following:-
 - a) Original Investigation: It may be seen that in the original investigation before the Authority, there were four producers namely M/s Triton Laboratories Ltd., M/s Vamsi Labs Ltd., Srinivasa Agro Industries & Drugs Ltd. and Sri Krishna Pharmaceuticals Ltd. who participated in the investigation and provided injury information.
 - b) First Sunset Review: In first sunset review there were three producers namely, Sri Krishna Pharmaceuticals, M/s Farmson Analgesics Pvt. Ltd and M/s Bharat Chemicals ltd.
 - c) Second Sunset Review: In the second SSR, Sri Krishna Pharmaceuticals Ltd. and M/s Bharat Chemicals Ltd. provided injury information.
 - d) Third Sunset Review-Present Investigation: In the current investigation, again only the 2 producers namely Sri Krishna Pharmaceuticals Ltd. and M/s Farmson Analgesics Pvt. Ltd. have been participating and provided injury information.
 - e) The composition of the domestic industry or the domestic producers in all the four investigations are different and it is not difficult to assume

that the composition of the domestic producers was changed at their will and desire to suit their needs,

- f) It may be seen that the domestic producers who were petitioners in the previous investigations i.e. original investigation and the two sunset review investigations have not provided any information in the present case
 - g) There is no analysis or reasons in the petition as to why those producers who were petitioners in the earlier investigations are not providing information in the current investigation.
 - h) In the initiation notification also, there is no analysis with respect to those producers not providing information.
 - i) M/s Triton Laboratories Ltd. was merged with Granules India Ltd. in the year 1998. However, M/s Triton Laboratories Ltd. was projected as a separate company from Granules India Ltd. In spite of the fact that the former was merged with the later at the time of initiation of original investigation i.e. on 30th January 2001 and no company with the name of Triton Laboratories existed at the time of initiation of original investigation. However, the domestic producers forming part of the domestic industry at the time of original investigation misled the Authority and got the anti-dumping duties imposed by misrepresenting the facts in the original investigation.
 - j) M/s Granules India Ltd. in the first sunset review investigation was shown as an importer and not included as part of the investigation. M/s Granules India Ltd. is the largest producer of subject goods in India. It has sales of Rs. 579 Crores in the POI
 - k) The domestic industry has not provided the injury information of M/s Granules India Ltd despite it being the largest company.
 - l) Even in the previous two sunset reviews investigations, no injury information was obtained from M/s Granules India Ltd. for a meaningful analysis and conclusions in those investigations. There are no reasons in the petition or in the initiation notification as to why this producer has not provided information in the present investigation when the amalgamated company of Granules India i.e. Triton Laboratories participated in the original investigation as a petitioner and provided injury information.
- iii. M/s Farmson Analgesics Pvt. Ltd. is also one of the largest producers of the subject goods in India. It was a petitioner in the first sunset review and not a petitioner in the second sunset review. With regard to this producer also, there are no reasons in the petition or in the initiation notification as to why this producer has not provided information in the 2nd sunset review and is now providing injury information in the present investigation.
- iv. The producers who were also the petitioners in the previous investigations commanding majority of the production have not provided injury information in the current investigation and only the producers with a limited and low share in the total domestic production have provided injury information, there

is no ground for the continuation of the duties in the current investigation as in each investigation the sufficient injury information of the domestic industry has been kept away from the examination.

- v. The present case is a fit case for termination of investigation and discontinuation of the duties.

D.3 Examination by the Authority

20. Rule 2 (b) of the AD rules defines domestic industry as under:

“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those 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 such case the term ‘domestic industry’ may be construed as referring to the rest of the producers.”

21. The petition has been filed by M/s Farmson Pharmaceuticals Gujarat Private Limited and M/s Sri Krishna Pharmaceuticals Limited and was supported by M/s Bharat Chemicals, M/s Granules India Ltd., and M/s Meghmani LLP. Post initiation, one of the supporting companies namely M/s Bharat Chemicals has provided all the necessary information. However, the Authority has not considered the same as it was filed at belated stage of investigation.
22. In the present case, the producers before the Designated Authority have output constituting a major proportion of the total domestic production and thereby the legal requirement as stipulated in Rule 2 (b) of the AD rules is met. However, in case of Sunset review it would be desirable to have the same composition of domestic industry as in original investigation.
23. The Authority notes, on the basis of information on record that the production of Applicants constitutes a major proportion of total Indian production. Among the petitioners M/s Sri Krishna pharmaceuticals Ltd. has imported merely *** MT of PUC during POI, which is ***% in relation to its production and ***% in Indian demand, which is very insignificant and therefore the Authority has considered them as an eligible domestic industry while initiating the present investigation. Also, the Authority had satisfied itself of the adequacy and accuracy of the data submitted by the petitioner by an onsite visit. Further, the petitioners are related neither to an importer in India nor to any exporter from subject country. Thus, the petitioner companies are eligible domestic industry in terms of AD Rules. Further, production of the petitioner companies constitutes “a major proportion of total Indian production” and hence, satisfies the standing requirements for the subject goods under Rule 2(b) and Rule 5(3) of the AD Rules.

E. ISSUES RELATING TO CONFIDENTIALITY

E.1 Submissions by the domestic industry

24. The domestic industry has made the following submissions:-
 - i. The exporter/ producers have made unnecessary claims as to confidentiality or provided incomplete information thereby handicapping the domestic industry

in making meaningful comments with regard to the responses filed. The responses are not properly indexed or summarized.

- ii. Information provided in non-confidential version is beyond understanding. The NCV does not provide clear understanding of the data and the domestic industry is unable to provide detailed comments on that for the same reason.
- iii. Non-confidential version of the questionnaire responses is grossly inadequate and incomplete. The concerned interested party has not disclosed all such information that they are obligated to disclose under the Rules and practice being followed by the Designated Authority in this regard.

E.2 Submissions by the exporters/importers/other interested parties

25. The exporters/importers/other interested parties have made the following submissions:-
 - a. The petitioners have claimed excessive confidentiality without providing any legitimate reasons in violation of Rule 7 of the Customs and Tariffs Rules, 1995. The Petitioners have not disclosed the following information in their petition:-
 - b. Soft Copy in excel file of transaction-wise and sorted import data, raw/original import data and list of excluded transactions from DGCI&S has not been provided.
 - c. The import data has not been provided for the whole POI and has been provided only for the 9 months.
 - d. The item-wise details of constructed normal value have been kept as confidential,
 - e. Company-wise production details of the petitioners, supporting producers and the domestic producers have been kept as confidential.
 - f. The annual report of the companies for the POI and the previous three years have not been provided. The domestic industry has simply stated that the same may be seen from the website of the petitioners. However, it may be seen that there are no annual reports available on the website of the petitioners.
 - g. In the application, it has been mentioned that Sri Krishna Pharmaceuticals Ltd. has imported the subject goods. However, the reasons have not been provided by the domestic industry.
 - h. The domestic industry has claimed adjustment from export price for ocean freight, marine insurance, port expenses, bank charges, inland transportation, commission and VAT adjustment. However, no evidence with regard to the aforesaid adjustments claimed have been provided by them,
 - i. Profit/ loss and ROCE in percentage terms have been kept confidential,
 - j. The Hon'ble Authority may kindly direct the petitioners to disclose and provide the aforesaid information so as to enable the exporters/ producers for making effective comments in this investigation.

E.3 Examination by the Authority

26. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides as follows:-

“7. Confidential information:-

(1) Notwithstanding anything contained in sub rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2)The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized or summary form, it may disregard such information.”

27. Submissions made by the interested parties with regard to confidentiality and considered relevant by the Authority are examined and addressed accordingly. Information provided by the interested parties on confidential basis was examined with regard to the need for treating them as confidential. On being satisfied, the Authority has accepted the confidentiality claims of all the parties and accordingly not disclosed such information to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide non-confidential summary of the information filed on confidential basis. The Authority made available the non-confidential version of the evidence submitted by various interested parties in the form of public file.

F. Miscellaneous Submissions

F.1 Submissions by the domestic industry

28. The exporter questionnaire filed by responding exporter/ producers namely M/s Anqiu Lu An Pharmaceutical Co., Ltd., Zhejiang Kangle Pharmaceutical Co., Ltd, M/s A.H.A International Co., Ltd., Zhejiang Chemicals Import & Export Corporation, and China Sinopharm International Corporation are deficient in nature and none of them have filed the exporter Questionnaire Response (Part2), which seeks information from the exporters on their capacities, capacity expansion, transaction wise third country exports, domestic sales, inventories etc. These details/information are indicative of likelihood behaviour of the exporters and therefore they are required to be submitted to the Authority in the Sunset Review investigation. It is submitted that, this is

not a case of deficient information but complete failure to file the required information in the prescribed format itself.

29. The production of product under consideration is quite limited globally. As, about 86% of global production is in India and China only and out of which 62% of the production is in China alone, while India commands the remaining 24%. Thus, any sickness in this industry would leave the Indian users at the mercy and monopoly of the Chinese producers.
30. That due to the adverse effect of the insufficient form of duty there were large-scale production suspension in the country, which was primarily in the last two decades (all these closures are more than 5 years old and are prior to previous extension of ADD).
31. As per 145th Parliamentary standing committee on commerce which assessed the impact of Chinese goods on Indian industry, it is clearly stated that API sector needs protection from import and the government of India also endeavors to revive the API sector in India.
32. Katoch Committee Report dated 24 September, 2015 on Active Pharmaceuticals Ingredients (APIs) specifically states that a long term strategy for strengthening API sector by involving Ministry of Commerce as well as other regulatory authorities is required which involves judicious and liberal use of measures like anti-dumping.
33. FICCI report February 2018 edition on “Trends and Opportunities for Indian Pharma” highlights that dependence on China for API supplies exposes the pharma industry to raw material supply disruptions and price volatility.
34. Office Memorandum dated 18 April, 2018 issued by the Government of India, Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, constituted a Task force to formulate a roadmap for enhanced production of API s in the country as there is need for concerted efforts to harness the opportunities in pharmaceutical sector.
35. The public at large is already well protected through a regulatory mechanism as Paracetamol is covered under National List of essential medicine in Pharmaceutical Policy, 2015.
36. Paracetamol is one of the cheapest API available in the country.

F.2 Submissions by the exporters/importers/other interested parties

37. None of the other interested parties has made any submissions.

F.3 Examination by the Authority

38. The Authority notes that Exporter Questionnaire Response (Part2), which seeks information from the exporters on their capacities, capacity expansion, transaction wise third country exports, domestic sales, inventories etc were later filed by the co-operative exporters/producers. The non-confidential versions of the said responses were kept in public file so as to facilitate their access to other interested parties.

The Authority takes note of the evidence filed by the Applicants as to the stance of Government of India with regard to API and other market information such as the report of FICCI.

G. NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

39. The Authority sent questionnaire to known exporters from subject country, advising them to provide information in the form and manner prescribed. The following producers and exporters from the subject country filed the questionnaire response:-

- i. M/s Anqiu Lu An Pharmaceutical Co., Ltd.
- ii. M/s A.H.A International Co., Ltd.
- iii. China Sinopharm International Corporation
- iv. Zhejiang Chemicals Import and Export Corporation.
- v. Lianyungang Kangle Pharmaceutical Co., Ltd.
- vi. Zhejiang Kangle Pharmaceutical Co., Ltd.
- vii. Hebei Jiheng (group) Pharmaceutical Co. Ltd.

40. According to Section 9A (1) (c) of the Customs Tariff Act, 1975 'Normal Value' in relation to an article means: -

“comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or

when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-

(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or

The cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin”.

G.1 Views of the Domestic Industry

41. The following are the submissions made by the domestic industry, during the course of present investigation and considered relevant by the Authority:-

- i. China needs to be treated as non-market economy for the reason that the costs and prices in China do not reasonably reflect the market forces. Para 8 to Annexure-I specifies the parameters which should be considered for grant of market economy status. This also implies that unless these conditions are not fulfilled/satisfied, the Chinese costs and prices cannot be adopted.

- ii. Chinese producers are required to be treated as companies operating under non-market economy environment and the Authority may proceed to determine the normal value on the basis of Para 7 of Annexure-I.
- iii. The imports are entering the Indian market at dumped prices.
- iv. There is difference in prices in different import transactions which mean that Chinese producers are selling very same product at a price which differs significantly even at the same time period and is not a peculiar phenomenon of POI, but extends to the entire injury period,
- v. It is a fit case where weighted average normal value cannot be compared with weighted average export price. The Designated Authority is, therefore, requested to compute the weighted average normal value and compare the same with individual export price and in all those import transactions where the dumping margin is negative, the same are required to be excluded for determination of dumping margin.
- vi. There can be no plausible reason/justification for such significant difference in the prices in respect of imports being reported at the same time.

G.2 Views of the interested parties

- 42. The submissions made by the producers/exporters/importers/other interested parties are as follows:-
 - i. Determination of the normal value for subject country in the current investigation as computed by the domestic industry is not in accordance with the legal provisions and therefore, the determination of dumping margin in the current investigation by the petitioners is flawed.
 - ii. Normal value for the companies in China PR in the current investigation may please be determined on the basis of their domestic sales and the cost of the subject goods.
 - iii. It is in view of the fact that the period of 15 years for disregarding the domestic prices or costs of Chinese producers not being on market economy conditions as provided in para 15(a)(ii) of the Protocol of Accession of the People's Republic of China to WTO, has expired on 11th December 2016 in terms of para 15 (d) and has become non-operational.
 - iv. At present, no provisions which enable the Hon'ble Authority for considering Chinese producers as operating on non-market economy principles for disregarding their domestic prices and costs and the normal value for China may be determined on the basis of their domestic prices and cost of the subject goods.
 - v. Any other methodology used for the determination of normal value for Chinese exporters would be in violation of the obligations of India under the WTO.
 - vi. Without prejudice to above submission it is submitted that determination of normal value for Chinese exporters on the basis of their records without following any additional procedure, domestic industry has arbitrarily

determined the normal value for Chinese exporters without following the due procedure as laid down under the Indian Anti-dumping Rules.

- vii. The constructed normal value proposed by the domestic industry is based on the cost of production in India and considering the rate of profit at 5%. However, the item-wise cost details of the constructed normal value have not been provided.
- viii. The methodology of relying upon the Indian costs and prices is to be followed only when it was not possible to construct the normal value on the basis of other alternatives prescribed in the opening sentence of Para 7.
- ix. In terms of the provisions of Para 7, the market economy third country is required to be first identified for determination of normal value and only where it is not possible to obtain necessary data from such third country, the normal value can be determined on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin.
- x. The domestic industry is under obligation to inform, without reasonable delay the selection of market economy third country to the parties concerned so as to provide an opportunity to respond to the same.
- xi. Mandatory procedure prescribed by the law has not been followed, as the interested parties have not been put to notice about selection of the third country. Nor have the interested parties been requested to suggest and make necessary information available about the third country.
- xii. In the absence of following the mandatory procedure, the present proceeding cannot continue in view of the decision of the Hon'ble Supreme Court in the case of Shenyang Matsushita 2005 (181) ELT 320 (SC).
- xiii. The failure to follow the mandatory procedure of Para 7 has substantive implications on the determination of the normal value and resultantly the dumping margin.
- xiv. Therefore, the Hon'ble Authority is requested to follow the procedure prescribed in Para 7 of the Annexure I in the current investigation.

G.3 Examination by the Authority

a. Normal Value in China

43. Upon initiation, the Authority advised the producers/exporters in China to respond to the notice of initiation and provide information relevant to determination of normal value. The Authority sent copies of the Supplementary questionnaire to all the known producers/ exporters for rebutting presumption of nonmarket economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the AD Rules. The Authority also requested Government of China to advise the producers/exporters in their country to provide the relevant information. However, none of the Chinese producers filed any response to the Supplementary questionnaire issued by the Authority.

44. Accordingly, the normal value and export price for all the producers/exporters from the subject country have been determined as below:

b. Determination of Normal Value for producers and exporters in China PR

45. As none of the producers from China PR have filed the Supplementary Questionnaire response, the normal value has been determined in accordance with Para 7 of Annexure I of Anti-Dumping Rules. In the absence of sufficient information on record regarding the other methods as are enshrined in Para 7 of Annexure I of the AD rules, the Authority has determined the normal value by adopting the method “any other reasonable basis”.

46. The Authority has, therefore, constructed the normal value for China PR on the basis of cost of production in India, duly adjusted, including selling, general and administrative expenses. Accordingly, the constructed normal value for Chinese exporters is determined **Rs. ******* per Kg.

c. Determination of export price of China PR

47. The Authority notes that exporters mentioned below from China PR have furnished information to the Authority, which was used for determination of export price and individual dumping margin.

- i. M/s Anqiu Lu An Pharmaceutical Co., Ltd.
- ii. M/s A.H.A International Co., Ltd.
- iii. China Sinopharm International Corporation
- iv. Zhejiang Chemicals Import and Export Corporation
- v. Lianyungang Kangle Pharmaceutical Co., Ltd.
- vi. Zhejiang Kangle Pharmaceutical Co., Ltd.
- vii. Hebei Jiheng (group) Pharmaceutical Co. Ltd.

In view of the responses filed, the Authority has analysed the response made by the producers /exporters as follows:-

M/s Anqiu Lu An Pharmaceutical Co., Ltd.(producer)and M/s A.H.A International Co., Ltd., China Sinopharm International Corporation and Zhejiang Chemicals Import and Export Corporation

48. The Authority notes that M/s Anqiu Lu An Pharmaceutical Co., Ltd. has exported *** MT of the subject goods directly to India and *** MT through its traders M/s A.H.A International Co., Ltd., China Sinopharm International Corporation and Zhejiang Chemicals Import and Export Corporation. The Authority notes that whereas Anqiu Lu An Pharmaceutical Co has reported an export price of US\$ ***/MT and A.H.A International Co., Ltd., China Sinopharm International Corporation and Zhejiang Chemicals Import and Export Corporation have reported net export price of US\$ ***, US\$ ***/MT and US\$ ***/MT respectively.

49. The producers-exporters have claimed price adjustments on account of inland freight, ocean freight, and marine insurance, credit cost, port expenses and VAT. Ex-factory export price has been determined for each producer/exporter. Weighted average export price of the said producer and its respective traders have thereafter been determined as US\$ *** /MT considering the total volume of exports made by the said exporter.

M/s Lianyungang Kangle Pharmaceutical Co., Ltd. (producer) and M/s Zhejiang Kangle Pharmaceutical Co., Ltd.

50. The Authority notes that M/s Lianyungang Kangle Pharmaceutical Co. has exported *** MT through its trader namely M/s Zhejiang Kangle Pharmaceutical Co., Ltd. They have claimed price adjustments on account of inland freight, ocean freight, marine insurance, credit cost, port expenses and VAT. After adjustment of the expenses claimed by the producer/trader, the authority has determined the ex-factory export price as US\$ *** /MT.

M/s Hebei Jiheng (group) Pharmaceutical Co. Ltd.(producer).

51. The Authority notes that M/s Hebei Jiheng (group) Pharmaceutical Co. Ltd have exported *** MT directly to India. The exporters have claimed price adjustments on account of inland freight, ocean freight, marine insurance, credit cost, port expenses and VAT. After adjustment of the expenses claimed by the producer/trader accordingly, the authority has determined the ex-factory export price as ***** US\$/MT.

d. Determination of Dumping Margin

52. The dumping margin during the POI for all exporters/producers from the subject country has been determined as provided in the table below:-

Name of company (Producer) (POI)	Name of the company (Exporter)	CNV US\$/MT	NEP US\$/MT	Dumping margin US\$/MT	DM%	Range
M/s Anqiu Lu An Pharmaceutical Co., Ltd.	M/s A.H.A International Co., Ltd.	***	***	***	***	0-10
	China Sinopharm International Corporation					
	Zhejiang Chemicals Import and Export Corporation					
Lianyungang Kangle Pharmaceutical Co., Ltd.	Zhejiang Kangle Pharmaceutical Co., Ltd.	***	***	***	***	0-(10)
Hebei Jiheng (group) Pharmaceutical Co. Ltd.		***	***	***	***	10-20

e. Determination of Dumping Margin for China PR as a whole.

a) Comparing the normal value and export price at ex-factory level for the country as a whole, the dumping margin for the subject country is determined as below:

Particulars US\$/Kg -Rs./Kg (POI)	US\$/Kg	Rs./Kg
Normal Value	***	***
Net Export Price	***	***

Dumping Margin	***	***
Dumping Margin %	***	***
Range %	10-20	10-20

- b) After detailed analysis of DGCIS transaction wise data it has been observed that out of total imports of China PR i.e*** MT *** % imports are dumped and *** % are injurious.

H. INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

H.1 Submissions by the Domestic Industry

53. Following are the submissions made by the Domestic Industry: -

- i. Nature of sunset review is different than that of original investigation as the focus is more on likelihood of the continuation or recurrence of dumping and injury, in case antidumping duties are removed. Presence of current injury or presence of current dumping is not required to be examined for the review cases where likelihood of injury is more important.
- ii. With respect to the injury determination, if the anti-dumping duty has had the desired effect, the condition of the domestic industry is expected to have improved during the period the anti-dumping duty was in force.
- iii. The assessment whether injury will continue, or recur, would entail a counter-factual analysis of future events, based on projected levels of dumped imports, prices, and impact on domestic industry.
- iv. The Designated Authority has to address the question as to whether the domestic industry is likely to be materially injured again, if duties are lifted.
- v. There is negative price undercutting. This is due to anti-dumping duty in force; the situation is likely to reverse in the event of cessation of anti-dumping duty.
- vi. There had been an increase in selling price and the landed price of imports due to anti-dumping duty in force. In the event of cessation of anti-dumping duty, the imports in all likelihood would have price suppression and depression effect.
- vii. Production, capacity utilization and sales of the domestic industry have increased. However, should the present duties cease at this stage, the capacity utilization shall decline significantly.
- viii. Profits, cash profits and return on capital employed of the domestic industry have increased since the base year.
- ix. Market share of the domestic industry and other Indian producers has remained constant throughout the investigation period. In the event of cessation of anti-dumping duty, the dumped imports from subject country will resume in significant volumes taking away market share of the domestic industry.

- x. The growth of the domestic industry in terms of most of the parameters has shown improvement. This is due to anti-dumping duty in force. The situation is likely to reverse in the event of cessation of anti-dumping duty.
- xi. In the present case, export price from subject country significantly differs in terms of time period and therefore it is a fit case where weighted average normal value cannot be compared with weighted average export price.
- xii. The Designated Authority is requested to consider weighted average normal value and compare with individual export price and in all those import transactions where the dumping margin is negative, the same are required to be excluded for determination of dumping margin.
- xiii. The period for which duty has been in force is irrelevant for determining whether there is a need for continuation of duties. The law provides for extension of duties if the cessation of such duties is likely to lead to continuation or recurrence of dumping or injury. Even as per the practice of other countries such as Canada, USA, Brazil and European Union, duties may continue to be in force for more than 15 years, even if there are no imports of the subject goods.

H.2 Submissions by the exporters/importers/other interested parties

54. Following are the submissions made by the exporters.
- i. There is no injury to the domestic industry in the current investigation and all the injury parameters of the domestic industry have significantly improved over the injury investigation period.
 - ii. The anti-dumping duties against the import of subject goods are in existence for more than 17 years and the present case is not a special case where duties are required to be extended for a further period of 5 years.
 - iii. The majority of imports to India from subject country are under duty free schemes such as advance license, DEPB etc. run by the Govt. of India which are not subject to duty.
 - iv. Even if such imports are included for analysis of injury and likelihood of injury and anti-dumping duty is recommended, the imports made under said duty free schemes would not be subject to any anti-dumping duty and would continue to come to India
 - v. The composition of the domestic industry in all four investigations before the Hon'ble Authority has significantly changed. Therefore, there are no reasons to believe that the domestic industry is being currently affected.
 - vi. The largest producer of the subject goods i.e. Granules India having sales of Rs. 579 Cores in the period of investigation in India have been abstained from all the 3 sunset review investigations and provided no injury information. Therefore, the analysis of injury and likelihood of injury on the basis of limited information in all the 3 SSR investigations cannot give the true picture of the state of the domestic industry and therefore, in the current case, there is no need to extend duty for another period of five years.

- vii. The Authority while issuing the Final Finding concerning Dry Cell Batteries from China PR (Case No. 15/2/2011-DGAD & Final Findings dated 20th May 2013) has held that the anti-dumping duties beyond 10 years be imposed in Special cases only.
- viii. In case there is increase in imports from subject country after the anti-dumping duty is not extended, the domestic industry can always file application for initiation of fresh anti-dumping investigation.

H.3 Examination of the Authority

- 55. According to Section 9(A)(5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.
- 56. For the examination of the impact of imports on the domestic industry in India, the Authority has considered indices having a bearing on the state of the industry such as production, capacity utilization, sales quantum, stock, profitability, net sales realization, the magnitude and margin of dumping etc. in accordance with Annexure II(iv) of the Rules.
- 57. Rule 11 of Antidumping Rules read with Annexure-II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles..." In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
- 58. Article 3.1 of the WTO Agreement and Annexure-II of the AD Rules provide for an objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.

59. In consideration of submissions received in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country.

(i) Assessment of Demand/ Apparent Consumption

60. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the subject goods in India as the sum of domestic sales of the Indian producers and imports from all sources. The demand for the product under consideration is given below:-

**April 17 to Mar18*

Demand	Unit	2014-15	2015-16	2016-17	POI
Sales of Domestic Industry	MT	***	***	***	***
Indexed		100	104	108	108
Sales of Other Indian Producers	MT	***	***	***	***
Indexed		100	114	108	110
Imports from					
China	MT	4,356	1,930	2205	2969
Other Countries	MT	79	115	30	65
Total Demand	MT	48,251	50,295	49,603	50,770

61. The Authority notes that the demand has shown increase over the injury period, even though it had marginally declined in 2016-17 as compared to the preceding year. The demand increased once again in the period of investigation as compared to both the preceding year and base year.

(ii) Volume Effect of Dumped Imports and impact on Domestic Industry: Import volume and Market Share.

62. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. The table below summarizes the factual position with regard to import volumes and market share:-

Particulars	Units	2014-15	2015-16	2016-17	POI
China	MT	4,356	1,930	2205	2,969
Other Countries	MT	79	115	30	65
Total imports	MT	4,434	2,045	2235	3034
Market Share in Demand					
Sale of Domestic Industry	%	***	***	***	***
Sale of other Indian Producers	%	***	***	***	***
Import from subject country	%	9%	3.8%	4.44%	5.84%
Import from other countries	%	0.16%	0.22%	0.06%	0.11%
Total Demand	%	100	100	100	100

63. It is seen that the import volume declined till 2015-16 and increased thereafter. Also, the market share in demand of the domestic industry has remained more or less constant.

(iii) Price Effect of the Dumped Imports on the Domestic Industry

a. Price Undercutting

64. With regard to the effect of dumped imports on prices, the Designated Authority is required to consider whether there has been a significant price undercutting by the dumped imports when compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase, which otherwise would have occurred, to a significant degree. In this regard, a comparison has been made between the landed value of the product and the selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The Authority has compared landed price of imports with the selling price of the domestic industry for the subject goods.

Price Undercutting

Particulars	Unit	POI
Landed price of imports from China PR	Rs./Kg	250.06
Net Sales Realization	Rs./Kg	***
Price undercutting	Rs./Kg	(***)
Price undercutting	%	(***)
Range		(0-10)

From the above, the Authority notes that there is no price undercutting.

65. The domestic industry submitted and opposing interested parties have not disputed that the entirety of the imports were made under advance license and therefore neither customs duty nor ADD was paid on these imports.

b. Price Suppression/ Depression

66. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown as per the table below:-

Particular	Unit	2014-15	2015-16	2016-17	POI
Cost of sales	Rs./Kg	***	***	***	***
Trend		100	89	87	99
Selling price	Rs./Kg	***	***	***	***
Trend		100	93	89	103
Landed price of imports	Rs./Kg	265	266	238	250
Trend		100	102	87	94

67. The Authority notes that whereas the selling price has increased in the POI as compared to the base year, the cost of sales has marginally declined in POI. The landed value of imports from subject country has declined in POI as compared to the base year. The Authority notes that the domestic industry increased its selling price in proportion to increase in cost of sales throughout the injury period. Therefore, there is no price suppression or depression.

(iv) Economic Parameters of the Domestic Industry

68. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the Anti-dumping Rules further provide that the examination of the impact of the dumped imports on the Domestic Industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.

69. Accordingly, various economic parameters of the Domestic Industry are analyzed herein below:-

a) Production, Capacity, Capacity Utilization and Sales Volume

70. Production, sales, capacity & capacity utilization details are as follows:-

Particulars	Unit	2014-15	2015-16	2016-17	POI
Capacity	MT	***	***	***	***
Trend	Indexed	100	100	100	100
Production	MT	***	***	***	***
Trend	Indexed	100	103	111	126
Capacity utilization	%	***	***	***	***
Trend	Indexed	100	103	111	126
Domestic Sales for PUC	MT	***	***	***	***
Trend	Indexed	100	113	116	117

From the above information, the Authority notes the following:-

- a) Capacity of the domestic industry has remained constant over the period.
- b) The production, sales and capacity utilization of the Domestic Industry has increased over the injury period.

b) Demand

Demand	Unit	2014-15	2015-16	2016-17	POI
Sales of Domestic Industry	MT	***	***	***	***
Indexed		100	104	108	108
Sales of Other Indian Producers	MT	***	***	***	***
Indexed		100	114	108	110
Imports from					
China	MT	4,356	1,930	2205	2969
Others	MT	79	115	30	65
Total Demand	MT	48,251	50,295	49,603	50,770

71. From the above information it is noted that

- i) Sales of DI and other Indian producers have increased from the base year.
- ii) Imports from China PR and other countries have declined from the base year despite increase in total demand during the same period.

c) Market Share in Demand

72. The details of market share of the Domestic Industry in demand are given in table below.

Particulars	Unit	2014-15	2015-16	2016-17	POI
Sale of Domestic Industry	%	***	***	***	***
Sale of other Indian Producers	%	***	***	***	***
Import from subject country	%	9%	3.8%	4.44%	5.84%
Import from other countries	%	0.16%	0.22%	0.06%	0.11%
Total Demand	%	100	100	100	100

73. It is seen that the market share of Domestic Industry has marginally increased over the injury period.

a. Profitability, return on investment and cash profits

74. Performance of the Domestic Industry with regard to profits, return on investment and cash flow is as follows: -

Particulars	Unit	2014-15	2015-16	2016-17	POI
Profit/(Loss)	Rs./ Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	375	225	325

Cash Profit	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	240	165	255
Return on Capital Employed- NFA	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	173	90	136

75. It is seen from the above table that the profitability, cash profits and return on investments have increased in the POI when compared to the base year.

a. Inventories

76. Inventories with the Domestic Industry are as follows:-

Particulars	Unit	2014-15	2015-16	2016-17	POI
Average	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	110	125	130

77. It is noted that the average inventory level of the subject goods has shown an increasing trend.

b. Employment, Productivity and Wages

78. Performance of the Domestic Industry with regard to employment, productivity and wages is as follows:-

Particulars	Unit	2014-15	2015-16	2016-17	POI
No of Employees	Nos	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	110	118	119
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	104	138	168
Productivity/person/Day	Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	94	94	106

79. It is seen from the above that the number of employees, wages and productivity during POI have increased as compared to the base year.

I. Magnitude of Injury and injury margin

80. The Non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of Annexure III to the AD Rules has been compared with the landed value of the exports from the subject country for determination of injury margin during the POI and the injury margin so worked out is as under.

SN	Particular	UOM	China (POI)
1	Import Volume	MT	2969
2	Non Injurious Price	Rs/KG	***
3	Landed Price	Rs/KG	***
4	Injury Margin	Rs/KG	(***)
5	Injury Margin	%	(***)
	Injury Margin RANGE		0-(10)

J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

81. As this is a Sunset Review investigation and the authority now examines the likely scenario of continued dumping and consequent injury if the anti-dumping duties were allowed to expire.

J.1 Submissions by the Domestic Industry

82. Following are the submissions made by the Domestic Industry with regard to likelihood of continuation of dumping and consequent recurrence of injury –
- i. A perusal of Article 11.1 of AD Agreement and Section 9A (5) of the Customs Tariff Act, clearly suggests that the main intent behind the legislation of Sunset Review investigation is to examine: -
 - a) Whether the dumping continued and if so, whether it is likely to continue;
 - b) In case where dumping did not continue, whether the dumping would recur in the event of revocation of anti-dumping duties;
 - c) Whether the Domestic Industry continued to suffer injury; and if so, whether injury to the domestic industry is likely to continue;
 - d) In case where the Domestic Industry has not suffered continued injury, whether injury to the Domestic Industry is likely to recur in the event of revocation of anti-dumping duties.
 - ii. The original investigation and the subsequent Sunset Review investigations also established the existence of significant dumping. The dumping margin in the previous as well as the first SSR was quite high.
 - iii. There is a long history of dumping of subject goods from China in domestic market as well as in other countries such as South Africa and Indonesia.
 - iv. The continued dumping was only reduced after the last concluded sunset review investigation. Prior to that, the domestic industry was suffering continued injury on account of significant dumped imports, as stated by the Authority in the final findings earlier notified in the review cases.
 - v. The significant level of these imports only started declining since 2015-16. However, it is pertinent to note that the domestic industry is still healing from the past injurious effects of dumping and thus is in a vulnerable state.

Cessation of anti-dumping duties is likely to cause intensified injury to the domestic industry.

- vi. It would appear that the domestic industry has enjoyed antidumping duty protection for the last 15 years, the fact is that the domestic industry has been effectively protected for only last five years. The Chinese producers continued dumping and the same caused injury to the domestic industry for one decade, despite the ADD being in force.
- vii. The change in the form of duty from benchmark to fixed quantum has led to reduction in imports. Cessation of antidumping duty is likely to increase the imports as significant surplus capacities are available with the producers. The decline in the imports is because of existence of ADD.
- viii. Due to continuous dumping, several plants producing the PRODUCT UNDER CONSIDERATION have been closed down in the country namely:-
 - M/s Triton Laboratories Ltd.
 - M/s Vamsi Labs Ltd.
 - M/s Srinivasa Agro Industries & Drugs Ltd.
 - M/s Pan Drug
 - M/s Alpha Drug
 - M/s Glaxosmithkline Pharmaceuticals Ltd.
 - M/s Thexa Pharma Pvt. Ltd.
 - M/s Vani Pharma Labs Ltd.
 - Rohini Chemical
 - Fortune Chemical
 - Dinesh Pharmaceutical
 - Dr. Jain's Company
 - Saboo Medichem
- ix. The production of product under consideration is quite limited globally. About 86% of global production is in India and China. 62% of the production is in China alone, while India commands 24%. Thus, any sickness in this industry would leave the global demand at the mercy of the Chinese producers.
- x. The questionnaire responses filed by the exporters, establish that there is import of subject goods from subject country at dumped price.
- xi. The domestic industry in the present scenario is still reeling from the adverse effects of the dumping and has shown marginal growth in terms of its economic parameters. The same growth would be reversed if the Anti-dumping duty is ceased by the Authority.
- xii. The only reason the domestic industry has not suffered further deterioration in its performance is that the volume of imports was low due to the duties in force. However, the producers in the subject country have significant idle capacities, which are sufficient to meet the entire demand in India. In the

event of cessation of duty, the exports are likely to utilize these unutilized capacities and flood the Indian market.

- xiii. The foreign producers are export oriented, in as much as their capacities are far more than the domestic demand in the subject country. The production of the subject goods in subject country is in the range of 1 lac MT, as against 2.21 lac MT capacities; whereas the domestic demand for the product in China is far lower nearly 20,000 MT. This clearly shows that the exporters have built up capacities in excess of the demand in the subject country out of 1 lac MT production, about 80% are meant for exports.
- xiv. The exporters have not only been dumping in India, but also in other countries. Further, the prices at which the goods have been supplied to these countries are lower than the non-injurious price. It is therefore, reasonable to conclude that the exporters are likely to sell at dumped and injurious prices in India as well in case the duty is revoked.
- xv. The export price from subject country to various countries globally are far lower than the export price to India in respect of significant proportion of exports from subject country to various countries globally. The dumping margin and injury margin in these third countries exports are higher than the dumping margin and injury margin in respect of exports to India.
- xvi. Since India is a more price attractive market as compared to third countries, the exporters would prefer to divert their goods from other countries to India in case of revocation of duty, in order to increase their profits and capture the market. Considering that the exporters have no commitments in these third country markets and the sole criteria for them to price their product is price received by them.
- xvii. Decline in imports post imposition of duty and positive dumping margin in such imports implies likelihood of dumping in the event of withdrawal of duty and in itself justifies extension of anti-dumping duty.

J.2 Submission of exporters

- 83. There is no likelihood of recurrence of injury as per Article 9A (5) of the Customs and Tariffs Act.
 - i. The petitioners have not given the details of excessive capacity available with the Chinese producers and their likelihood of being exported to India, the petitioners have failed to make out a case of likelihood of dumping.
 - ii. This clearly indicates that there is no likelihood of injury to the domestic industry in the current investigation and the present investigation deserves termination.

J.3 Examination by the Authority

84. The Authority examined the likelihood of continuation or recurrence of injury considering the parameters relating to the threat of material injury in terms of Annexure II (vii) of the Anti-dumping Rules. The domestic industry has submitted the details of exports of China to third countries as per China customs which shows that ***% volume of exports to third countries are at a price lower than price at which China exports to India and ***% of the volume of exports to third countries are at a price above than price at which China exports to India.
85. The Authority has taken into consideration the submissions made by the domestic industry and the evidence presented in support of their submissions. The Authority has examined the likelihood of continuation or recurrence of injury under following heads:
- A significant rate of increase importation; of dumped imports into India indicating the likelihood of substantially increased importation.
 - Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
 - Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
 - Inventories of the article being investigated.
86. **A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.**

Particulars	Units	2014-15	2015-16	2016-17	POI
China	MT	4,356	1,930	2205	2969
Others	MT	79	115	30	65
Total imports	MT	4,434	2,045	2,235	3,034

**April 17 to Mar18*

87. The Authority notes that there was a consistent decline in the volume of imports compared to base year.
88. An analysis of transaction wise data of the cooperative producers with their respective exporters so as to arrive at dumped and injurious imports of the cooperative producer of the present investigation is as follows: -
- a) **M/s Anqiu Lu An Pharmaceutical Co., Ltd.**

The total exports to India by the said producer with trader of the subject goods are *** MT out which *** MT are dumped imports and *** MT are injurious imports.

b) M/s Lianyungang Kangle Pharmaceutical Co., Ltd

Total exports to India by the said producer of the subject goods through its exporters is *** MT out which dumped imports constitute ***MT. No injurious imports were found for the said producer through its exporter.

c) M/s Hebei Jiheng (group) Pharmaceutical Co. Ltd

Total exports to India by the said producer of the subject goods is *** MT. All imports of the said producer are dumped and *** MT are injurious.

(b) Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.

89. The Authority evaluated the existing surplus capacities, capacity addition, if any, with the responding exporters, possibility of trade diversion from third countries to India, freely disposable production capacities with the responding exporters. The analysis shows as follows:

a. Capacity, production, surplus capacities, exports to India and rest of the world, volume of exports to India

Name of Producer	Units	Anqiu Lu An Pharmaceutical Co., Ltd.	Lianyungang Kangle Pharmaceutical Co., Ltd.	Hebei Jiheng (group) Pharmaceutical Co. Ltd.	Total
Capacity	MT	***	***	***	***
Production (POI)	MT	***	***	***	***
Capacity utilisation	%	***	***	***	***
Domestic Consumption	MT	***	***	***	***
Exports to India	MT	***	***	***	***
Exports to ROW	MT	***	***	***	***
Total Exports	MT	***	***	***	***
% Exports Orientation	Range %	***	***	***	35-45

b. After analysis of the capacities of the cooperative exporters, the Authority notes that the capacities of the following non-cooperative exporters/producers as per the data submitted by the petitioner and the information available in public domain.

S. no	Producers in China	Capacity (MT per annum)
1.	Anhui BBKA Likang Pharmaceutical	10,000
2.	Changshu Huagang Pharmaceutical	8000
3.	Jiangsu World kindly Pharmaceutical	10000
4.	Wenzhou Pharmaceuticals factory	6,000
5.	Jiangsu Guoheng Pharma chemicals Co., Ltd.	2,500
6.	Runqi trading Co., Ltd	12,000
7.	Shanghai Bailion Chemicals Co., Ltd	50,000
8.	Lianoyuan City Baikang Pharmaceutical	500
9.	Total capacity of non-co-operative entities	99,000
10.	Total capacity of cooperative producers	75,000
11.	Total capacity of China PR	174,000
12.	Indian demand	51,069

c. However, it is observed from the analysis of the cooperating producers that the trading companies do not have their own production facilities and they quote the capacity of the producers on their websites.

d. Considering the capacity utilisation and export orientation of the responding producers and evidence provided by the domestic industry, it is evident that there are surplus capacities in China and the Chinese producers are export oriented.

(C) Inventories of the article being investigated

90. The questionnaire response filed by the Chinese producer's shows that level of inventories with the cooperative producers/ exporters is quite significant.

Producer	Units	2015	2016	2017	POI
M/s Anqiu Lu An Pharmaceutical Co., Ltd.	MT	***	***	***	***
Lianyungang Kangle Pharmaceutical Co., Ltd.	MT	***	***	***	***
Hebei Jiheng (group) Pharmaceutical Co. Ltd.	MT	***	***	***	***
Total	MT	***	***	***	***

(D)Price attractiveness of Indian market

91. Analysis of the China PR Custom data with regard to export from China PR to the rest of the world. indicate that with the revocation of ADD, the Indian prices would be attractive for the Chinese producers/Exporters to increase their exports to India and the same can be deduced from the table given below:

Country	Quantity (kg)	Value USD	Price USD/kg
India (IN)	***	***	***
Congo,DR	***	***	***
Cuba (CU)	***	***	***
Kenya (KE)	***	***	***
Mauritius (MU)	***	***	***
Indonesia (ID)	***	***	***
S. Africa (ZA)	***	***	***
Iraq (IQ)	***	***	***
Zambia (ZM)	***	***	***
Russia (RU)	***	***	***
Iran (IR)	***	***	***
Syrian (SY)	***	***	***
Benin (BJ)	***	***	***
Mozambique (MZ)	***	***	***
United Arab Emirates (AE)	***	***	***
Tanzania (TZ)	***	***	***
Lithuania (LT)	***	***	***

Source : China Custom

92. The Authority notes that *** % total volume of exports to third countries is at a price lower than the price at which China exports to India. Whereas ***% of the total exports are exported are above the price at which China exports the subject goods to India.

(E) Export Orientation of China PR

93. As per the data of China Customs and other evidence filed by the Domestic Industry, the Authority notes that the producers in China are oriented towards exports globally.

In the event of cessation of ADD, there is probability that the exporters/producers would resort to dumping of subject goods to India.

K. CAUSAL LINK AND NON ATTRIBUTION ANALYSIS OF OTHER KNOWN FACTORS

94. Having examined the existence of continued dumping, volume and price effects of dumped imports on the prices of the Domestic Industry, other indicative parameters listed under the Indian Rules and Agreement on Anti-Dumping have been examined herein below by the Authority to see whether any other factor, other than the dumped imports could have contributed injury to the Domestic Industry.

a. Volume and price of imports from third country:

95. Statement of imports from countries other than the subject country shows that the imports of subject goods from other countries are entering at below de minimis level. Therefore, the imports from other countries cannot be considered to have caused injury to the Domestic Industry

b. Contraction in Demand and / or Changes in Pattern of Consumption

96. Overall demand for the subject goods has shown positive growth during the injury period. It is also noted that no significant change in the pattern of consumption has come to the knowledge of the authority, nor any interested party has made any submission in this regard.

c. Trade restrictive practices of and competition between the foreign and domestic producers

97. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry as the raw materials as well as the subject goods are freely importable in the country. The Domestic Industry competes among one another and at the same time competes with the imports of the subject goods.

d. Development in technology:

98. Technology for production of the product concerned has not undergone any change. Thus, development in technology cannot be regarded as a factor causing injury to the domestic injury.

e. Export performance of the Domestic Industry:

99. Domestic Industry has exported the subject goods. However, the price and profitability in the domestic and export market has been segregated by the authority for the purpose of present injury assessment. Therefore, export performance would not have affected the injury analysis made by the Authority in this statement.

f. Performance of other products:

100. Performance of other products being produced and sold by the Domestic Industry has no impact over the reported performance of the subject product as the Authority has examined the performance of the subject goods only. Therefore, no injury has been suffered by the domestic industry on account of the performance of other products being manufactured by domestic industry.

L. Post Disclosure submissions by the Domestic Industry

101. A request for disclosure of communication sent by the Authority to various interested parties and copies of replies filed thereof, communication filed by interested parties, rejoinder submissions, verification report, normal value, NIP breakdown and actual data in injury analysis. In case there is anything confidential, petitioner has requested non confidential version of the same.

102. Designated Authority at Para. 63 has noted that the import volume declined till 2015-16 and increased thereafter. However, it is submitted that there is a decline in the volume of import in 2015-16 and thereafter it increased significantly despite Anti-dumping duty in force.

103. As regards M/s Granules India not providing information, the domestic industry has submitted that M/s Granules India is undertaking significant exports with some special arrangements with some buyer and therefore its production to that extent is not even available in the market. The company is not suffering injury to such an extent.

104. Economic parameters such as production, sales, capacity utilization, profitability of the domestic industry has improved because of Anti-dumping duty in force.

105. As per the calculation of dumped and injured imports done by the Authority, there is need for continuation of Anti-dumping duty.

106. When no injury is found to have occurred to the Domestic Industry, there is no need for computation of injury margin. Accordingly, the Authority should issue finding on the basis of likelihood analysis and continue the same quantum of duty as was done by the Authority in various cases in the past.

107. Article 11.3 of the Anti-dumping Agreement does not require the establishment of causal link between the likely dumping and likely injury to domestic industry. It deals with proof of likelihood of continuation or recurrence of dumping and injury, if the duty expires.

108. The non-injurious price determined is too low resulting into negative injury margin. The non-injurious price has been reduced on account of number of factors. The domestic industry requests the authority to kindly consider the followings with regard to Capital Employed.
109. Capital employed should be determined considering present value of fixed assets, or at the least gross value of fixed assets. In any case, adoption of net fixed assets is highly inappropriate and, in fact, unfair to the domestic industry, considering that some of the investments are significantly old and therefore net fixed assets does not represent true value of investments. In fact, the most appropriate value for the purpose is present value of the investments.
110. The stance of Government of India as expressed in documents such as Katoch Committee report, 145th Parliamentary report and Office Memorandum dated 18 April, 2018 issued by the Government of India, Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals has remained unaddressed.
111. Period for which anti-dumping duty is imposed is not relevant and there is no requirement under law that a particular case should fall under the category of a special case if the duty is to be extended beyond ten years. Furthermore, global authorities such as the USA, Canada, and Brazil have extended the duty even for 30 years.
112. Domestic Industry is vulnerable to injury from dumped imports at present. Current levels of import volumes and dumping margins from the subject country clearly shows that expiry of duty will result in intensified dumping of subject goods from the subject country.
113. As, about 86% of global production is in India and China only and out of which 62% of the production is in China alone, while India commands the remaining 24%. Thus, any sickness in this industry would leave the global demand only at the mercy and monopoly of the Chinese producers.
114. Due to the adverse effect of the insufficient form of duty there were large scale production suspension in the country which were primarily in the last two decades (all these closures are more than 5 years old and are prior to previous extension of ADD).
115. Paracetamol formulation prices are covered under DPCO and NPPA therefore no adverse effect on the consumers. Paracetamol is not a high cost medicine and therefore in any case there should be no concern with regard to possible adverse impact of the ADD on the consumers

M. Post Disclosure Comments by other interested parties

116. Stance of Government of India with regard to API and other market information such as FICCI report should not be considered as a guiding tool for the conclusions in the current investigation.
117. Analysis of inventory in the current investigation may be based as percentage of sales/ production instead of average inventory.
118. As the price undercutting calculated is based on landed values without ADD, if the ADD is included the level of price undercutting would come out to be much higher. It clearly indicates that there is no likelihood of injury to the domestic industry in case of withdrawal of duties as the domestic industry is already commanding higher prices in the domestic market and the prices from the exporters from China are not going to come down in case of discontinuation of duties. It is also submitted that there is no analysis of the imports of subject goods into India under various duty-free schemes such as advance license in the disclosure statement as to how the same can be regarded as causing injury to the domestic industry.
119. In current sunset review there is no likelihood of either dumping or injury.
120. As there is negative injury margin for all exports from China, so there is no likelihood of injury to domestic industry.
121. The inventories of cooperative exporters alone cannot be used as a guiding factor for injury and likelihood analysis.
122. Indian market is not price attractive for cooperative exporters.
123. China Customs data is too remote so as to provide guidance about price attractiveness of Indian market. Analysis of price attractiveness should be done on the basis of data provided by cooperative exporters.
124. Volume of exports by domestic industry should be considered while doing causal link analysis.

N. Examination by the Authority

125. The post-disclosure comments made by the interested parties are mostly reiterations. However, the comments considered relevant by the Authority are addressed below:-

- a) As regards the request for disclosure of more information from the Authority such as normal value, NIP breakdown and actual data in injury analysis, the Authority notes that information disclosed is in full compliance with the Rules and Past practises of the Authority. All essential facts under Rule 16 of AD Rules have been disclosed. Furthermore, all non-confidential documents were kept in the public file for all interested parties for inspection.
- b) As regards the submission of the domestic industry that the non-injurious price determined is too low, the Authority notes that the NIP has been

determined as per the Rules based on verified data and consistent practice of the Authority.

- c) As regards the stance of Government of India as expressed in documents such as Katoch Committee report, 145th Parliamentary report and Office Memorandum dated 18 April, 2018 issued by the Government of India, Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, the Authority notes that the present investigation was conducted as per Rules, facts of the case and past practices of the Authority.
- d) As Regards determination of NIP price it is clarified that NIP has been worked out based on the information/data submitted by domestic industry after due verification/reconciliation of fact and figures with audited accounts of the company and information submitted by the domestic industry during investigation. Net fixed assets is invariably adopted based on the book value of the assets excluding impact of revaluation and treatment given in this investigation is as per practice followed in all anti-dumping investigations.
- e) As regards the submission that there is no analysis of the imports of subject goods into India under various duty-free schemes such as advance license , the Authority notes that it has not concluded that there is injury to the Domestic industry on account of import of subject goods from China PR.
- f) As regards the contention regarding global production being bifurcated between China and India and the state of present domestic industry, the Authority notes that as per its injury analysis, the production of domestic industry of the subject goods is sufficient to cater to the Indian demand.

O. CONCLUSIONS

126. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in this final finding, the Authority concludes that:-

1. Evidence on record do not indicate that the dumped imports from China will lead to injury to Domestic Industry.
2. Import of the subject goods from China PR has remained at insignificant level throughout the injury period.
3. Domestic Industry failed to substantiate its claim in relation to likelihood of injury to the domestic industry if the current ADD ceases to exist.
4. The domestic injury has shown improvement in terms of all injury parameters and there is no injury to the Domestic industry. Furthermore, the production of subject goods by domestic industry is sufficient to cater to Indian demand.
5. The analysis of the price attractiveness by the Authority does not position India as price attractive for Chinese Exports so far as subject goods are concerned.
6. The ADD was in force since September' 2001 and the condition of domestic industry has improved. Therefore, the ADD has served its intended purpose.

P. Recommendation

127. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to domestic industry, exporters, importers, users and other interested parties to provide relevant information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury, causal link and likelihood of dumping post cessation of ADD in force in terms of the provisions laid down under the Anti-Dumping Act and Rules, the Authority holds that Domestic Industry failed to provide any satisfactory evidence that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry due to reasons and/or analysis given above. Therefore, the Authority does not recommend continuation of the anti-dumping duty on the imports of subject goods from China PR.

(Sunil Kumar)
Additional Secretary & Director General