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F. No. 6/15/2022-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi- I10001

Dated: 29th December 2022

INITIATION NOTIFICATION

(Case No. AD (OI) -15/2022)

Subject: Initiation of anti-dumping investigation concerning imports of "Vitamin-A Palmitate" originating in or exported from China PR, the European Union and Switzerland-reg.

1. F. No. 6/15/2022 –DGTR. Having regards to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the "Rules" or the "Anti-Dumping Rules"), Piramal Pharma Limited (hereinafter also referred to as the "applicant" or the "petitioner") has filed a petition before the Designated Authority (hereinafter also referred to as the "Authority") seeking imposition of anti-dumping duty on the imports of Vitamin-A Palmitate (hereinafter referred to as the "product under consideration" or the "PUC" or the "subject goods") originating in or exported from China PR, the European Union and Switzerland (hereinafter also referred to as the "subject countries").

2. The applicant has alleged that injury to the domestic industry is being caused due to dumped imports of the subject goods originating in or exported from the subject countries and has requested for the imposition of anti-dumping duty on the imports of the subject goods originating in or exported from the subject countries.

A. **Product under consideration**

3. The product under consideration for the present investigation is Vitamin-A Palmitate, covering both Vitamin A Palmitate 1.7 MIU/Gm and Vitamin A Palmitate 1.0 MIU/Gm in all its strengths and forms, with or without stabilization. Though differing only in concentration, Vitamin-A Palmitate 1.7 MIU/Gm and Vitamin-A Palmitate 1.0 MIU/Gm are product sub-types with the same end uses and are also technically and commercially substitutable.

4. The scope of the PUC does not cover Vitamin-A Palmitate 1.6 MIU/Gm which is used for animal consumption and has different end-uses compared to the PUC.

5. The petitioner has submitted that the PUC is used in a wide variety of intermediate products falling under various sectors, including food, cosmetics, and pharmaceutical industries. The subject goods are generally imported into India under tariff item 29362100 of Schedule I of the Act. However, the PUC has also been imported under tariff items 29362290, 29362800, 29369000, 29362690, and 29362990 of Schedule I of the Act. The customs classification of the product is indicative only and is not binding on the scope of the product.

B. **Like article**

6. The applicant has claimed that the goods produced by the domestic industry are like articles to the subject goods originating in or exported from the subject countries. It has been stated that there are no significant differences in the subject goods produced by the applicant and those exported from the subject countries. The subject goods produced by the domestic industry are comparable to the goods imported from the subject countries in terms of technical specifications, manufacturing process & technology, functions & uses, and tariff classification. The applicant has claimed that the two are technically and commercially substitutable. For the purpose of the present investigation, the subject goods produced by the domestic industry are treated as 'like article' to the subject goods imported from the subject countries.

C. **Domestic industry and standing**

7. The application has been filed by Piramal Pharma Limited. The applicant has claimed that it is the sole producer of the subject goods in India.

8. The applicant i.e., Piramal Pharma Limited, was incorporated on March 4, 2020, wherein Piramal Enterprises Limited held 80% of the shares in Piramal Pharma

Limited. Notably, Mahad and Digwal plants which are engaged in the manufacturing of the PUC were owned by Piramal Enterprises Limited until September 2020. However, due to business restructuring, the Digwal plant was transferred to Piramal Pharma Limited in September 2020 wherein the Mahad plant continued to be under the ownership of Piramal Enterprises Limited. Pursuant to a composite scheme of arrangement, with effect from April 1, 2022, Mahad plant was also transferred to Piramal Pharma Limited.

9. The ownership of both the plants as on the date of the filing of the petition and initiation of the investigation was with Piramal Pharma Limited. Therefore, Piramal Pharma Limited has been considered as the domestic industry for the purpose of the initiation of present investigation. Further, the applicant has furnished the requisite data and information on the PUC for both the companies (to the extent necessary) for the injury period and the POI.

10. The applicant has submitted that it has not imported the subject goods from any of the subject countries or any other country during the POI. However, the applicant has submitted that Piramal Enterprises Limited imported a miniscule quantity of 200 grams of the PUC from Nigeria, which is not a subject country, during the injury period. The applicant has clarified that this import was made on a sample basis for the purposes of testing. Further, it has been submitted that the applicant is not related to any of the exporters from the subject countries and importers of the subject goods in India.

11. From the information on record, the applicant accounts for 100% of the domestic production of the like article in India. Accordingly, the applicant constitutes domestic industry as defined under Rule 2(b) of the Anti-Dumping Rules, and the petition satisfies the requirement of standing in terms of Rule 5(3) of the Anti-Dumping Rules.

D. **Subject countries**

12. The subject countries in the present petition are China PR, the European Union, and Switzerland.

E. **Period of investigation**

13. The Authority has considered 1 July 2021 to 30 June 2022 (12 Months) as the period of investigation ("POI"). The period of injury covers the periods from 1 April 2018 to 31 March 2019, 1 April 2019 to 31 March 2020, 1 April 2020 to 31 March 2021, 1

April 2021 to 30 June 2021 and the POI. The petitioner has provided data for April 2021 to June 2021 so that there is no gap in the injury analysis period.

14. The applicant has taken the data for 15 months, i.e., April 2020 to June 2021, and has annualized it for the year 2020-21 on a pro-rata basis for the purposes of the injury assessment.

F. **Normal value**

China PR

15. The applicant has claimed that China PR should be treated as a non-market economy and unless the Chinese producers show that such market economy conditions prevail, their normal value should be determined in accordance with Para 7 of Annexure – I to the Anti-Dumping Rules. In this regard, the applicant has submitted that they were not able to obtain any reliable information for the purpose of the normal value. The applicant has, therefore, proposed to construct the normal value for China PR on the basis of the best available information, having regard to the cost of the production duly adjusted, and with a reasonable margin. The Authority, for the purpose of the initiation of the investigation, has accepted the claim of the applicant in respect of the determination of the normal value for China PR.

European Union and Switzerland

16. The applicant has claimed that efforts were made to get evidence of the price of product concerned in the domestic markets of the European Union and Switzerland. However, no reasonable, authentic transaction-selling price was available in the• domestic markets of the European Union and Switzerland. The applicant has further claimed that it was also unable to gather data on the representative prices of the subject goods when exported from the European Union and Switzerland. Thus, the applicant has proposed to construct the normal value for the European Union and Switzerland on the basis of estimates of the cost of production in these countries considering the cost of the domestic industry duly adjusted after addition for selling, general & administrative expenses and reasonable profits.

17. The Authority, for the purpose of the initiation of the investigation, has accepted the claims of the applicant in respect of the determination of the normal value for the European Union and Switzerland.

G. **Export price**

18. The export price of the subject goods has been computed by considering the CIF price reported in the DG Systems data. The price adjustments have been made on account of ocean freight, handling charges, ocean insurance, inland freight, bank charges and credit cost, and commission/distribution margin as claimed by the applicant.

H. **Dumping margin**

19. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the de-minimis level and significant in respect of the product under consideration from the subject countries.

I. **Injury and Causal Link**

20. Information furnished by the applicant has been considered for assessment of injury to the domestic industry on account of dumped imports of the subject goods from the subject countries. The applicant has furnished evidence regarding injury having taken place as a result of absolute and relative increase in the volume of imports of subject goods from the subject countries, price undercutting, and price suppression. The applicant has claimed that because of the adverse volume and price effect of the dumped imports, its performance has deteriorated in respect of cash profit, profit and return on investment. There is sufficient *prima facie* evidence that the injury is being caused to the domestic industry by dumped imports from the subject countries.

21. The applicant has also claimed that dumped imports are causing the threat of material injury, considering a significant increase in dumped imports from the subject countries, and substantial price suppression on account of imports from the subject countries.

J. **Initiation of the Anti-dumping investigation**

22. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted, about the dumping of the subject goods originating in or exported from the subject countries, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods originating in or exported

from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

K. **Procedure**

23. The principles as given in Rule 6 of the Rules will be followed for the present investigation.

L. **Submission of information**

24. In view of the special circumstances arising out of the COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email addresses jd13-dgtr@gov.in and dd15-dgtr@gov.in with a copy to adg13-dgtr@gov.in, adv11-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format.

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

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

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

M. **Time-limit**

28. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses jd13-dgtr@gov.in and dd15-dgtr@gov.in with a copy to adg13-dgtr@gov.in, adv11-dgtr@gov.in within 30 days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within

the prescribed time-limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

29. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

30. The interested parties are further advised to keep a regular watch on the official website of DGTR at www.dgtr.gov.in for any updated information with respect to this investigation. Interested parties are directed to regularly visit the website of DGTR (https://dgtr.gov.in/) to stay apprised with further developments in the subject investigation and remain informed regarding notices that may be issued from time to time regarding questionnaire formats, PCN methodology, PCN discussion/meeting schedule, notice of oral hearing, corrigendum, amendment notifications, and other such information. This will ensure that all interested parties to the subject investigation remain well aware of the progress and information pertaining to the subject investigation.

N. **Submission of information on a confidential basis**

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

32. The parties making any submission (including Appendices/Annexes attached thereto), before the Authority including questionnaire response, are required to file confidential and non-confidential versions separately.

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

34. The confidential version shall contain all information that is by nature confidential and/or other information which the supplier of such information claims as confidential. For information that is claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.

35. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority. The other interested parties can offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the document.

36. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

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

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

O. **Inspection of Public File**

39. A list of all registered interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their

submissions to all other interested parties since the public file will not be accessible physically due to ongoing global Covid-19 pandemic.

P. **Non-cooperation**

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

(ANANT SWARUP)

Joint Secretary & Designated Authority