

**F. No. 7/08/2024-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Trade Remedies)  
IV Jeevan Tara Building, 5 Parliament Street, New Delhi – 110001**

**Dated:** 12<sup>th</sup> February, 2025

**Case No. AD (SSR) - 02/2024**

**FINAL FINDINGS**

**Subject: Second Sunset Review anti-dumping investigation concerning anti-dumping duties on imports of “Sodium Citrate” originating in or exported from China PR – *reg.***

**F. No. 7/08/2024-DGTR** - Having regard to the Customs Tariff Act 1975 as amended from time to time and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (“AD Rules”).

**A. BACKGROUND OF THE CASE**

1. **M/s Daffodil Pharmachem Private Limited** (hereinafter referred to as the “applicant”), has filed an application before the Designated Authority (hereinafter referred to as the “Authority”) seeking initiation of second sunset review investigation and the continuation of extant anti-dumping duties on imports of Sodium Citrate (hereinafter referred to as the “subject goods”, or “the product under consideration”), originating in or exported from China PR (hereinafter referred to as the “subject country”).
2. The original anti-dumping investigation concerning imports of the subject goods from China PR was initiated by the Authority on 28.02.2014 *vide* Notification No. 14/23/2013-DGAD. The final finding in the original investigation was issued by the Authority on 26.02.2015 recommending imposition of definitive anti-dumping duties on the imports of the subject goods originating in or exported from China PR. The aforesaid recommendation was accepted by the Central Government *vide* Notification No. 19/2015-Customs (ADD) dated 20.05.2015 and final anti-dumping duties were imposed on the subject goods originating in or exported from China PR.
3. The Authority initiated the first sunset review investigation *vide* Notification No. 7/21/2019-DGTR dated 25.10.2019. By way of its final findings dated 30.04.2020, the Authority recommended continuation of the anti-dumping duties as modified on imports of the subject goods from China PR for another period of 5 years which was subsequently accepted by the Central Government and duties were continued *vide* Notification No. 8/2020-Customs (ADD) dated 19.05.2020 for a period of 5 years. The duties as extended with effect from 19.05.2020 for a period of 5 years are valid till 18<sup>th</sup> May, 2025.
4. On the basis of the duly substantiated application by the domestic industry, and having satisfied itself, on the basis of *prima facie* evidence submitted by the applicant substantiating the likelihood of dumping and consequent injury to the domestic industry, and in accordance with Rule 23(1B) of the Rules, the Authority initiated the

investigation *vide* Notification No. 7/08/2024-DGTR on 30<sup>th</sup> September, 2024 to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject country, and to examine whether the expiry of existing anti-dumping duty is likely to lead continuation or recurrence of dumping and consequent injury to the domestic industry.

## **B. PROCEDURE**

5. The procedure described herein below has been followed with regard to the subject investigation:
  - a. The Authority notified the embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of the AD Rules.
  - b. The Authority issued a public notice dated 30<sup>th</sup> September, 2024 published in the Gazette of India Extraordinary, initiating the second sunset review anti-dumping investigation concerning imports of the subject goods from the subject country into India.
  - c. The Authority sent a copy of the initiation notification dated 30<sup>th</sup> September, 2024, to the embassy of the subject country in India, the known producers and exporters from the subject country, known importers, importer/user, associations, the domestic industry, other known Indian producers and any other interested parties, as per the addresses/ emails made available by the applicant. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit, in accordance with Rules 6(2) and 6(4) of the Rules.
  - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Government of the subject country, through its embassy in India in accordance with Rule 6(3) of the AD Rules.
  - e. The embassy of the subject country in India was also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
  - f. The Authority sent questionnaires to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the AD Rules:
    - i. M/s AHA International Co. Ltd.
    - ii. M/s COGNIS Ltd.
    - iii. M/s Jiangsu Guoxin Union Energy Co., Ltd.
    - iv. M/s Shandong Ensign Industry Co., Ltd.
    - v. M/s Shanghai Nuvit Bio-Tech Co. Ltd.
  - g. In response, the following exporters/producers from the subject country filed Exporter's Questionnaire Response, Exporters Questionnaire - Part II and also Economic Interest Questionnaire:
    - i. M/s Jiangsu Guoxin Union Energy Co., Ltd.
    - ii. M/s Shandong Ensign Industry Co., Ltd.

- h. The producers/exporters from the subject country who have not submitted the questionnaire response or have not cooperated in the investigation have been treated as non-cooperative in the investigation.
- i. The Authority sent the Importer's Questionnaire to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rule.
- i. M/s Aimchem Ingredients Pvt Ltd.
  - ii. M/s COCA-COLA India Pvt Ltd.
  - iii. M/s Gopal Enterprises
  - iv. M/s Ishita Drugs Industries Ltd.
  - v. M/s Kiara Ingredients INC
  - vi. M/s NDC Drug Chemical Company Pvt Ltd.
  - vii. M/s P D Navkar Bio-Chem Pvt Ltd.
  - viii. M/s PepsiCo India Holdings Pvt Ltd.
  - ix. M/s Prakash Chemicals Agencies Pvt. Ltd.
  - x. M/s Ratanchand Sons
- j. In response, none of the importers/users have responded within the stipulated time and filed any Importers/Users Questionnaire Response.
- k. Apart from the above noted foreign producers/exporters, M/s Wang Pharmaceuticals & Chemicals on 5<sup>th</sup> December, 2024 expressed support to the present investigation claiming to be producer of subject goods in India. However, no injury information has been submitted by the said producer.
- l. The Authority issued the Economic Interest Questionnaire (EIQ) to all interested parties and the concerned line Ministry/ Department. Response to EIQ was submitted by the domestic industry and responding exporters. None of the users or importers filed any EIQ.
- m. A list of all the interested parties was uploaded on the DGTR website along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties along with the investigation team.
- n. A request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of the subject goods for the past three years, and the period of investigation, which was received by the Authority. The Directorate General of Systems & Data Management (DG Systems) was also requested to provide transaction-wise details of the imports of the subject goods for the injury period and the same was also received by the Authority. The information so received have been compared with the summary information published by DGCI&S as claimed by the applicant and no difference was noted. Hence, the Authority has relied upon the import information as published by DGCI&S for computation of the volume and value of imports of subject goods into India for the purposes of this notification.
- o. The Non-Injurious Price (NIP) has been determined based on the cost of production and the cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure-III to the Anti-Dumping Rules so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.

- p. The period of investigation (POI) adopted by the Authority for the present investigation is 1<sup>st</sup> April 2023 to 31<sup>st</sup> March, 2024 (12 months). The injury investigation period covers the periods 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and the POI.
- q. Verification/ desk verification of the information provided by the applicant, responding producers and exporters from the subject country to the extent deemed necessary, was carried out by the Authority. Only such verified information with necessary modification/ rectification, wherever applicable, has been relied upon for the purpose of present notification.
- r. In accordance with Rule 6(6) of the Rules, the Authority also provided the opportunity to all interested parties to present their views orally in the oral hearing held in the hybrid mode on 8<sup>th</sup> January, 2025. All the parties who had attended the oral hearing were provided an opportunity to file written submissions by 13<sup>th</sup> January, 2025 followed by rejoinders, if any by 16<sup>th</sup> January, 2025. The interested parties were further directed to share the non-confidential version of the written submission submitted by them with the other interested parties and the list of interested parties has been communicated to all the parties by the Authority.
- s. The submissions made by the interested parties during the course of this investigation so far, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered and addressed by the Authority, in this notification.
- t. Information provided by the interested parties on the confidential basis was examined with regard to the 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.
- u. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the views/observations on the basis of the facts available.
- v. The Authority has considered all the arguments raised and information provided by all the interested parties in the present final findings, to the extent the same are supported with evidence and considered relevant to the present investigation.
- w. In accordance with Rule 16 of Rules *Supra*, the essential facts of the investigation were disclosed to the known interested parties *vide* disclosure statement dated 27<sup>th</sup> January, 2025 and the interested parties were originally allowed time up to 3<sup>rd</sup> February, 2025 to comment on the same. Some of the interested parties sought further extension of time and on consideration of such requests, the time line to comment on the Disclosure statement was extended up to 6<sup>th</sup> February, 2025 till 2 PM. The comments to disclosure statement received from the interested parties have been considered, to the extent found relevant and non-repetitive, in this final finding notification.
- x. ‘\*\*\*’ in this final findings represents information furnished by an interested party on the confidential basis and so considered by the Authority under the Rules.

- y. The exchange rate adopted by the Authority for the subject investigation is US\$1 = ₹83.69.

## **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

### **C.1. Submissions by the other interested parties**

6. The other interested parties have made the following submissions with respect to the product under consideration (PUC):
- i. The product involved in the investigation produced and sold by the respondent is Sodium Citrate. The specification range includes 20-100 meshes and 12-40 meshes; the package type includes 25kg/bag, 500kg/bag and 1,000kg/bag. The product can be used as food additive, detergent and industrial uses.
  - ii. There is no difference in physical/ technical/ chemical characteristics between PUC exported to India and PUC sold in the domestic market or exported to other countries.
  - iii. There is no difference between the product produced by the Respondent and the product defined by the Authority.

### **C.2. Submissions of the domestic industry**

7. The domestic industry has submitted as follows with regard to the product under consideration (PUC) and like article:
- i. The PUC in the second Sunset Review (SSR) application is "Sodium Citrate".
  - ii. Sodium Citrate is a chemical compound that comes in the form of mono-sodium citrate, disodium citrate and tri-sodium citrate. Sodium Citrate is the sodium salt of citric acid. Like citric acid, it has a sour taste. Like other salts, it also has a salty taste.
  - iii. Sodium Citrate is mainly used as an expectorant and a urine alkalinizer. It is also used as a pharmaceutical aid and as a food additive in dairy industries which cater to cheese manufacturing and beverages. It is also a water treatment chemical and a laboratory reagent.
  - iv. Sodium Citrate has been transacted in the following names and all such names must be please considered as part of the definition of PUC as has been done in the previous investigations:
    - a) Sodium Citrate
    - b) Tri Sodium Citrate
    - c) Tri Sodium Citrate dihydrate
    - d) Sodium Citrate dihydrate
    - e) Tribasic Sodium Citrate
    - f) Sodium Citrate Tribasic Dihydrate
    - g) Sodium Citrate Dibasic Sesquihydrate
    - h) Sodium Citrate Monobasic Bioextra
  - v. The PUC may be described differently based on applications. Based on applications, it can be industrial, food ingredients, pharma grade (IP/BP/USP), reagent, fish grade. The present petition covers all forms, all types and all possible

descriptions of sodium citrate. Further, it includes all alternate names of sodium citrate.

- vi. The PUC is imported under Chapter 29 of the Customs Tariff Act, 1975, under customs sub-heading 29181520. The customs classification is indicative only and is not binding on the scope of the PUC since the import of the product in other headings also cannot be ruled out fully.
- vii. There is no known difference in the PUC exported from China PR and that produced by the Indian industry. In the present case, both products are comparable in terms of technical characteristics, similar end uses, technical and commercial substitutability, and tariff classification. The two are technically and commercially substitutable.
- viii. Since the present application is for the second sunset review of existing ADD on imports of Sodium Citrate from China PR, it is important that the Authority may consider the scope of PUC and Like Article as has been found in the previously concluded first sunset review following the original investigation.

### **C.3. Examination by the Authority**

8. The PUC in the present investigation is “Sodium Citrate” originating in or exported from China PR.
9. The present investigation being a second sunset review investigation, the scope of the PUC remains the same as that in the first sunset review. The PUC in the first sunset review was defined as under:

*10. The PUC in the present investigation is Sodium Citrate. The subject goods are mainly used as an expectorant and a urine alkalinizer. Sodium Citrate is a chemical compound that comes in the form of mono-sodium citrate, disodium citrate and tri-sodium citrate.*

*11. The subject goods fall under customs sub-heading 29181520. However, the said customs classifications are only indicative, and not binding on the scope of the investigations. The description of goods shall prevail for the imposition and collection of duties.*

*12. This being a sunset review investigation, the scope of the PUC remains the same as that in the original and subsequent review investigation. The PUC as mentioned in the original investigation was:*

*“The product under consideration for the purpose of present investigation is “Sodium Citrate”. It’s a chemical compound that comes in the form of monosodium citrate, disodium citrate and tri-sodium citrate. It is sodium salt of citric acid and has a sour and salty taste. Sodium Citrate is mainly used in pharma industries as an expectorant and urine alkalinizer. It is also used as a pharmaceutical aid, food additive in dairy industries, laboratory reagent in water treatment, acidity regulator in drinks, an emulsifier for oils when making cheese and an antioxidant in food, etc.*

*The product under consideration can also be transacted by the following alternate names: - a. Sodium Citrate b. Tri Sodium Citrate c. Tri Sodium Citrate dihydrate d. Sodium Citrate dihydrate e. Tribasic Sodium Citrate f. Sodium Citrate Tribasic Dihydrate g. Sodium Citrate Dibasic Sesquihydrate h. Sodium Citrate Monobasic Bioxtra.*

*Sodium Citrate is classified under Chapter 29 of the Customs Tariff Act under customs subheading 29181520. The customs classification is however indicative only and in no way binding on the scope of the present investigation.”*

*13. Rule 2(d) relating to the definition of "like article" specifies that "like article" means an article which is identical or alike in all respects to the article under investigation, or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation.*

*14. From the above definition of the term "like article", it is noted that the like article has to be identical or alike in all respects to the article under investigation. The scope of the term like article shall also include those articles having closely resembling characteristics to those under investigation in the absence of articles identical or alike in all respects.*

*15. On the basis of information on record, the Authority holds that there is no known difference in the subject goods produced by the Domestic Industry and those imported from the subject country. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers also use the two interchangeably. The Authority holds that the product manufactured by the Applicant constitutes like article to the subject goods being imported into India from the subject country.*

10. With regard to like article, Rule 2(d) of the Anti-Dumping Rules provides as under:

*"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation.*

11. From the above definition of the term "like article", it is noted that the like article has to be identical or alike in all respects to the article under investigation. The scope of the term like article shall also include those articles having closely resembling characteristics to those under investigation in the absence of articles identical or alike in all respects.

12. There is no dispute regarding likeness between the article produced by the domestic industry and the PUC. The Authority notes that the PUC produced by the domestic industry and imported from the subject country are comparable in terms of physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The goods produced by the domestic industry and that imported from the subject country are like articles in terms of the Rules. The two are technically and commercially substitutable. Thus, the Authority holds that the subject goods produced by the domestic industry are like article to the PUC imported from the subject country within the scope and meaning of Rule 2(d) of Anti-dumping Rules.

#### **D. SCOPE OF THE DOMESTIC INDUSTRY AND STANDING**

##### **D.1. Submission of the other interested parties**

13. The submissions on the aspect of the domestic industry and the standing as filed by other interested parties are as follows:

i. Non-participation of other producers must be investigated by the Authority.

- ii. There are close to a dozen producers of the PUC in India and since the initiation of the original investigation on the PUC, number of supporters have been reducing consistently (from four in the 1<sup>st</sup> SSR to merely two in the current SSR, as per the petition).
- iii. Non-participation by other producers raises serious doubts on the profitability and performance of other non-participating producers. It appears that all other producers are showing improved metrics and no signs of injury and as a result, those have deliberately been kept aside by the petitioner to present a skewed image of the domestic industry.

**D.2. Submissions made by the domestic industry**

14. The submissions made by the domestic industry with regard to scope of the domestic industry and standing are as follows:

- i. M/s Daffodil Pharmachem Private Limited is the applicant and largest producer of Sodium Citrate in India and holds a major proportion in total Indian production to the tune of 45-50%. Applicant had been domestic industry in the original investigation and also in the first sunset review and the applicant is not related to any importer/exporter of the subject goods, nor have imported the subject goods themselves. Thus, the applicant constitutes domestic industry for all practical purposes in this matter.
- ii. Apart from the applicant two producers namely M/s India Phosphate, M/s Sunil Chemicals supported the application. Another producer namely M/s Wang Pharmaceuticals & Chemicals supported the application post initiation. The Authority must treat M/s Wang Pharmaceuticals & Chemicals also as the supporter in this matter. Applicant along with M/s India Phosphate, M/s Sunil Chemicals holds 60-65% share in the Indian production and with M/s Wang Pharmaceuticals & Chemicals, the share is 65-70%.
- iii. India had 6 producers at the time of original investigation which has been 11 during the 1<sup>st</sup> SSR and in the present review. While the 1<sup>st</sup> SSR had the petitioner holding 32% share in total Indian production and 61% share along with the supporters, the present application has 45-50% share in total Indian production held by the applicant alone and the share of the applicant along with the supporters is in the range of 65-70% (60-65% without M/s Wang Pharmaceuticals & Chemicals). Thus, the application now represents a higher volume of Indian production and the support has not gone down as alleged by the exporters in terms of thresholds which alone is relevant while looking at the representative nature of the application.
- iv. As of now India has 11 producers and out of such producers, the applicant is the largest producer with 45-50% share in total Indian production. Producer is an MSME unit. The details of the applicant and supporters in the previous investigation and the present application is provided herein below:

**Table - 1**

<b>Sl. No.</b>	<b>Name of the producer</b>	<b>Status</b>
<b><u>Original Investigation</u></b>		
1	M/s Posy Pharmachem Private Limited ( <i>Currently M/s Daffodil Pharmachem Private Limited</i> )	Applicant
2	M/s Sunil Chemicals	Supporter

Sl. No.	Name of the producer	Status
3	M/s Amijal Chemicals ( <i>created capacity as per information</i> )	Neutral
4	M/s Sujata Chemicals ( <i>created capacity as per information</i> )	Neutral
5	M/s Vasa Pharmachem Pvt. Ltd. ( <i>created capacity as per information</i> )	Neutral
6	M/s Adani Pharmachem Private Ltd. ( <i>created capacity as per information</i> )	Neutral
<b>1<sup>st</sup> SSR investigation</b>		
1	M/s Posy Pharmachem Private Limited ( <i>Currently M/s Daffodil Pharmachem Private Limited</i> ) ( <i>32% share in Indian production</i> )	Applicant
2	M/s Adani Pharmachem Pvt. Ltd.	Supporter
3	M/s Alpine Labs	Supporter
4	M/s India Phosphate	Supporter
5	M/s Sunil Chemicals	Supporter
6	M/s Amijal Chemicals	Neutral
7	M/s Sujata Chemicals	Neutral
8	M/s Vasa Pharmachem Pvt. Ltd.	Neutral
9	M/s Devendra Kirti Pharmachem Pvt. Ltd.	Neutral
10	M/s Wang Pharmaceuticals & Chemicals	Neutral
11	M/s Ishita Drugs & Industries Ltd	Neutral
<b>2<sup>nd</sup> SSR Application (Current Investigation)</b>		
1	M/s Daffodil Pharmachem Private Limited – ( <i>Formerly M/s Posy Pharmachem Private Limited</i> ) ( <i>45-50% share in Indian production</i> )	Applicant
2	M/s India Phosphate	Supporter
3	M/s Sunil Chemicals	Supporter
4	M/s Wang Pharmaceuticals & Chemicals ( <i>Supported investigation after the initiation of the investigation</i> )	Supporter
5	M/s Adani Pharmachem Pvt. Ltd.	Neutral
6	M/s Alpine Labs,	Neutral
7	M/s Amijal Chemicals	Neutral
8	M/s Sujata Chemicals	Neutral
9	M/s Vasa Pharmachem Pvt. Ltd.	Neutral
10	M/s Devendra Kirti Pharmachem Pvt. Ltd.	Neutral
11	M/s Ishita Drugs & Industries Ltd	Neutral

- v. Practically, the largest producer is the applicant and three other largest producers are supporting the application. The parties who have not expressed support are either very small producers or subject goods is only a small share of their total production. Thus, the domestic industry of Sodium Citrate in India is well represented in this matter.
- vi. Efforts were made to get injury information from supporting producers also. However, the difficulty has been that the supporters, who are small units and are into production of other chemicals also, could not prepare the injury data as required by the anti-dumping application formats for the subject goods. The units do not have the support system to maintain and present such comprehensive and technical data as desired and such challenges of the units should not be construed as less participation in the petition.
- vii. The challenges from the dumped imports faced by the applicant and other producers are similar and the performance of the applicant is representative of the actual situation of such other producers also.

### **D.3. Examination by the Authority**

15. Rule 2 (b) of the AD rules defines the “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.”*

16. The application for initiation of second sunset review and continuation of anti-dumping duties existing on subject goods from China PR has been filed by M/s Daffodil Pharmachem Private Limited. It is noted that the applicant did not import the subject goods from the subject country during the period of investigation/ injury period and is also not related to any of the exporters/importers of the subject product from the subject country.
17. Further, information in the application shows that there are 10 other producers of subject goods in India apart from the applicant and the applicant holds \*\*\*% (Range: 45-50%) share in total Indian production. Out of such 10 other producers, two producers namely M/s India Phosphate and M/s Sunil Chemicals have supported the application prior to the initiation and another producer namely M/s Wang Pharmaceuticals & Chemicals supported the investigation *vide* its letter dated 05.12.2024. The applicant along with M/s India Phosphate and M/s Sunil Chemicals holds \*\*\*% (Range: 60-65%) share in total Indian production which is \*\*\*% (Range: 65-70%) along with support from M/s Wang Pharmaceuticals & Chemicals.
18. Apart from the applicant and supporters as above, the applicant has identified companies namely M/s Adani Pharmachem Pvt. Ltd., M/s Alpine Labs, M/s Amijal Chemicals, M/s. Sujata Chemicals M/s Vasa Pharmachem Pvt. Ltd., M/s Devendra Kirti Pharmachem Pvt. Ltd. and M/s Ishita Drugs & Industries Ltd. as producers of subject goods in India, but such producers have neither supported nor opposed the present investigation.
19. Therefore, considering the information on record, the Authority holds the applicant/petitioner as eligible domestic industry within the meaning of Rule 2(b) of the Anti-dumping Rules.
20. With regard to the contention of other interested parties that non-participation of other producers must be investigated by the Authority and number of supporters have been reducing consistently, the Authority notes that all such known other producers were intimated about the initiation of the present investigation but there has been no response from such other parties. It is also noted that the eligibility conditions under Rule 2(b) needs to be examined and satisfied in the context of an investigation in hand and not in comparison to support or opposition to any other concluded investigation in the past as put forth by the opposing parties. As far as the facts of the present investigation is concerned, the application fulfills the criteria of Rule 2(b). Applicant alone holds \*\*\* % (Range: 45-50%) share in total Indian production and the share is \*\*\* % (Range: 65-70%) along with supporters.
21. With regard to the contention that non-participation by other producers raises serious doubts on the profitability and performance of other non-participating producers, the Authority notes that though the exporters have raised such contentions, no evidences has been submitted to support such contentions. The injury information

considered in the present investigation pertains to the “domestic industry” as required under the Anti-dumping Rules and the doubts raised by the other interested parties cannot be considered as they are not supported by any facts to the contrary.

## **E. ISSUES ON CONFIDENTIALITY**

### **E.1. Submissions made by other interested parties**

22. The following submissions have been made by other interested parties with regard to confidentiality issues:
- i. Annexure I of Trade Notice No. 10/2018 dated 7<sup>th</sup> September, 2018 provides a specific standard of disclosures for the supporters. However, the petitioner has failed to comply with the requirements of the Trade Notice.
  - ii. In Annexure 2.3 of the petition, the support letters filed do not contain the indexed numbers for capacity, production and sales. This is in clear contravention of the Authority’s Trade Notice. The domestic industry has also not shown any good cause for such excessive confidentiality.

### **E.2. Submissions made by the domestic industry**

23. The following submissions have been made by the domestic industry with regard to confidentiality issues:
- i. The responding exporters have adopted excessive confidentiality in EQR and Part II Response and indexation also have been provided at limited places making it difficult to understand the claims of the exporters in any fair manner.
  - ii. No indexation or range is provided concerning information which is relevant in the evaluation of likelihood aspects and such excessive use of confidentiality must not be permitted.
  - iii. Even basic information such as world-wide corporate structure chart, List of Related Companies, Exports Flowchart to India and Domestic Flowchart is held confidential without any cogent reason.
  - iv. The Authority may check whether the export chain is complete in case of the responding exporters since the basic information in this regard is not disclosed in the NCV version of responses.

### **E.3. Examination by the Authority**

24. With regard to confidentiality of information, Rule 7 of the Rules provides as follows:

*“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.”*

25. As required under Rule 6(7), the Authority made available the evidence presented to it by one interested party to the other interested parties, participating in the investigation. Such information was circulated among the participating interested parties with directions to exchange such evidences among the interested parties participating in the investigation.
26. The information provided by the interested parties on a confidential basis was examined with regards to sufficiency of such claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, the parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.
27. With regard to the contention that the applicant has not provided information pertaining to the supporting producers in the indexed form, it is noted that the non-confidential version of the application contains the share of applicant in total Indian production of subject goods along with the supporters.

## **F. MARKET ECONOMY TREATMENT (MET), NORMAL VALUE, EXPORT PRICE & DETERMINATION OF DUMPING MARGIN**

### **F.1. Submission of other interested parties**

28. The following submissions have been made by the other interested parties concerning determination of normal value, export price and dumping margin:
  - i. The Petitioner has suggested two methods for computation of the constructed normal value (CNV) using either the cost of production (COP) of the petitioner or using its export prices to third country being USA in this case. In accordance with the consistent practice of the Authority in all the investigations and also in the past two investigations of the PUC, the Authority must determine the CNV using the COP data of the petitioner.
  - ii. The Authority may verify the raw material prices considered by the petitioner in CNV calculation to ensure that there remains no error in the data.
  - iii. As the responding exporters in this investigation have filed the questionnaire response within the timelines, the same be considered for determination of the net export price (NEP).

### **F.2. Submissions made by the domestic industry**

29. The following submissions have been made by the domestic industry:

- i. China PR should be treated as a non-market economy (NME) country for the purpose of present petition and normal value in case of Chinese producers should be determined as per the provisions of Annexure I Para 7.
- ii. The Authority may consider the price of the subject goods in the USA on the basis of the export price of the subject goods from India to the USA at landed levels in the USA as the normal value for the subject goods concerning China PR.
- iii. As an alternative to the normal value claimed based on price in the USA, the applicant proposes normal value based on the price actually paid or payable in India, duly adjusted to include a reasonable profit margin.
- iv. Volume and value of import of subject goods be determined as per the information from DGCI&S which forms the basis of export price also in the petition.
- v. The information as provided in the petition clearly shows that dumping of the subject goods continued and the dumping as claimed has been significantly positive during the POI. Such dumping during the POI when the ADD is in force signifies the fact the such dumping will only continue if the ADD is allowed to expire at this juncture.
- vi. Dumping margin during the POI establishes likely dumping also in the event of expiry of present duties.
- vii. It has been contended by the opposing parties during the hearing that the rate of caustic soda considered ₹73.43/- per KG as per the NCV of application which appears wrong. It is clarified in this regard that the rate actually considered for working of CNV is ₹43.22/- per KG only which was disclosed in the working documents along with the NCV application.
- viii. There are two exporters who have filed responses in this matter. However, the parties have not rebutted the presumption of non-market economy status of China PR by submitting the applicable response.
- ix. One of the responding producers/exporters namely M/s Jiangsu Guoxin Union Energy Co., Ltd. is subjected to individual duty already and there is a need for continuation of such duties on the said producer instead of any price undertaking offer in view of likelihood of dumping and injury in this matter. In fact, M/s Jiangsu Guoxin Union Energy Co., Ltd. attracts an ADD of 32.6% in export of subject goods to EU which shows the said producer is not only dumping in India but engaged in dumping in other territories also and any expiry or reduction of ADD on such exporters shall only lead to increased dumped exports from such exporter.
- x. Also, the responding exporters must be directed to provide the following information specifically if not provided already so as to enable the Authority to conduct likelihood examination:
  - a) Capacity to produce the subject goods during POI and post POI (April - September 2024 preferably).
  - b) Capacity utilisation of subject goods during POI and post POI (April - September 2024 preferably).
  - c) Inventory level of subject goods during POI and post POI (April - September 2024 preferably).

- d) Export price to third countries on transaction to transaction (T/T) basis for subject goods during POI and post POI (April - September 2024 preferably).
  - e) Export price to India on T/T basis for subject goods during post POI (April - September 2024 preferably).
- xi. With regard to the basis of normal value for China PR, the applicant claimed normal value based on export price of subject goods from India to USA at landed levels in USA as the normal value in a market economy third country. Alternatively, normal value based on constructed basis by considering international price of key raw materials (Price of Citric Acid and Caustic Soda as per DGCI&S import price) also been submitted. The Authority may consider such claims for the determination of normal value and it is not shown by any opposing parties that the normal value based on export price from India to USA is not an appropriate basis in this matter.
- xii. It is a settled practice that likelihood of dumping and injury needs to be seen *qua* the subject country and not *qua* the responding exporters alone. Thus, even if the responding exporters show absence of likelihood of dumping and injury concerning their exports, a country wide determination of likelihood alone is relevant. In any case, the responding exporters have not shown absence of likelihood of dumping and injury and the response is deficient in terms of relevant information essential to determine likelihood concerning exports of subject goods from China PR to India.
- xiii. The responding exporters have left the information sought on following crucial aspects in the EQR (Attachment III to the EQR) relevant for likelihood analysis blank by stating such information is not applicable to the responding parties:
- a) Country's production
  - b) Other producer sales in domestic market
  - c) Total sales in domestic market
  - d) Imports in your country
  - e) Total demand in your country
  - f) Other producers' exports to India
  - g) Other producer's exports to countries other than India
- xiv. Since the responding exporters have failed to submit any evidence to refute the claims of likelihood raised by the applicant, it is requested that likelihood examination in the present matter be based on information submitted in the application.
- xv. Also, the responding exporter namely M/s Jiangsu Guoxin Union Energy Co., Ltd. claimed that they have exported the subject goods at a higher rate hinting at negative margins in their exports. However, negative margin in the POI is not a factor to determine the continuation or not of ADD and what is relevant is examination of likelihood. Thus, as long as there is likelihood of dumping and injury from exports of subject goods to India, the ADD on responding producer namely M/s Jiangsu Guoxin Union Energy Co., Ltd. is also liable to be continued. Such is the view taken by the Authority in the past also and SSR concerning Clear Float Glass is a glaring example wherein ADD were continued while the exporter having positive dumping margin and negative injury margin during the POI.
- xvi. Likelihood of dumping and injury is the determining factor even in case of individual responding exporters and any negative dumping or injury margin does

not entitle them for any nil duty as evident in the Rule and also past practices of the Authority.

### **F.3. Examination by the Authority**

#### **Normal value**

30. Under Section 9A (1)(c), normal value in relation to an article means:

*(i) the 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*

*(ii) 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 subsection (6); or*

*(b) 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.*

#### **Market economy status for producers from China PR**

31. Article 15 of China's Accession Protocol in WTO provides as follows: "Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

*(a) "In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following Rules:*

*(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*

*(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*

- (b) *In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*
- (c) *The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*
- (d) *Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*
32. It is noted that while the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a) (i) of the Accession Protocol require criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through the information/ data to be provided in the supplementary questionnaire on claiming the market economy status.
33. At the stage of initiation, the Authority proceeded by constructing the normal value as per the information furnished by the applicant based on the cost of production of subject goods in India with due addition of selling, general and administrative expenses and profits. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnishing relevant detailed information. The Authority also requested the Government of China PR to advise the producers/exporters in China PR to provide the relevant information.
34. None of the exporters/producers from China PR contested the NME presumption of China PR. Thus, in view of the above position and in the absence of rebuttal of the non-market economy presumption by any exporting company from China PR, the Authority considers it appropriate to treat China PR as a non-market economy country in the present investigation and proceed with para 7 of Annexure-I to the Rules for determination of normal value in case of China PR.
35. Accordingly, the normal value for all the producers/exporters from China PR have been determined as given below.

**Normal value for all producers in China PR**

36. Annexure I of the Rules which reads as under:

*In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or 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. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Account shall also be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.*

37. Para 7 of Annexure – I lays down a hierarchy for determination of normal value and provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other country, including India, or where it is not possible, 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.
38. At the time of initiation, interested parties were advised to comment on the proposal made by the applicant to consider normal value for China PR based on price in a market economy third country and price in USA has been claimed based on export price of subject goods from India to USA at landed levels in USA. The claims have not been substantiated further by the applicant nor there are any substantive comments on such proposal made by the exporters other than a request to reject such proposal. In the absence of any further information in this regard from any of the interested parties, determination of normal value on such basis is not considered.
39. Since there is no substantiated claim on record with regard to the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India made by any of the interested parties including the applicant, normal value could not be determined on any of such basis. Therefore, the Authority has constructed normal value for the subject goods from China PR as price actually payable in India as stipulated in para 7 of Annexure – I to the Anti-dumping Rules, duly adjusted. It has been computed based on the cost of production of the domestic industry, with reasonable addition for selling, general and administrative expenses, and profits. The constructed normal value so determined is given below in the dumping margin table.

#### **Determination of export price for cooperating producers and exporters**

##### **i. Export price**

###### **a) M/s Shandong Ensign Industry Co., Ltd.**

40. From the exporters' questionnaire response of M/s Shandong Ensign Industry Co., Ltd. who is the producer cum exporter of the subject goods, it is noted that during the POI the Company has exported \*\*\* MT of subject goods to India. The Authority has verified the data through desk verification and other supporting documents. The producer/exporter has claimed adjustments on account of ocean freight, marine insurance, inland freight, port expenses and credit cost, and the same have been allowed. Accordingly, the export price determined is provided in the dumping margin Table.

###### **b) M/s Jiangsu Guoxin Union Energy Co., Ltd.**

41. From the exporters' questionnaire response of M/s Jiangsu Guoxin Union Energy Co., Ltd. who is the producer cum exporter of the subject goods, it is noted that during the POI the Company has exported \*\*\* MT of subject goods to India. The Authority has verified the data through desk verification and other supporting documents. The producer/exporter has claimed adjustments on account of ocean freight, marine insurance, inland freight, port expenses, and the same have been allowed. Credit cost was not claimed by the exporter and the same has been calculated based on the other cooperating exporter. Accordingly, the export price determined is provided in the dumping margin Table.

**Determination of normal value and export price for all non-cooperating producers and exporters in China PR**

42. The normal value and export price for other non-cooperating exporters from China PR has been determined as per facts available and the same is mentioned in the dumping margin table.

**Dumping margin**

43. Considering the normal value and export price for the subject goods, the dumping margins for the subject goods from the subject country have been determined as follows:

**Table - 2**  
**Dumping Margin Table**

Sl. No.	Country	Producer	Normal Value US\$/MT	Net Export Price US\$/MT	Dumping Margin		
					US\$/MT	(%)	(Range %)
1.	China PR	M/s Shandong Ensign Industry Co., Ltd.	***	***	***	***	10-20
2.	China PR	M/s Jiangsu Guoxin Union Energy Co., Ltd.	***	***	***	***	65-75
3.	China PR	Any other producer	***	***	***	***	90-100

**G. INJURY ASSESSMENT AND EXAMINATION OF CAUSAL LINK**

**G.1. Submissions made by other interested parties**

44. The submissions made by the other interested parties have been as follows:
- i. The application has been filed based on the facts that there is continuing injury. However, it can be seen that there is no injury currently faced by the domestic industry. Consequently, the basis of filing the application is itself bad and the investigation must be terminated.
  - ii. Increase in total imports must be seen in light of massive increase in domestic demand and petitioner's production and sales growth.

- iii. If the subject imports were actually causing or threatening to cause any injury, there is no explanation as to how the production and sale of PUC has increased during the injury period.
- iv. Price undercutting for imports from China PR is negative. This means that the price at which the petitioner is making sales is lower than the landed price of imports. This establishes that injury caused to petitioner is due to reasons other than dumped imports.
- v. The petitioner has been able to increase/ maintain the selling prices when there has been increase in cost of sales. Further, there cannot be a case for price depression since there was a continuous increase in the selling price of the domestic industry. Therefore, there is no case made for the existence of price suppression or depression in the present investigation.
- vi. The domestic industry has enjoyed a sharp increase in its capacity utilisation, production and sales. There has been an increase in capacity utilisation of more than 150% as compared to the base year. Production and sales have also increased.
- vii. The domestic industry has faced no injury in terms of the number of employees. As the number of employees has increased during the injury period, the loss in productivity can be clearly attributed to internal inefficiencies due to rapid expansion in production activities.
- viii. The inventory of the petitioner appears to have increased during the injury period. While the opening inventory has been increasing during the injury investigation period (IIP), the closing inventory has not been increasing to such an extent.
- ix. The inventory *qua* the production and sales are declining which also explains that this is not related to dumping or imports.
- x. It appears that the negative profitability is due to other factors such as internal inefficiencies, etc.
- xi. The export performance of the industry consistently improved throughout the IIP. The petitioner is highly focused on the export market and is not able to concentrate sufficiently on the domestic front.
- xii. The return on capital employed has been negatively affected due to the reduction in profitability of the petitioner. The reduction in profitability is attributable to the slump in export performance and the high depreciation.
- xiii. The interest cost has decreased from 100 indexed points to 23 basis points in the POI, the average capital employed has increased from 100 to 791 indexed points. The petitioner attributed this increase in the average capital employed to additional compliance costs due to stringent regulatory quality checks. However, the claims must be validated by the Authority, and more importantly, it must be ensured that the compliance costs pertaining solely to the domestic market have been considered.
- xiv. The Authority must disallow any amounts that have been incurred in view of export sales market. It appears that the applicant has increased the average capital employed by including all costs to eventually enhance the determination of NIP artificially.

- xv. It can be verified from the petition itself that the landed value as well as the sales price of the petitioner itself are moving in tandem with the cost of the raw materials. The decline in selling price is not a function of imports.
- xvi. In order to make a determination of injury to the domestic industry, the overall state of the domestic industry must be examined. The decision of the WTO panel in Thailand – H-Beams (WT/DS/122/R) is relevant. Reliance was also placed on the Council Implementing Regulation (EU) No. 135/2014 of 11<sup>th</sup> February, 2014 concerning imports of Dicyandiamide from China PR to suggest that in the present case also, the performance of the petitioner has improved during the injury period. The injury, if any, is due to factors other than the imports. Applying the above decision to the present case, it is clear that there is no likelihood of injury.
- xvii. The overall state of the domestic industry is healthy. All economic parameters, operational and financial, are improving. Therefore, there is no continuance of dumping or injury that the domestic industry can be said to be suffering due to the imports requiring continuation of the ADD.

## **G.2. Submissions made by the domestic industry**

- 45. The following submissions have been made by the domestic industry:
  - i. Application shows current dumping and injury which must be considered as a predominant factor bolstering our claims of likelihood of dumping and injury in the event of expiry of existing ADD and there are other factors also apart from current dumping and injury which shows very strong likelihood of dumping and injury in the present matter in the event of expiry of existing ADD.
  - ii. The domestic industry suffered losses and the losses suffered by it is the direct fall out of unfair competition from landed price of imports from China PR at cost undercutting levels and the situation would have been even grave in the absence of present ADD.
  - iii. Imports from China PR have increased in absolute terms between the base year and the POI. Imports which were 1,137 MT in the base year increased to 2,025 MT showing an increase in absolute terms.
  - iv. Dumped imports in relation to production has declined between the POI and the base year which is in line with the increase in production of the domestic industry over the injury period as a positive effect of the ADD in force concerning this parameter. However, the domestic industry was left with significant unutilized capacity during the POI.
  - v. Dumped imports increased between base year and the POI in relation to demand. This shows imports is persisting in Indian market and continues to grow with the growth in demand for the product in India. Such preference for dumped imports will only increase in the event of expiry of present duties.
  - vi. The share of dumped imports in Indian demand increased when the Indian producers have adequate capacity to meet the entire Indian demand. Significant share of dumped material even when India is self-reliant on the product shows the probability that such share will increase significantly leading to aggravated injuries to the domestic industry should the ADD in force expire.
  - vii. ADD on import of subject goods from China PR came into force on 20<sup>th</sup> May, 2015. Import information since such levy and till the current POI shows that the dumped

imports have been very persistent in nature in the Indian market even when ADD measures are in force. Imports has been as follows:

**Table - 3**

<b>Year</b>	<b>Sodium Citrate Import from China PR (Value in MT)</b>
2015-16	843
2016-17	1,168
2017-18	975
2018-19	736
2019-20	960
2020-21	1,137
2021-22	1,418
2022-23	2,123
2023-24	2,025
April-Sept. 2024 (Annualised)	966

- viii. Market share of dumped imports from China PR has increased by the POI in comparison to the base year and has been at very significant level in absolute terms throughout the injury period.
- ix. Market share of dumped imports has been more than 10% post the base year and in the POI which must be noted as a significant share to distort the market equations.
- x. Market share of other countries has declined between base year and the POI and have been at very low levels in terms of market share. Such other imports were also at higher prices and evidently, imports from China PR are preferred for its dumped prices.
- xi. While market share in Indian demand that of the dumped imports increased by the POI, the market share in demand that of the domestic industry declined in the same period. The decline in market share was about 1.70% in absolute terms which is a fall of about 7% and must be noted as substantial loss of market share.
- xii. Though the market share of other Indian producers increased between POI and the base year, the benefit of significant growth in demand did not go fully to other Indian producers either. While the growth in demand between base year and the POI was about 66%, the growth in market share of other producers have been only 6%.
- xiii. Petition shows capacity available with the domestic industry remained unchanged over the years. However, the capacity available with the applicant alone is sufficient to meet 85-95% of the Indian demand and the country has capacity to the tune of 30,000-35,000 MT against a demand of 19,000-20,000 MT.
- xiv. Capacity utilisation of the domestic industry increased by the POI, even though the capacity was unutilized at significant level in the range of 30-40% during the POI.
- xv. Growth in domestic sales between the POI and immediate previous year have been very meagre at 2% whereas the Indian demand grew at 17% during the same period. Such meagre growth in sales is the result of a 2% fall in market share of the domestic industry to the dumped imports in the same period.

- xvi. Production and capacity utilisation of the domestic industry increased but as a result of positive growth in exports and the growth in production and capacity utilisation also would have been meagre had there been no growth in exports undertaken by the domestic industry.
- xvii. There has been a substantial increase in inventory level of the domestic industry though there was an increase in capacity utilisation and production. This signifies the fact the increase in production could not be fully converted into sales and the inventory build-up could have been avoided in the absence of dumped imports.
- xviii. The situation of volume parameters shows that the ADD have been instrumental in providing some impetus to the volume performance and it is also clear that the volume performance is highly vulnerable to any increase in dumped imports in the event of expiry of present duties.
- xix. The level of employment slightly increased by the POI in line with the increase in production. The domestic industry could have employed more people had there been no underutilisation of capacity.
- xx. Domestic industry is committed to increase wages and salaries timely as required under the laws of the land and there have been some increases in overall wages over the years. However, the wages per unit of production did not increase any significantly and it cannot be said the injury claimed is on account of any wage increases.
- xxi. There has been significant improvement in productivity per employee and the numbers have been robust showing very efficient use of work force of the domestic industry. Hence, any deterioration in productivity is not the cause of injury to the domestic industry.
- xxii. The profitability of the domestic industry which was positive in terms of PBIT and PBDIT in the initial two years of the injury period once again turned significantly negative during the POI. Losses on such parameters is evident during the immediate previous year to the POI also. Even PBT was positive during the year 2021-22 which also turned significantly negative during the POI and immediate previous year.
- xxiii. The domestic industry has been able to better its efficiency by reducing the interest cost etc. significantly by the POI, however, the price realized during the POI has been unremunerative and the domestic industry could not even recover its cost since the dumped imports undermined such efforts. Thus, the domestic industry has been once again in losses during the POI and such losses has been on account of presence of dumped imports at a rate even lower than the cost of sales of the domestic industry.
- xxiv. The cash profits were positive during the initial two years of the injury period and even such cash profits turned significantly negative during the POI. As a result of unfair price competition from dumped imports, the domestic industry could not operate at profitable levels which is reflected in the cash profit situation also.
- xxv. Return on investment (ROI) has been positive during the initial two years of the injury period which turned significantly negative during the POI and during the immediate previous year. A situation of negative return on investment is a serious concern of the domestic industry that too when the product has shown some robust increase in demand and negative ROI in such a situation questions the purpose of existence itself of the domestic industry.

- xxvi. While the market share of domestic industry and inventory level has grown negatively during the POI though some other volume parameters such as production, capacity utilisation and sales showed positive trend. However, all the price parameters such as selling price, profits, cash profits and ROI have shown significant negative growth. The situation would have been even grave had there been no ADD and the situation also shows continuation of ADD is very essential in this matter to ensure growth of the domestic industry.
- xxvii. The domestic industry is still grappling to achieve reasonable levels of return on the investments that has been already made by it. Dumped imports continues to be a dampener on realizing any prudent level of return on such investments already made and raising any further capital to significantly expand the capacity etc. will depend on the continuation of level playing field in the Indian market.
- xxviii. The domestic industry had to make further and substantial investments in the existing facility during 2022-23 and 2023-24 especially to revamp the facility with most modern infrastructure and newer additions in the plant and machinery so as to adopt best manufacturing practices in the facility in line with the Schedule M Notification dated 28<sup>th</sup> December, 2023.
- xxix. The landed price of imports from China PR sharply declined during the POI in comparison to immediate previous year though the price undercutting has been negative during the POI. The real price effect must be seen in the fact that the landed price of imports from China PR prevented the price increases which otherwise would have occurred, to a significant degree and the landed price of imports have been below the cost of production of the domestic industry.
- xxx. Negative price undercutting during the POI is immaterial for the reason that the landed price of imports has been below the cost of production of the domestic industry and the domestic industry was forced to sell at a price lower than its cost.
- xxxi. It is a settled principle that negative price undercutting does not mean absence of injury nor price undercutting is the lone parameter to measure price injury. In plethora of cases, the Authority found injury even when the price undercutting has been negative (Matter like TDI, PTA, etc., are examples).
- xxxii. Price underselling from dumped imports is very significant as provided in the application. Dumped imports below the cost of production and fair price (NIP) of the applicant must be noted as a key factor showing continued injury to the domestic industry.
- xxxiii. Though the cost of production of the domestic industry, selling price and also landed price of imports declined during the POI in comparison to the immediate previous year, the landed price of imports remained significantly lower than the cost of sales of the domestic industry. This shows the price of the domestic industry has been suppressed in the market in the hands of landed price of dumped imports.
- xxxiv. The exporters reduced the price of subject goods at a rate much higher than the drop in major raw material price i.e., Citric Acid during the POI. The unexplained extra drop in price to the tune of 29% is one of the facts which demonstrates the element of dumping in the export pricing strategy being followed by the producers of subject goods from China PR.
- xxxv. The above discussions show the fact that the domestic industry continued to suffer injury in terms of financial losses and below par performance in terms of volume parameters and the growth was also negative in terms of such key injury

parameters. The injury would have been higher on the above parameters in the absence of present ADD.

### **G.3. Examination by the Authority**

46. Rule 11 of the AD Rules, 1995 read with Annexure II to the AD Rules, 1995 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...*". Further, 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.
47. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 18, 19 and 20 shall apply *mutatis mutandis* in case of a review. In case the performance of the domestic industry shows that it has not suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to recurrence of injury to the domestic industry.
48. The submissions made by the domestic industry and other interested parties during the course of investigation with regard to injury and causal link considered relevant by the Authority are examined and addressed below under the relevant parameters.
49. With regard to the contention that the increase in average capital employed claimed to be on account of compliance cost must be validated and the compliance costs pertaining solely to the domestic market needs to be considered for NIP, the Authority has subjected the claims of the applicant in view of the contentions of the exporters to detailed verification. It has been explained by the domestic industry during the verification along with supporting documents that investments were made in the existing facility and capitalized during 2022-23 and 2023-24 to make the production facility compatible with the new Schedule M in the Drug Rule, 1945 as proposed in the year 2018. The Company took its investment decision based on expert recommendation and the new schedule M, which covers good manufacturing practices and requirements of premises, plant and equipment for pharmaceutical products, has been notified and implemented by the Ministry of Health & Family Welfare under Government of India on 28<sup>th</sup> December, 2023 *vide* Notification No. G.S.R. 922(E). Thus, the domestic industry could upgrade its plant with the help of planned capex by the time the new schedule M was implemented by the nodal Ministry. It is noted that the capex has been for production as a whole and not for exports alone as contended. Nevertheless, certain investments applicable primarily for exports have been identified and excluded while computing the capital employed wherever applicable.
50. With regard to the contention on injury concerning various injury parameters, the Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters for assessing the financial parameters of the domestic industry. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and the other interested parties.

#### **i. Volume effect of dumped imports on the domestic industry**

**a. Assessment of demand/ apparent consumption**

51. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the PUC in India as the sum of domestic sales of the domestic industry and other Indian producers and imports from all sources. The demand so assessed is given in the table below:

**Table - 4**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Imports from China PR (Subject Country)	MT	1,137	1,418	2,123	2,025
Trend	Indexed	100	125	187	178
Imports from Other Countries	MT	585	309	252	384
Trend	Indexed	100	53	43	66
Total Imports into the Country	MT	1,722	1,727	2,375	2,409
Trend	Indexed	100	100	138	140
Domestic Sales of Petitioner	MT	***	***	***	***
Trend	Indexed	100	73	152	154
Domestic Sales of Supporters	MT	***	***	***	***
Trend	Indexed	100	146	127	150
Domestic Sales of Other Producers	MT	***	***	***	***
Trend	Indexed	100	108	172	201
Demand	MT	***	***	***	***
Trend	Indexed	100	110	149	166

52. It is seen that the demand for the product increased significantly between the base year and the POI by 66%.

**b. Import volumes from subject country**

53. With regard to the 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. For the purpose of the injury analysis, the Authority has relied upon the import as per DGCI&S. The import volumes of the subject goods and share of the same in total imports into India during the injury investigation period are as follows:

**Table - 5**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Total Imports into the Country	MT	1,722	1,727	2,375	2,409
Imports from China PR (Subject Country)	MT	1,137	1,418	2,123	2,025
Imports from Other Countries	MT	585	309	252	384
Share of Subject Country in total Imports	%	66	82	89	84
Share of Other Countries in total imports	%	34	18	11	16
<b>Total</b>	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

54. It is seen that dumped imports of the subject goods from the subject country has increased from 1,137 MT in the base year to 2,025 MT in the POI showing an increase in imports in absolute terms. In terms of percentage, the share of dumped imports from subject country in overall imports into India which was 66% in the base year increased to 84% in the POI while the share of imports from other countries decreased from 34% in the base year to 16% by the POI. Above information also

shows subject country continues to be the main source of imports of Sodium Citrate into India.

**c. Subject country imports in relative terms**

**Table - 6**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Imports from China PR (Subject Country)	MT	1,137	1,418	2,123	2,025
Demand	MT	***	***	***	***
Trend	Indexed	100	110	149	166
Production of the domestic industry	MT	***	***	***	***
Trend	Indexed	100	144	191	265
Imports from subject country relative to Indian consumption	%	***	***	***	***
Trend	Indexed	100	113	125	107
Imports from subject country relative to production of domestic industry	%	***	***	***	***
Trend	Indexed	100	71	98	67

55. It is noted that the share of dumped imports in relative terms to consumption has increased by 7% between the POI and the base year. However, dumped imports in relation to production in India has declined between the POI and the base year by 33% which is in line with the increase in production of the domestic industry in the same period.

**ii. Price effect of the imports on the domestic industry**

56. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realisation (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed price of imports of the subject goods from the subject country.

**a) Price undercutting**

57. For the purpose of price undercutting analysis, the net selling price of the domestic industry has been compared with the landed value of imports from the subject country. While computing the net selling price of the domestic industry all taxes, rebates, discounts and commissions have been deducted and sales realisation at ex works level has been determined for comparison with the landed value of the dumped imports. Accordingly, the undercutting effects of the dumped imports from the subject country works out as follows:

**Table - 7**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Net Sales Realization	₹/MT	***	***	***	***

Particulars	Unit	2020-21	2021-22	2022-23	POI
Trend	Indexed	100	300	188	118
Landed Price (LV)	₹/MT	57,319	96,155	1,29,945	91,014
Trend	Indexed	100	168	227	159
Price Undercutting	₹/MT	***	***	***	***
Trend	Indexed	100	949	-2	-82
Price Undercutting	% of LV	***	***	***	***
Price Undercutting	Range	15-25	110-120	Negative	Negative

58. It is noted from the aforesaid table that imports of the subject goods from the subject country have been entering Indian market at a price higher than the net sales realisation of the domestic industry, resulting in negative price undercutting during the POI. It has been contended by the domestic industry that negative price undercutting does not suggest absence of injury as held in many investigations and the real concern of the domestic industry is that the landed price of imports is even below the cost of sales of the domestic industry which has prevented any increase in prices which would have taken place in the absence of dumped imports.
59. It has been further stated by the domestic industry that even though the price undercutting has been negative at average price of imports, price undercutting would be positive considering the imports made by beverage producers like PepsiCo India/Coco Cola India who have claimed to be imported at higher prices. In this regard, the Authority has also examined the price undercutting separately for PepsiCo India/Coco Cola India and other importers, based on information from DG System data and it is noted that price undercutting has been positive in case of imports made by parties other than PepsiCo India & Coca Cola India.

**Table - 8**

Particulars	MT	Landed value	NSR	Under-cutting	Under-cutting (%)	Range
PepsiCo India & Coca Cola India	***	***	***	***	***	Negative
Others	***	***	***	***	***	15-25
Total	***	***	***	***	***	Negative

60. The information as above show that price undercutting has been positive in case of imports made by parties other than PepsiCo India & Coca Cola India.

**b) Price suppression/depression**

61. In order to determine whether the effect of imports depress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the Authority has examined the changes in the costs and prices of the domestic industry over the injury period in light of the landed price of dumped imports as below:

**Table - 9**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of Sales	₹/MT	***	***	***	***
	Indexed	100	191	233	157
Domestic Selling Price	₹/MT	***	***	***	***
	Indexed	100	300	188	118
Landed Value (Subject Country)	₹/MT	57,319	96,155	1,29,945	91,014
	Indexed	100	168	227	159

62. The information as per the above table shows that while the cost of sales of the domestic industry increased by 57% during the injury period, selling price of the domestic industry increased by only 18% in the same period showing price suppression.

**iii. Economic Parameters of the domestic industry**

63. Annexure-II to the Anti-dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped 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 utilisation 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.
64. While disclosing the essential facts on injury and causal link, the Authority has also examined the injury parameters objectively taking into account various submissions made by all the interested parties so far in this investigation so as to address all such submissions as well on their merits.

**a) Production, capacity, sales and capacity utilisation**

65. The performance of the domestic industry with regard to production, domestic sales, capacity and capacity utilisation was as follows:

**Table - 10**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Installed Capacity	MT	***	***	***	***
Trend	Indexed	100	100	100	100
Production	MT	***	***	***	***
Trend	Indexed	100	176	191	265
Capacity Utilisation	%	***	***	***	***
Trend	Indexed	100	176	191	265
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	73	152	154

66. It is noted that while the capacity available with the domestic industry to produce the subject goods remained the same over the injury period. Production, capacity utilisation and sales of the domestic industry increased between the base year and the POI.

**b) Inventories**

67. Inventory position with the domestic industry over the injury period is given in the table below:

**Table - 11**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Opening Inventories	MT	***	***	***	***
Closing Inventories	MT	***	***	***	***
Average Inventories	MT	***	***	***	***
Trend	MT	100	571	1,335	1,719

68. It is noted that inventory with the domestic industry increased by the POI. The inventory at the closing of the POI has been higher than the opening inventory level for the period showing an increase in inventory during the POI. Inventory level during the POI have been substantial in comparison to the volume of domestic sales.

**c) Market share in demand**

69. Market share of the imports and domestic industry have been examined as below:

**Table - 12**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Imports from China PR (Subject Country)	MT	1,137	1,418	2,123	2,025
Trend	Indexed	100	125	187	178
Imports from Other Countries	MT	585	309	252	384
Trend	Indexed	100	53	43	66
Total Imports into the Country	MT	1,722	1,727	2,375	2,409
Trend	Indexed	100	100	138	140
Domestic Sales of Petitioner	MT	***	***	***	***
Trend	Indexed	100	73	152	154
Domestic Sales of Supporters	MT	***	***	***	***
Trend	Indexed	100	146	127	150
Domestic Sales of Other Producers	MT	***	***	***	***
Trend	Indexed	100	108	172	201
Demand	MT	***	***	***	***
Trend	Indexed	100	110	149	166
<b>Share in Indian Demand that of:</b>					
Imports from China PR (Subject Country)	%	***	***	***	***
Trend	Indexed	100	113	125	107
Total Imports from Other Countries	%	***	***	***	***
Trend	Indexed	100	48	29	40
Total Imports into the Country	%	***	***	***	***
Trend	Indexed	100	91	93	84
Domestic Sales of Petitioner	%	***	***	***	***
Trend	Indexed	100	66	102	92
Domestic Sales of Supporters	%	***	***	***	***
Trend	Indexed	100	132	85	90
Domestic Sales of Other Producers	%	***	***	***	***
Trend	Indexed	100	98	116	121
Domestic sales of Indian producers	%	***	***	***	***
Trend	Indexed	100	102	101	103

70. It is noted from the above table that while the market share of dumped imports in demand for the subject goods in India increased by 7% between the base year and the POI, market share of the domestic industry in the Indian demand declined by 8% in the same period. The market share of imports from other sources in Indian demand, however, declined by 60% between base year and the POI. It is evident that the market share of dumped imports continued to increase in the injury period and POI.

**d) Profitability, return on investment and cash profits**

71. Profits, cash profits and return on capital employed of the domestic industry over the injury period is given in the table below:

**Table - 13**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Profit/Loss (PBT)	₹/MT	***	***	***	***
Trend	Indexed	-100	3,619	-1,800	-1,513
Profit/(Loss) before Interest & Tax (PBIT)	₹/MT	***	***	***	***
Trend	Indexed	-100	4,828	-2,336	-1,989
Cash Profit	₹/MT	***	***	***	***
Trend	Indexed	-100	5,139	-2,139	-1,957
Average Capital Employed	₹ Lakh	***	***	***	***
Trend	Indexed	100	297	492	791
Return on Capital Employed	%	***	***	***	***
Trend	Indexed	-100	1,194	-721	-387

72. It is noted from the above table that the key profitability parameters of the domestic industry showed positive growth between the years 2020-21 and 2021-22 and the profitability thereafter significantly declined during the period 2022-23 and the POI. Resultantly, the profitability in terms of all key parameters such as profit before tax per unit, profit before interest and tax and return on capital employed have been in the negative during the POI. It has been stated by the domestic industry that the dumped imports at prices lower than the cost of sales of the domestic industry has been the cause of such losses and the losses will increase in the absence of present anti-dumping duties.

**e) Employment, productivity and wages**

73. Employment, productivity and wages of domestic industry over the injury period are given in the table below:

**Table - 14**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Employment	Nos	***	***	***	***
Trend	Indexed	100	170	198	273
Wages	₹ Lakh	***	***	***	***
Trend	Indexed	100	131	166	267
Productivity per employee	MT/Person	***	***	***	***
Trend	Indexed	100	104	96	97
Wages	₹/MT	***	***	***	***
Trend	Indexed	100	75	87	101

74. It is noted that there has been positive growth in level of employment. Also, wages per unit of production increased only marginally by the POI.

**f) Magnitude of dumping margin**

75. Magnitude of dumping is an indicator of the extent to which the imports are being dumped in India. The investigation has shown that dumping margin is positive and significant in the investigation period.

**g) Growth**

76. The Authority notes that while the growth of the domestic industry with regard to key volume parameters have been positive during the POI except inventory level, profitability parameters show negative growth as can be seen from the table below:

**Table - 15**

<b>Particulars</b>	<b>Unit</b>	<b>2021-22</b>	<b>2022-23</b>	<b>POI</b>
Production	%	75.90	8.45	38.90
Sales Volume Domestic	%	-26.63	106.86	1.16
Capacity Utilisation	%	75.90	8.45	38.90
Inventory	%	471.03	133.76	28.79
Employment	%	69.91	16.67	37.50
Selling Price Per Kg	%	199.89	-37.29	-37.23
Cost of Sales Per Kg	%	90.56	-22.29	-32.65
Return on Capital Employed	%	1,293.54	-160.44	-46.42
Profit per Unit	%	3,713.37	-149.74	-15.94
PBIT Per Unit	%	4,930.17	-148.38	-14.84

77. The domestic industry claimed that the negative growth in the profitability parameters is the fall out of dumped imports at prices lower than the cost of the domestic industry.

**h) Ability to raise capital investments**

78. The Authority notes that the domestic industry has made further capital investments through the year 2022-23 and 2023-24 to upgrade the existing plant to produce the subject goods so as to be compatible with the new Schedule M requirements under the Drug Rule, 1945 as amended and as implemented with effect from 28<sup>th</sup> December, 2023. It is also noted that the ROCE from such investments already made to produce the subject goods remained negative except one year in the entire injury period including the POI. Continuation of losses may have negative influence on the ability to raise further capital investments.

**i) Factors affecting domestic prices**

79. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc. shows that the landed value of imported material from the subject country is below the cost of sales of the domestic industry, causing price suppression effects. It is also noted that the demand for the subject goods was showing significant increase during the injury period and therefore it could not have been a factor affecting domestic prices. Thus, it can be noted that the principal factor affecting the domestic prices is the dumped imports of the subject goods from the subject country.

**H. NON-ATTRIBUTION ANALYSIS**

80. As per the AD Rules, the Authority, *inter alia*, is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, *inter alia*, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry.
81. While the present investigation is a sunset review and causal link has already been examined in original investigation, the Authority examined whether other known

listed factors have caused or are likely to cause injury to the domestic industry. In particular, the Authority has also examined if the removal of duties is likely to result in the continuation/recurrence of injury to the domestic industry at appropriate section in this notification.

**a) Volume and price of imports from third countries**

82. The Authority notes that imports from countries other than subject country are insignificant or the imports have been at high prices. Therefore, imports from third countries cannot be the reason for the injury suffered by the domestic industry. Being a sunset review, imports from subject country alone is relevant for this investigation.

**b) Export performance**

83. The Authority has considered the data for domestic operations only for its injury analysis. In any case, there have been an increase in exports made by the domestic industry during the POI which is provided in the table below:

**Table - 16**

<b>Particulars</b>	<b>Unit</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>POI</b>
Export Sales	MT	***	***	***	***
Trend	Indexed	100	276	211	439

**c) Contraction in demand Changes in pattern of consumption**

84. It is noted that the demand of the subject goods has increased over the injury period. Thus, it can be noted that the injury to the domestic industry was not due to contraction in demand to any significant level.

**d) Trade restrictive practices of and conditions of competition**

85. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. No evidence has been submitted by any interested parties to suggest that the conditions of competition between the foreign and the domestic producers have undergone any change.

**e) Developments in technology**

86. None of the interested parties have furnished any evidence to demonstrate significant changes in the technology that could have caused injury to the domestic industry. The domestic industry has significantly invested recently to adopt good manufacturing practices and requirements of premises, plant and equipment for pharmaceutical products.

**f) Changes in pattern of consumption**

87. The subject goods produced by the domestic industry and that imported into India are comparable and the end users find these goods interchangeable. Possible changes in pattern of consumption are not a factor that could have caused claimed injury to the domestic industry.

**g) Performance of the domestic industry with respect to other products**

88. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of

the domestic industry's performances concerning the subject goods. The information considered by the Authority is with respect to the PUC only.

**h) Productivity of the domestic industry**

89. Productivity per employee as assessed has not shown any significant changes during the injury period. Thus, the Authority notes that deterioration in productivity as such has not been any cause of injury to the domestic industry.

**I. Magnitude of Injury Margin/Price Underselling**

90. The Authority has determined Non-Injurious Price (NIP) for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry. The non-injurious price has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and being followed.
91. For all the non-cooperative producers/exporters from the subject country, the Authority has determined the landed price based on facts available.
92. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority.

**Table - 17  
Injury Margin Table**

Sl. No	Country	Producer	NIP US\$/MT	Landed Value US\$/MT	Injury Margin US\$/MT	Injury Margin (%)	Injury Margin (Range %)
1.	China PR	M/s Shandong Ensign Industry Co., Ltd.	***	***	***	***	Negative
2.	China PR	M/s Jiangsu Guoxin Union Energy Co., Ltd.	***	***	***	***	40-50
3.	China PR	Any other producer	***	***	***	***	60-70

**J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**

**J.1. Submissions by other interested parties**

93. The submissions made by the other interested parties have been as follows:

- i. Termination of anti-dumping duty after a period of 5 years is the norm. Continuation of duty is an exception to the norm. There do not exist any circumstances calling for invoking the exception under Rule 23(1B) to continue the anti-dumping duty in the present review.
- ii. In the present case, Anti-dumping duty has been in force for close to ten years. The economic situation of the domestic industry has significantly improved since then. Also, the petitioner has increased its capacity utilisation astonishingly (100 to 265 indexed points). This alone clearly shows that anti-dumping duty imposed on the subject imports has served its purpose.
- iii. The petition filed by the domestic industry in the present case failed to show any positive evidence to support the initiation of the present sunset review. The instant petition does not substantiate the need for initiation of review since the domestic industry has already recovered from the past injury on account of duties that have been in force.
- iv. The application has been filed based on the facts that there is continuing injury. There is no injury currently faced by the domestic industry. Consequently, the basis of filing the application is itself bad and the investigation must be terminated.
- v. The petitioner has not provided sufficient evidence to prove likelihood of dumping and injury. Mere increase in import volume post imposition of anti-dumping duty is insufficient to establish the likelihood of dumping and injury post cessation of the anti -dumping duty especially when the increase in imports is accompanied by a corresponding increase in domestic demand alongside limited capacity of the applicant.
- vi. The petitioner is required to provide positive evidence to show that there is likelihood of continuance or recurrence of dumping and injury. Reference may be placed on WTO Appellate Body's decision in the matter of United States - Sunset Review of Anti-Dumping Duties on Corrosion-Resistant Carbon Steel Flat Products from Japan (WT/DS244/AB/R) and WTO Appellate Body's decision of United States - Anti-Dumping Measures on Oil Country Tubular Goods from Mexico (WT/DS282/AB/R).
- vii. The laid down procedures in the 'Manual of Operating Practices for Trade Remedy Investigations' issued by the Director General of Trade Remedies should be taken into account to determine the likelihood of continuance or recurrence of dumping and injury, based on positive evidence submitted by the domestic industry.
- viii. The Authority is further requested to review the data of volume and value of imports during the period post the POI in terms of Paragraph 17.30 of the Trade Remedies Manual of Operating Practices.
- ix. In case of the 2<sup>nd</sup> SSR for PVC Flex Film, the CESTAT held that the burden was on the petitioner to place on record sufficient and reliable evidence during the course of investigation to justify the likelihood of continuation of dumping and injury upon cessation of ADD. The CESTAT held that the determination cannot be based on guess work or on mere assumption or presumption but should be based on some tangible and positive evidence.

- x. Merely because the subject country has high export potential does not necessarily mean that these countries have any excess or idle capacity available for utilisation and export of the PUC, particularly to India.
- xi. The petitioner has not provided any evidence whether by way of market intelligence or other sources to suggest that once Anti-dumping duty ceases to exist, producers from subject country will immediately start exporting PUC to India at dumped prices.
- xii. The Authority may verify the capacities available with the producers based on the data submitted in this investigation to establish that there is no likelihood of exports from the subject country to India and thus, no likelihood of recurrence of dumping and injury to the domestic industry.
- xiii. Regarding the cases cited by the petitioner pertaining to the ADD investigations by the USA and the EU, the scope of the PUC in those cases was very wide and included the PUC in the subject investigation. As a result, the capacities quoted in those cases comprise the capacities of not only the PUC but a large family of other citrates as well. So, the capacities quoted in those investigations are not relevant for the subject investigation.
- xiv. Mere existence of surplus capacities is not sufficient to establish the likelihood of recurrence of injury.
- xv. There is no incentive to shift exports to India and it is denied that Indian market remains attractive. Since the Anti-dumping duty has been in force for about ten years, the petitioner has already consolidated and strengthened its market position in the absence of effective competition from imports.
- xvi. Given the limited demand in India in the range of 20,000-22,000 MT, and a well-settled domestic industry coupled, the Indian market does not appear to be any attractive. Even if the producers from China PR divert their production to India, it will barely make a dent in their capacity utilisation.

## **J.2. Submissions by the domestic industry**

94. The domestic industry made the following submissions:
- i. PUC continues to be exported to India at dumped prices from subject country and there are enough grounds which suggest such dumping will continue in the event of expiry of present duties.
  - ii. While volume parameters of injury such as production, sales and capacity utilisation developed positivity in the injury period and by the POI, there has been increase in inventory level and the capacity remained stagnant and underutilized. Market share of dumped imports increased between base year and the POI which shows the possibility of such market share registering spurt in case of expiry of present duties.
  - iii. Price parameters such as profits, ROI and cash profits has been negative during the POI and price suppression and cost undercutting is very evident. Thus, the domestic industry continued to suffer injury and the cause of such injury has been persistence of dumped import at price suppressing levels and at lower than the cost and NIP of the domestic industry. Situation will get aggravated in the event of expiry of present ADD.

- iv. Dumping and consequent injury as evident in the present investigation is very likely to intensify from the subject country and there is likelihood of dumping and injury to the domestic industry in the event of cessation of existing anti-dumping duty.
- v. Exports of subject goods from China PR are attracting anti-dumping and countervailing duties in other major markets like EU (ADD) and USA (ADD and CVD) after 2<sup>nd</sup> sunset review and it is very probable that expiry of present ADD in India in such a situation will auger well only for the exporters from China PR. ADDs have been levied also by Brazil, Thailand, Russia etc. Authority took cognizance of such duties at the time of first SSR also. The scope of PUC in jurisdictions like EU and USA covers Sodium Citrate though they have a wider product scope.
- vi. Available information shows that the producers in China PR has sufficient freely disposable capacity to the tune of 6-7 Lakhs MT which is 30-35 times of the total Indian demand. Such excess material will be diverted to India in case the ADD is expired. There is no information submitted by any parties to disprove the claims on excess capacity in China PR as presented by the applicant and the claims of the applicant on excess capacity etc. are backed by evidences.
- vii. Expiry of the ADD at this juncture will amount to handing over the robust Indian market with about 19,000-20,000 MT demand to the producers from China PR who are actually grappling for market opportunities in view of the excess and unutilized capacities and also hefty ADD/CVD in EU, USA etc. along with other tariff barriers in USA. ADD/CVD in such market are still in force since last extension with effect from January (USA) and April 2021 (EU) for another five years.
- viii. The anti-dumping duty is required to be extended further for a period of five years on China PR with due enhancement in quantum of duties. Current quantum is not sufficient to effectively counteract dumping. Responding producers must not get any nil duty even if they show negative margins as long as there is likelihood of dumping and injury and the focus should be on likelihood analysis for China PR as a whole which is a settled position of law and practices by the Authority.
- ix. Information for the post POI period also shows continued dumping and injury margin at significantly positive levels which is an indicator of likely situation in case of expiry of present duties. The fall in price of import during the post POI period have been much higher than the fall in key raw material price which is a strong indicator of dumping still being practiced in the export of subject goods to India by producers from China PR.
- x. Application filed by M/s Daffodil Pharmachem Private Limited demonstrates the need for continuation of anti-dumping duties on imports of subject goods from China PR for another 5 years as likelihood of dumping and injury from such imports in the event of expiry of existing anti-dumping duties is very evident.
- xi. The requirements of Section 9A (5) of the CTA, 1975 read with rules governing review under Rule 23 (1B) have been interpreted by the Hon'ble CESTAT in the matter of Borax Morarji Limited vs Designated Authority wherein it was observed that the expression "likely to lead to recurrence" would take within its fold situation where the dumping and injury may not exist at the time of review due to the imposition and continuance of anti-dumping duty which, if allowed to cease to have effect on the expiry of five years, is likely to lead to recurrence of dumping and injury. Thus, ADD is liable to be continued even if there is no current

dumping and injury and the requirement is factors showing likelihood of dumping and injury.

- xii. In matters like third-sunset review investigation of anti-dumping duty imposed on import of “Flat Base Steel Wheels” originating in or exported from China PR and final finding dated 12<sup>th</sup> June 2023, duties were continued where there have been no imports from the subject country and there has been no injury to the domestic industry due to dumped imports.
- xiii. Citric acid is the main raw material to produce the subject goods. As of now, India imports citric acid as the production of citric acid faced shutdown in India after apparently failing to get ADD imposed on dumped imports of citric acid into India in the year 2005. The 2005 finding shows the Authority did not recommend ADD by citing improvements in performance by the POI of the said investigation even though the industry was in losses. India is now net importer of citric acid and it is our apprehension that similar thing can happen to producer of subject goods if the ADD has to expire given the excess capacity in China PR is concerned.
- xiv. Likelihood of dumping and injury needs to be seen *qua* the subject country and not *qua* the responding exporters alone. Thus, even if the responding exporters show absence of likelihood of dumping and injury concerning their exports, a country wide determination of likelihood alone is relevant.
- xv. The responding exporters have not shown absence of likelihood of dumping and injury and the response is deficient in terms of relevant information essential to determine likelihood concerning exports of subject goods from China PR to India. The responding exporters have left the information sought on crucial aspects in the EQR relevant for likelihood analysis blank by stating such information is not applicable.
- xvi. Any negative margin in the POI is not a factor to discontinue the ADD in an SSR and what is relevant is examination of likelihood. Thus, as long as there is likelihood of dumping and injury from exports of subject goods to India, the ADD on responding producer namely M/s Jiangsu Guoxin Union Energy Co., Ltd. is also liable to be continued. Such is the view taken by the Authority in the past in matters like SSR concerning Clear Float Glass.
- xvii. The dumping margin determined in respect of the subject country in the original investigation and in the first sunset review and also in the present application indicates that the dumping found earlier still continues and the producers/exporters of the subject goods from China PR have not stopped the practice of dumping of subject goods in the Indian market.
- xviii. The capacities for subject goods in China PR are evidently setup for export purposes as the domestic demand in China PR is not even 24% of the total available capacity in China PR, as found by EU authority. This indicates the fact that export of subject goods shall continue from China PR in the event of expiry of present duties and there is likelihood of enhanced exports at dumped rates should the ADD in force expire. Export orientation is evident.
- xix. Allowing the expiry of existing ADD by India when there are such measures put in place by other countries still force, shall lead to further increase in exports to India at dumped rates which also shows likelihood of dumping in all probability in the event of expiry of present duties.

- xx. The response by the responding exporters shows that they expect their exports to go up in the coming period and the projection as per Attachment III to the response shows exports to India by them is expected to move from 100 indexed points in the year 2021 to 300 points in the year 2025 in case of M/s Shandong Ensign Industry Co., Ltd. In case of M/s Jiangsu Guoxin Union Energy Co., Ltd. the projection is 100 indexed points to 69 points in the POI and it is projected as 90 indexed points till 2025. Thus, the exporters are focused on exporting more to India and any expiry of the ADD will be a windfall opportunity for them.
- xxi. The dumped imports of subject goods from China PR continued throughout the injury period and during the POI and the imports in fact almost doubled by the POI over the base year. The share of such dumped imports in Indian demand also has increased by the POI which suggests that such imports will increase substantially if the ADD has to expire.
- xxii. The inventories of subject goods in subject country have been found at very significant levels in the first sunset review based on the information shared by cooperating exporter itself and China PR has large readily available inventories for the product which can be easily diverted to India in the event of expiry of present duties. It is estimated that China PR has a minimum of 5-10% equivalent of its production as running inventory which would be in the range of 70,000 MT to 1,40,000 MT in absolute terms.

### **J.3. Examination by the Authority**

- 95. The present review is a sunset review of anti-dumping duties imposed on the imports of the PUC from China PR. Under the AD Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuance or recurrence of dumping and injury to the domestic industry.
- 96. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure - II (vii) of the Rule, and other relevant factors brought on record by the interested parties.
- 97. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, *inter alia*, for factors which are required to be taken into consideration, *viz.*,
  - a) A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.
  - 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.
  - c) 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
  - d) Inventories of the article are being investigated.
- 98. The Authority has, *inter alia*, considered the above requirements and following parameters in order to determine whether dumping is likely to recur in the event of cessation of anti-dumping duty, and if so, whether the same is likely to cause injury

to the domestic industry. Additionally, the Authority has examined all the relevant information brought on record by the domestic industry and the other interested parties.

**a) Significant rate of increase of dumped imports**

99. The Authority notes that there has been an increase in the imports of the subject goods from subject country by the POI compared to the base year. The imports of the subject goods from the subject country as noted in this investigation are provided in the table below:

**Table - 18**

Particulars	Unit	2020-21	2021-22	2022-23	POI
Imports from China PR (Subject Country)	MT	1,137	1,418	2,123	2,025
Trend	Indexed	100	125	187	178

100. The Authority notes that imports have continued even after imposition of anti-dumping duty and the imports have been on an increasing trajectory. Consequently, if these duties are permitted to lapse, there is a likelihood of increased imports from the subject country.

**b) Continued dumping and injury**

101. The Authority notes that the imports of the PUC in the current period of investigation are at dumped prices despite anti-dumping duties in existence. It is also noted that the performance of the domestic industry has significantly deteriorated in respect of the profits, cash profits and the return on capital employed.
102. Based on the information made available by the applicant and other interested parties, the Authority notes that there are substantial excess and idle capacities to produce the PUC in the subject country. The domestic industry submitted that the total installed capacities in China PR are in excess of 6-7 lakh MT, whereas the total demand for the subject goods in the country is estimated to be only 19,000-20,000 MT. The details submitted by the domestic industry is noted as follows:

**Table - 19**

Particulars	Volume
Capacity for the subject goods in China PR as per the USITC/USDOC <sup>1</sup> and EU/EC <sup>2</sup> finding.	19.40 lakh MT to 21.88 lakh MT.
Domestic Demand for subject goods in China PR as per EC finding	4.65 lakh MT
Capacity available for export (Capacity minus Domestic demand in China PR)	14.75 lakh MT to 17.23 lakh MT
Exports from China PR (Difference between production @68.75% utilisation minus domestic demand)	8.69 lakh MT to 10.39 lakh MT
<b>Excess/unutilised capacity (Capacity minus Domestic plus export sales)</b>	<b>6.06 lakh MT to 6.84 lakh MT</b>

103. It has been contended by the other interested parties that there is a difference in the scope of PUC between Indian investigation and the definition of the PUC in the EU

<sup>1</sup> USITC Finding Covers- All grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type- Investigation Nos. 701-TA-456 and 731-TA-1152 (Second Review) with effect from January 4, 20201.

<sup>2</sup> EU Finding Covers- Citric acid and trisodium citrate dihydrate- Commission Implementing Regulation (EU) 2021/607 of 14 April 2021.

and USA anti-dumping duty/countervailing duty finding relied upon by the applicant. It is noted in this regard that similar contentions were raised by the other interested parties in the first sunset review investigation also. It is noted that definition of the PUC in such jurisdiction covers the subject goods as defined in the investigation by India and it is evident in the finding by such foreign authorities that such authorities also took cognizance of the investigation by India while examining the likelihood aspect in the conduct of their ADD/CVD sunset review investigation covering Sodium Citrate. It is not shown by contending exporters that how such findings on capacity in China PR is not applicable to Sodium Citrate as defined in the Indian anti-dumping investigation nor there is any information submitted to show that such basis is not fit in the factual matrix of the case.

104. Further, the analysis of the questionnaire response filed by the responding exporters from the subject country shows as follows:

**Table – 20**

Particulars	Unit	Shandong Ensign	Jiangsu Guoxin	Total of cooperative exporters
Installed Capacity	MT	***	***	***
Production	MT	***	***	***
Capacity Utilisation	%	***	***	***
Domestic Sales	MT	***	***	***
Export Sales to India	MT	***	***	***
Export Sales to Other Countries	MT	***	***	***
Total Exports (India + Others)	MT	***	***	***
Total Sales (Domestic + Exports)	MT	***	***	***
Surplus/Unutilised capacities	MT	***	***	***
Export Orientation – Ratio of export sales to total sales	%	***	***	***
Export Orientation – Ratio of export sales to total sales	% Range	50-60	45-55	45-55
Inventory	MT	***	***	***
Unutilised Capacity in %	%	***	***	***
Inventory as % of Production	%	***	***	***

105. It is noted from the above information that the responding exporters also have significant unutilised capacities and material available in the inventory with them. Export orientation of such producers is also evident with more than half of the total sales to the export markets.

**c) Imposition of duties by various countries**

106. The domestic industry has submitted that exports of subject goods from China PR continued to attract Anti-dumping measures in EU after the second sunset review and similarly, exports of subject goods from China PR to USA attracts both anti-dumping and countervailing measures and such duties have been also continued after second sunset review. It is also stated in the response by the responding exporters that the PUC has been subjected to anti-dumping duty in European Union, the USA, Brazil, and also special tariff in the USA.
107. The details of such duties are noted as below based on the information on record:

**Table - 21**

<b>Country/ Measure</b>	<b>Effective date of Last Levy/Extension for 5 years</b>	<b>Description of Product</b>	<b>Duty Quantum</b>
EU/ADD	14 <sup>th</sup> April, 2021- Commission Implementing Regulation (EU) 2021/607 of 14 April 2021	Citric acid and trisodium citrate dihydrate	15.3% to 42.7%
USA/CVD	January 4, 2021- [A-570-937, C-570-938] Citric Acid and Certain Citrate Salts From the People's Republic of China: Continuation of Antidumping Duty and Countervailing Duty Orders- Federal Register/ Vol. 86, No. 1/ Monday, January 4, 2021	All grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type	52.22% to 166.34%
USA/ADD	January 4, 2021- [A-570-937, C-570-938] Citric Acid and Certain Citrate Salts From the People's Republic of China: Continuation of Antidumping Duty and Countervailing Duty Orders- Federal Register / Vol. 86, No. 1/ Monday, January 4, 2021	All grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type.	156.87%

108. The Authority notes that the exporters and producers from the subject country is dumping the PUC into India despite anti-dumping duty in force. The domestic industry has claimed that the dumping behaviors clearly establishes that in the event of cessation of the antidumping duty, the producers/exporters from the subject country will continue to dump the product into India at increased volume levels. It is further noted that the scope of PUC in the other jurisdiction like EU and USA covers the subject goods in the present review.

**d) Post POI information**

109. Present investigation being a sunset review, it has been intimated to all the interested parties that the Authority may consider post POI information also in this investigation and the interested parties were directed to submit post POI information, if any, in view of the likelihood analysis to be conducted, to which the domestic industry has submitted the following information:

**i. Imports of subject goods post POI (As per DGCI&S)**

**Table - 22**

<b>Volume (in MT)</b>					
<b>Country</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>April to Sept. (2024-25)</b>
China PR	1,137	1,418	2,123	2,025	483
Total	1,722	1,727	2,375	2,409	572

**Table - 23**

<b>Price CIF (₹/KG)</b>					
<b>Country</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>April to Sept. (2024-25)</b>
China PR	53	89	120	84	58
Total	164	132	163	140	148

**ii. Imports of Citric Acid post POI - (As per DGCI&S) (key raw material to produce the subject goods)**

Table - 24

Volume (in MT)					
Country	2020-21	2021-22	2022-23	2023-24	April to Sept. (2024-25)
China PR	92,387	98,703	1,30,156	1,12,096	61,428
Total	94,966	1,00,029	1,31,440	1,17,653	66,302

Table - 25

Price CIF (₹/KG)					
Country	2020-21	2021-22	2022-23	2023-24	April to Sept. (2024-25)
China PR	48.37	100.08	106.38	61.75	60.49
Total	50.07	100.66	107.05	67.83	65.40

110. It is claimed by the applicant based on post POI data that there has been a further reduction in the price of import of subject goods from China PR in the post POI period and the fall in price is about 31% viz., the POI. Also, while the import price of subject goods decreased by 31% in the post POI period comparison to the POI, the fall in price of key raw material that is citric acid has been only about 4%. Domestic industry claimed that such disproportionate fall in price shows dumping still being followed by China PR.

iii. **Dumping and injury margin in the post POI**

111. The applicant claimed positive dumping and injury margin in the post POI period to indicate the likely situation in the absence of existing anti-dumping duties.

e) **Attractiveness of the Indian market**

112. The applicants have claimed that the Indian market is attractive since there have been continuous increase in demand for the subject goods in India. The demand for the product grew by 66% between the base year and POI which makes India an attractive market for Chinese produce ₹
113. The applicant has also submitted that India is also a price-attractive market for a significant volume of exports from China.
114. In this regard, the matter has been examined based on the responses of the cooperating producers/exporters from China PR. The Chinese producers are likely to get a better price in India and, the Chinese producers are likely to divert their third countries' exports to the Indian market on account of higher export prices to India in comparison to other countries. The examination of the information on record shows as under:

Table - 26

Particulars	Shandong Ensign	Jiangsu Guoxin
Exports from China to rest of the world at prices below Indian prices - based on responses.	***	***
Indian demand	***	***
Low priced third countries exports in relation to Indian demand	***	***
Low priced third countries exports in relation to Indian demand -% Range	290-300	25-35

**f) Imports entering at prices that are likely to suppress or depress the prices of the domestic industry to a significant degree**

115. The subject imports are already entering at a price that is below the cost of sales of the domestic industry. It has also been contended in the application that while a drop in price of subject goods from China PR by about ₹28/- per KG was attributable to drop in price of Citric Acid, the actual drop in the price of subject goods from China PR has been ₹36/Kg which shows a higher fall in price by about ₹8/Kg disproportionate to the fall in raw material price. As noted hereinabove, the selling price of the domestic industry did not increase at the same rate as the increase in cost of sales, showing price suppression during the injury period. It is further noted that the landed price of imports has been lower than the cost of sales of the domestic industry during the entire injury period. Such price effects from subject imports are likely to continue in the absence of anti-dumping duties.
116. With regard to the contention that termination of anti-dumping duty after a period of 5 years is the norm and continuation of duty is an exception to the norm, it is noted that the Rule 23(1B) says *“notwithstanding anything contained in sub-rule (1) or 1(A), any definitive anti-dumping duty levied under the Act shall be effective for a period not exceeding five years from the date of its imposition, unless the designated authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead the continuation or recurrence of dumping and injury to the domestic industry.”* Thus, the duty in force reaches its finality on attaining 5 years period in a situation where no review as envisaged under the Rule is initiated and no conclusion is reached within a reasonable period of time prior to the expiry of that period. In the present matter, a review as envisaged under the Rule 23 (1B) has been timely initiated and there is time available under the Rule to issue any final findings.
117. With regard to the contention that Anti-dumping duty has been in force for close to ten years and the Anti-dumping duty imposed on the subject imports has served its purpose, the Authority notes that the mandate is to continue the duty as long as there is likelihood of dumping and injury and the merits of the present case is addressed at appropriate places in this notification.
118. With regard to the contention that the petition filed by the domestic industry in the present case failed to show any positive evidence to support the initiation of the present sunset review, the Authority notes that the present investigation was initiated based on *prima facie* satisfaction of the evidences relevant to determine likelihood and thereafter it was open for all interested parties to adduce evidences for and against the claims of likelihood. The claims supported by evidences alone are considered relevant in this notification.
119. With regard to the contention that the Authority must review the data of volume and value of imports during the period post the POI in terms of Paragraph 17.30 of the Trade Remedies Manual of Operating Practices, it is noted that interested parties have been directed to provide the post POI information and the information received for this period from the interested parties is part of this notification and such information may form part of conclusions in this matter.
120. With regard to the contention that given the limited demand in India in the range of 20,000-22,000 MT, the Indian market does not appear to be any attractive for the exporters from China PR, the Authority notes that the exporters from China PR held

about 10-15% market share in such small overall demand even when the anti-dumping duty was in force which shows attractiveness of the Indian market.

## **K. INDIAN INDUSTRY'S INTERESTS AND OTHER ISSUES**

### **K.1. Submissions by other interested parties**

121. The following submissions have been made by the other interested parties during the course of the investigation:
- i. Any continuation of duty shall disrupt the existing supply chains from subject country and the domestic users shall have to rely on the mercy of the petitioners who essentially are focused on expanding their export market to the detriment of the domestic market.

### **K.2. Submissions by the domestic industry**

122. The following submissions have been made by the domestic industry during the course of the investigation:
- i. There is no significant adverse impact on the extension of anti-dumping duties either on the downstream users or on the ultimate end-users and continuation of ADD shall be in the best interest of the producers, downstream users, and public at large.
  - ii. The quantum of ADD which was US\$ 367.59/MT in the original investigation is US\$ 96.05 to 152.78/MT currently. Though the subject product is used in wide range of pharma and food/ beverage application etc., the share of the subject goods in the cost of such products are very negligible. The impact of the ADD as sought shall be less than 0.50% on such users which is negligible. Also, there are no users/importers responding in this matter which also shows there are no impact of ADD on subject goods to any bothering levels to such parties.
  - iii. The subject goods have one of its major uses in Oral Rehydration Solution (ORS) and it is also used in food items. Some of the examples as below would show that the ADD quantum as sought in the application will not have any major impact on the cost of the users:

**Table – 27**

<b>Particulars</b>	<b>Units</b>	<b>Value</b>
Retail Price of 21 Gram ORS Sachet	₹/Pc	21.82
Content of Sodium Citrate in 1 Sachet	Gram	2.90
ADD as sought (Injury Margin)	₹/KG	***
Impact of ADD per Sachet	₹/KG	***
Impact of ADD per Sachet	%	***
Trend	Range	0.25-0.35%

**Table – 28**

<b>Particulars</b>	<b>Units</b>	<b>Value</b>
Retail Price of 100 Gram Amul Cheese	₹/Pc	80.00
Content of Sodium Citrate in 1 Packet	Gram	4.00
ADD as sought (Injury Margin)	₹/KG	***
Impact of ADD per packet	₹/KG	***
Impact of ADD per packet	%	***
Trend	Range	0.10-0.20%

- iv. Indian producers can meet the entire Indian demand and the country is self-reliant for the product. There are no demand and supply gap for the product in India. Also,

the product has huge export potential and to take up the export opportunities, a robust and fair domestic market free from dumped imports is essential to ensure the existence of the domestic industry.

- v. India had 6 producers at the time of original investigation which is 11 during the 1<sup>st</sup> SSR and the present review. Sodium Citrate has the potential to grow even bigger in the years to come and can take up exports also and such growth of the industry shall be in the public interest of the country.
- vi. Citric acid is the main raw material to produce the subject goods. As of now, India imports citric acid as the producers had to close down on account of dumping. Citric acid constitutes about 45-55% of the overall cost of the subject goods and about 620-650 grams of citric acid (SION BP/USP is 0.67 to 0.74) is required while producing 1Kg of Sodium Citrate. After imports of citric acid, producers undertake substantial value addition to the tune of 45-55% and the companies have made substantial investments in the plant and machinery to produce the subject goods. Thus, the country has a substantial manufacturing base and this is not any mere converting industry which must not be allowed to succumb to the pressure of continued dumping.
- vii. Applicant took up substantial investments in the existing plant during the year 2022-23 and also through POI so as to meet the statutory requirements/ guidelines including plant/ process improvisation so that the company can ensure good manufacturing practices as envisaged in the new Schedule M guidelines which is clearly intended for Indian market. Original investments and also additional investments made from time to time including during the injury period will all get vitiated if dumping and injury has to recur on account of expiry of present ADD.

### **K.3. Examination by the Authority**

- 123. The Authority has considered whether extension of the present anti-dumping duties on imports of subject goods from China PR shall have any adverse public interest. For the same, the Authority examined whether the extension of the anti-dumping duty on imports of the product under investigation would be against the larger public interest. This determination is based on consideration of information on record and interests of various parties, including domestic industry, importers, and consumers of the product.
- 124. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers, and other interested parties. The Authority also prescribed a questionnaire for the consumers to provide relevant information with respect to the present investigation, including the possible effects of the anti-dumping duties on their operations. The Authority sought information on, *inter-alia*, the interchangeability of the product supplied by various suppliers from different countries, ability of the consumers to switch sources, the effect of anti-dumping duties on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the antidumping duties.
- 125. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re- establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the continuation of the anti- dumping duties might affect the price levels of the PUC as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-

dumping measures. On the contrary, the continuation of anti-dumping measures would prevent the decline of the domestic industry that may ensue as a consequence of low-priced imports from the subject country and help maintain competitive market for the consumers of the PUC.

126. It is noted at the outset that none of the users/ importers/ consumers have participated in the present investigation and no submissions have been made by any party to demonstrate that the any continuation of present anti-dumping duties will have any adverse effects on such users and larger public interest of the country.
127. It is evident in the factual matrix of the present case that the country has capacity sufficient to meet its domestic demand and in fact the country has more capacity than demand. The Indian producers also undertook substantial exports during the POI. The Authority notes that the anti-dumping duties are not imposed to block imports, but to create a level playing field in the domestic market. The user industry of the PUC can continue to import at fair prices. The Authority notes that existence of a fair market is necessary for the user industry to avoid being excessively dependent on a single source leading to high chances of future supply chain disruptions.
128. The Authority also notes that the interested parties have not demonstrated how the prices of subject goods have adversely impacted the consumers. On the other hand, the domestic industry has submitted quantified information showing that the impact of the anti-dumping duties as sought on the user industry would be insignificant and less than 0.50% even in major application like pharma and food.

## **L. POST DISCLOSURE SUBMISSIONS**

### **L.1 Submissions made by the other interested parties**

129. The following post disclosure comments have been submitted by the other interested parties apart from reiterating their previous submissions:
  - i. The Authority should terminate this investigation without again recommending any imposition of anti-dumping duties. If the Authority decides to continue regardless, then the Authority may re-verify the NIP computed for the domestic industry which seems way off the charts compared to the 1<sup>st</sup> SSR.
  - ii. With regard to scope of the domestic industry and standing, we do not dispute it and request seeking examination of reasons of non-participation by the other producers is to verify profitability of such other producers. If other non-participating producers are in profits, the losses to the petitioner are due to reasons other than dumping.
  - iii. The petitioner has not till date provided with a proper NCV of the support letter of any of its supporters i.e., India Phosphate and Sunil Chemicals nor indexed number of supporters is provided.
  - iv. Disclosure shows that the petitioner is not suffering injury and is exhibiting favourable outcomes basis various parameters which must be duly considered by the Authority before concluding injury or continuation or likelihood of recurrence.
  - v. Disclosure says that the CAPEX in compliance with Schedule M were not specific to domestic sales only but pursuant to entire facility. While, the Authority has excluded certain investments that pertain solely to export performance, we

request the Authority that the remaining NFA must be allocated between exports and domestic sales in a logical manner to give due consideration to the fact that export sales have increased 4x in quantitative terms and 9x in value terms.

- vi. The NIP computed has been unreasonably high in the present investigation which we believe is due to the petitioner's misleading reporting of NFA and allocating entire NFA towards domestic sales only.
- vii. The Authority's practice of awarding 22% pre-tax ROI which we believe is not only arbitrary but also excessive in our industry by any stretch of imagination. We request the Authority to rationalize the ROI as per each industry's specific set of circumstances rather than applying a blanket rate of 22%.
- viii. The principle of progressive liberalization under Article 11.1 of the WTO Anti-dumping Agreement requires that anti-dumping duties remain in force only as long as necessary to counteract injurious dumping. The extensive protection already received by the domestic industry runs counter to this principle.
- ix. While the Authority has concluded that imports are on an increased trend, it has erred in not considering that over 60% of those imports are to those specific entities who are buying at non-injurious prices. If such imports are excluded as was done by the Authority in Price Undercutting analysis, the trend is most likely to be downwards or increasing minimally.
- x. Regarding the capacity availability and export orientation, the Authority in Paragraph 103 has acknowledged that the scope of the investigations by EU and USA are wide. However, the Authority erred in casting the onus on the exporters for showing how such findings on capacity in China PR is not applicable to Sodium Citrate as defined in the Indian anti-dumping investigation. This is against the view of CESTAT in case of 2<sup>nd</sup> SSR on PVC Flex Film wherein it was said the burden was on the petitioner to place on record sufficient and reliable evidence to justify the likelihood of continuation of dumping and injury upon cessation of ADD.
- xi. As regards the unutilized capacities and export orientation, the Authority has not considered the fact that substantial part of such exports by the respondents are to such entities like PepsiCo and Coca Cola which do not cause any injury to the domestic industry.
- xii. If the Authority nonetheless decides to continue imposition of duty, M/s Shandong Ensign Industry Co., Ltd must be awarded duty rates as per the margins determined in the subject SSR investigation. The Authority has in the 1<sup>st</sup> SSR on the subject goods awarded fresh margins to the participating entities and the Authority has followed similar practice in anti-dumping investigations like Glass Fibre and Articles thereof from China PR, Aluminium Foil from China PR.

## **L.2 Submissions made by the domestic industry**

130. The following post disclosure comments have been submitted by the domestic industry apart from reiterating their previous submissions:
  - i. Negative injury margin for M/s Shandong Ensign Industry Co., Ltd during the POI as per Disclosure should not lead to any nil duty for the said producer as the present investigation is a sunset review investigation. Shandong in any case shows positive injury margin in the post POI period.

- ii. Negative injury margin during the POI of a sunset review cannot be any ground to fix nil duty for the exporter like in a fresh investigation since there are evidences in the Disclosure which demonstrates likelihood of dumping and injury in case of exports of subject goods by the said exporter and also from China PR as a whole.
- iii. Views taken by the Hon'ble CESTAT in the matter of Thai Acrylic Fibre Ltd. vs. Designated Authority is applicable in the facts of the present matter. Hon'ble CESTAT observed as follows in the said matter:

*“14. Sunset review entails a likelihood determination in which present levels of dumping is obviously not so relevant as is the likelihood of continuance or recurrence of dumping. Moreover, during the investigation period, the anti-dumping duty would be in force and hence, the current level of dumping may be non-existent or minimal. The exporters under investigation may also sell at a non-dumped price during this period knowing fully well that a sunset review would be in progress. Hence, the criteria under Section 9A (1) that the anti-dumping duty should not exceed the dumping margin would have no practical application for continuance of the duty under Section 9A (5). There is also no such warrant in law under the said Section 9A (5) to do so.” (Emphasis added)*

- iv. M/s Shandong Ensign Industry Co., Ltd did not cooperate in the original investigation nor the exporter filed for any new shipper status and as it stands, the ADD applicable on Shandong currently is the residual duty and the exporter should not be suddenly considered for any individual margin in this SSR.
- v. The export price from Shandong has been apparently high during the POI due to supplies to 2 MNC customers and even such prices dropped in the post POI period and nothing stops Shandong from supplying the subject goods at lower prices to other users also in the absence of ADD nor the product sold to such MNCs are any different products.
- vi. Shandong managed its export price to India during the POI to show higher price during the review since the upcoming sunset review was in the knowledge of the exporters. NCV-EQR of Shandong shows that the exporter only increased its price to India by 27% between base year and POI and for the other countries, prices were reduced by 16%. Even in the domestic market of China PR, the said exporter reduced its price by 28%. This shows the price increases to Indian market alone is very doubtful and apparently done to show a high price to influence the export price during the present review.
- vii. It is evident from the import data that while the price from Shandong was about ₹ 98/Kg between April, 2023 and the first week of February, 2024, the price from the said exporter is only ₹ 74/Kg during second part of February, 2024 and till July, 2024. Thus, there is already a fall in price by 24% in the post POI period and this alone shows the fact that the high price apparently claimed by the exporter for the POI is totally unreliable and no individual margin should be determined based on such an inflated and unreliable export price.
- viii. The facts as disclosed shows high export orientation, excess capacity, and available inventory with Shandong apart from fall in price during the post POI period. Such facts show strong likelihood.
- ix. Nil duty to M/s Shandong Ensign Industry Co., Ltd when its price has already tumbled by 24% at an average level for the end part of POI and post POI period

shall render any continuation of ADD in this matter totally redundant and the whole Indian market will be bestowed to M/s Shandong Ensign Industry Co., Ltd.

- x. It is essential to continue the ADD on M/s Jiangsu Guoxin Union Energy Co., Ltd, who got an individual margin earlier, on ground of likelihood now. Facts also shows high export orientation, excess capacity, high inventory levels etc., for Jiangsu also.
- xi. Disclosure clearly shows attractiveness of the Indian market and substantial volume of third country exports which are made at prices lower than prices to Indian market. Such lower priced exports will be immediately diverted to India in case of expiry of present duties or in case of nil duty to one exporter.
- xii. Situation of exporters in China PR demonstrates very strong likelihood of dumping and injury in the event of expiry of present duties. Apart from the country wide excess capacity and export orientation coupled with ADD/CVD in other jurisdiction against the exports of subject goods from China PR, the responding exporters also have significant unutilized capacity and export orientation is more than 50% and attractiveness of Indian market in case of such responding exporters itself is extremely high in the range of 25-300%.
- xiii. NIP determined for the domestic industry needs some reconsideration especially for the fact that majority amounts from working capital claims have been disallowed while determining NIP. Disallowance of majority of working capital as claimed has drastically reduced the NIP which is not justified in the overall facts of the present matter. There are other expenses also disallowed which must be reconsidered.
- xiv. The Authority may confirm the views taken in the disclosure statement regarding PUC, Like Article and Domestic Industry and standing while issuing final finding in this matter. The facts clearly show that the applicant has the required standing under Rule 2(b).
- xv. Product under consideration continues to be exported to India at dumped prices from subject country and the facts as disclosed suggests such dumping will continue in the event of expiry of present duties.
- xvi. Injury to the domestic industry both in terms of volume and price parameters is very apparent and the Authority may conclude that the domestic industry suffered material injury in this matter. There is price suppression and it is also evident that even price undercutting has been positive in case of imports by importers other than 2 MNC beverage makers.
- xvii. Such dumping and consequent injury is very likely to intensify from the subject country and there is likelihood of dumping and injury to the domestic industry in the event of cessation of existing anti-dumping duty.
- xviii. There is no significant adverse impact on the extension of anti-dumping duties either on the downstream users or on the ultimate end-users and continuation of ADD shall be in the best interest of the producers, downstream users, and public at large. Indian producers can meet the entire Indian demand and the country is self-reliant for the product. There are no demand and supply gap for the product in India.
- xix. The supporting producers also reiterated their views earlier submitted and requested continuation of anti-dumping duties on subject goods from China PR.

### **L.3. Examination by the Authority**

131. The Authority notes that post-disclosure comments/submission made by the interested parties are mostly reiterations of their earlier submissions, which have already been examined suitably and adequately and properly addressed in the disclosure statement or in relevant paras of the present finding. The Authority further considers as follows with regard to the new comments/ issues raised by the interested parties:
- i. As regards the argument that if the Authority decides to continue the antidumping duties regardless, then the Authority may re-verify the NIP computed for the domestic industry which seems way off the charts compared to the 1<sup>st</sup> SSR, the Authority notes that determination of NIP is undertaken in the facts of each investigation as per the principles enshrined in Annexure III of the Customs Tariff (Identification, Assessment and Collection of Antidumping duty on Dumped Articles and for determination of Injury) Rules, 1995.
  - ii. As regards the argument that the other Indian producers have not submitted the injury data, the Authority notes that determination of eligibility of the applicant as domestic industry is carried out as per Rule 2(b) of the Anti-dumping Rules and determination of injury to the domestic industry are determined based on the principles enshrined in Annexure II to Rule 11 of the Anti-dumping Rules. Having determined that the applicant satisfies the requirements of “domestic industry”, the requirement thereafter is to determine injury concerning the “domestic industry” which has been done in the present investigation.
  - iii. As regards the argument that the petitioner has not till date provided with a proper NCV of the support letter of any of its supporters, the Authority notes that the support letters have been provided by other 3 supporting producers in the context of determination of standing and the details of production as per such letters have been considered by the Authority for calculation of total Indian production. It is further noted that the disclosure contained adequate summarised information on share of petitioner and other parties in total Indian production and it is further noted that such details have been provided in the application also.
  - iv. As regards the argument that disclosure shows that the petitioner is not suffering injury and is exhibiting favourable outcomes based on various parameters, which must be duly considered by the Authority before concluding injury or continuation or likelihood of recurrence, the Authority notes that the final views taken in this finding *ipso-facto* addresses the comments of the opposing parties on dumping and consequent injury to the domestic industry.
  - v. As regards the argument that while the Authority has excluded certain investments that pertain solely to export performance for the purpose of calculation of capital employed, and the remaining NFA must be allocated between exports and domestic sales in a logical manner, the Authority notes that as recorded at the time of disclosure itself, detailed examination of capital employed claimed by the domestic industry has been carried out and the capital employed considered for the purpose of NIP calculation has been done as per the requirements of Annexure III to the Rules.
  - vi. As regards the argument that the NIP computed has been unreasonably high in the present investigation which could be due to the petitioner’s misleading

reporting of NFA and allocating entire NFA towards domestic sales only, the Authority notes that the contention has no merit since the NIP has been determined in accordance with Annexure-III of the AD Rules, 1995 and the consistent practices of the Authority.

- vii. As regards the argument that the Authority's practice of awarding 22% pre-tax ROI is not only arbitrary but also excessive, the Authority notes that the return of 22% on capital employed is applied in all cases as per the consistent practice of the Authority including the original and first sunset review concerning imports of the subject product.
- viii. As regards the argument that the principle of progressive liberalisation under Article 11.1 of the WTO Anti-dumping Agreement requires that anti-dumping duties remain in force only as long as necessary to counteract injurious dumping, the Authority notes that the conclusions reached in this final finding is self-explanatory on such issues and explains the need for further continuation of the existing anti-dumping duties.
- ix. As regards the argument that while the Authority has concluded that imports are on an increased trend, and it has erred in not considering that over 60% of those imports are to those specific entities who are buying at NIP, the Authority notes that for the purpose of examination of trend of imports of subject goods into India, total imports of subject goods into India is relevant and the injury margin from such imports are noted as positive during the POI.
- x. As regards the argument that the Authority has acknowledged that the scope of the investigations by EU and USA are wide, and it has erred in casting the onus on the exporters for showing how such findings on capacity in China PR is not applicable to Sodium Citrate as defined in the Indian anti-dumping investigation, the Authority notes that the observation of casting any onus on exporters is not correct. In this regard, it is noted that the exporters have objected to consideration of facts available in the findings by EU/USA, which included the subject goods, without substantiating the basis of such objections. It is further noted that consideration of such findings enables access to information pertaining to narrowest group or range of products including the subject goods which is permissible in light of Para (vi) of Annexure II to the Rules which is in line with Article 3.6 of the Anti-dumping Agreement.
- xi. As regards the argument that substantial part of exports by the respondents are to such entities like PepsiCo and Coca Cola which do not cause any injury to the domestic industry, the Authority notes that the dumping and injury examination has been conducted based on the total imports of the subject goods to India and the outcomes are discussed at appropriate places in this finding which does not support the observations of the opposing parties here.
- xii. As regards the argument that if the Authority nonetheless decides to continue imposition of duty, M/s Shandong Ensign Industry Co., Ltd must be awarded duty rates as per the margins determined in the subject SSR investigation, it is noted that the claim has been addressed at appropriate section in this finding.
- xiii. As regards the arguments of domestic industry concerning determination of NIP, it is noted after due examination of the comments that no revision in NIP determine is essential since the NIP disclosed has been determined in accordance with Annexure-III of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on Dumped Articles and for Determination

of Injury) Rules, 1995 and as per the consistent practice of the Authority. There are no new facts brought on record to reconsider such determination either.

## **M. CONCLUSIONS**

132. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority, as recorded in the above findings, and on the basis of above analysis of the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes as follows:
- a) The product under consideration is “Sodium Citrate” originating in or exported from China PR. It is a chemical compound that comes in the form of monosodium citrate, disodium citrate and tri-sodium citrate. The product under consideration can also be transacted by the following alternate names:- a. Sodium Citrate b. Tri Sodium Citrate c. Tri Sodium Citrate dihydrate d. Sodium Citrate dihydrate e. Tribasic Sodium Citrate f. Sodium Citrate Tribasic Dihydrate g. Sodium Citrate Dibasic Sesquihydrate h. Sodium Citrate Monobasic Bioxtra.
  - b) The product produced by the domestic industry is like article to the product imported from China PR.
  - c) The applicant namely M/s Daffodil Pharmachem Private Limited constitutes domestic industry within the meaning of Rule 2(b). Further, the request for extension of anti-dumping duty was supported by three other producers namely M/s India Phosphate, M/s Sunil Chemicals and M/s Wang Pharmaceuticals & Chemicals.
  - d) The application contained all the information relevant for the purpose of initiation of the sunset review. Further, the applicant provided all information considered relevant and necessary by the Authority for the purpose of the present investigation.
  - e) Based on the information on record, the normal value, export price and the dumping margin for the subject goods have been determined. The dumping margin determined for exports of subject goods from the subject country remains above *de-minimis* level.
  - f) The volume of dumped imports has increased in absolute terms and in relation to consumption.
  - g) Price undercutting from overall imports is noted as negative. However, it is noted that price undercutting has been positive in case of imports made by parties other than PepsiCo India & Coca Cola India.
  - h) While various volume parameters of the domestic industry improved in the injury period, the price parameters continued to decline during the POI after some positive growths between the base year and the year 2021-22. Also, though there has been an overall positivity in terms of volume parameters, inventory level of the domestic industry increased significantly during the POI. It is also noted that there has been decline in market share of the domestic industry while market share of dumped imports increased during the same period.

- i) After analysing volume and price effect of dumped imports from subject country, and its impact on the domestic industry, it is noted that the domestic industry has suffered material injury during the present period of investigation.
- j) There is a likelihood of recurrence of dumping and injury in the event of cessation of anti-dumping duty, as established by the following factors:
  - i. The dumping of the subject goods has continued despite the anti-dumping duties in force.
  - ii. The volume of imports has also remained significant and in fact has increased, in absolute and relative to consumption.
  - iii. The market share of the subject imports has increased and that of the domestic industry declined.
  - iv. There exist significant surplus capacities for the subject goods in China PR, and the surplus unutilised capacities are far in excess of the Indian domestic demand. Such excess capacity is evident even in case of responding exporters.
  - v. The responding producers/exporters in the subject country are holding significant inventories.
  - vi. The producers in the subject country are not only dumping in India, but are also exporting the subject goods to third countries at prices that are dumped and injurious, compared to the normal value and non-injurious price based on the information submitted by the responding exporters.
  - vii. India is a price attractive lucrative market for the producers from China PR.
  - viii. Exports of subject goods attracts anti-dumping duties in EU following the second sunset review and such exports also attracts anti-dumping and countervailing duties in USA following second sunset review. The excess capacities as noted coupled with trade barriers in other countries are likely to increase exports at dumped prices in the event of expiry of present duties.
- k) In view of the foregoing, it can be concluded that in the event of expiry of the existing anti-dumping duty, there is every likelihood that the imports of the subject goods from China PR would increase at dumped and injurious prices.
- l) The investigation had not brought to light any considerations demonstrating that continuation of anti-dumping duty would not be in the public interest. As noted, India has the capacity to meet the entire demand for the product in India and the existing anti-dumping duties alone is being recommended to be continued on imports of the subject goods from China PR.

133. In view of the above the Authority concludes that there is a clear likelihood of continuation or recurrence of dumping and consequent injury in the event of cessation of the existing anti-dumping duties, and therefore, the Authority recommends continuation of anti-dumping duties on imports of subject goods from China PR for a further period of five years.

## **N. RECOMMENDATIONS**

- 134. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, the exporters, the importers, the users and the other interested parties to provide information on the aspects of dumping, injury and the causal link and also on likelihood of dumping and injury to the domestic industry.
- 135. Having concluded that there is positive evidence of likelihood of dumping and injury if the existing antidumping duties are allowed to cease, the Authority is of the view

that the anti-dumping duty in force on the imports of the product under consideration from the subject country is required to be continued further. Considering the facts and circumstances of the case, as established hereinabove, the Designated Authority considers it appropriate to recommend continuation of the existing anti-dumping duties on the imports of the subject goods from the subject country. Accordingly, the anti-dumping duty for producers from China PR are recommended as per duty table below.

136. Having determined that there is likelihood of dumping and injury in the present matter if the existing anti-dumping duty is withdrawn, it is noted appropriate to continue the existing anti-dumping duty on import of subject goods from China PR without any modification in the current quantum of duties keeping in view the factual matrix of the present investigation. However, the Authority also notes that an exporter namely M/s Shandong Ensign Industry Co., Ltd has participated in the present sunset review investigation who did not participate at the time of original investigation or the first sunset review. The exporter has cooperated during the present sunset review and the data submitted by the exporter was also verified by the Authority through desk verification. The Authority has examined the volume and price of exports of the said exporter and it is noted that volume and price of export is representative in nature. In such facts and circumstances, the Authority deems it appropriate to determine individual anti-dumping duty rate for M/s Shandong Ensign Industry Co., Ltd. However, keeping in view the fact that there is a likelihood of dumping and injury in the event of expiry of existing anti-dumping duty in the present investigation, quantum of anti-dumping duty for the said producer/exporter cannot be determined solely based on the principle of anti-dumping duty equal to the margin of dumping or less like in a fresh investigation as provided under Rule 4(1) (d) (i). The current anti-dumping duties applicable on imports of subject goods from China PR covers anti-dumping duty that was determined by the Authority for the cooperating producer/exporter who participated in the first sunset review investigation and also the duties applicable for the non-cooperative producers/exporters. Since the existing anti-dumping duties is being recommended to be continued on the imports of subject goods from subject country in the present sunset review, the Authority deems it appropriate to recommend the existing anti-dumping duty rate applicable for the cooperating exporter for M/s Shandong Ensign Industry Co., Ltd also.
137. Thus, in terms of the provision contained in Rule 17(1)(b) read with Rule 23 (1B) and Rule 23 (3) of the Anti-dumping Rules, the Authority recommends the continued imposition of the existing anti-dumping duties, so as to remove the likelihood of dumping and injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to the amount mentioned in column (vii) of the duty table below is recommended for the imposition for five (5) years from the date of the Notification to be issued by the Central Government, on all imports of the subject goods originating in or exported from the subject country.

## Duty Table

Sl. No.	HS Code	Description of Goods	Country of Origin	Country of Export	Producer	Duty (\$/MT)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
1.	29181520 <sup>#</sup>	Sodium Citrate*	China PR	Any country including China PR	M/s Shandong Ensign Industry Co., Ltd.	96.05
2.	-do-	-do-	China PR	Any country including China PR	M/s Jiangsu Guoxin Union Energy Co., Ltd.	96.05
3.	-do-	-do-	China PR	Any country including China PR	Any other producer other than at Sl. No. 1 & 2.	152.78
4.	-do-	-do-	Any country other than China PR	China PR	Any	152.78

# - The customs classification is indicative only and is not binding on the scope of the product under consideration.

\* - The description of the goods in the Duty Table above includes the following alternate names as well:- (a). Tri Sodium Citrate; (b). Tri Sodium Citrate dihydrate; (c). Sodium Citrate dihydrate; (d). Tribasic Sodium Citrate; (e). Sodium Citrate Tribasic Dihydrate; (f). Sodium Citrate Dibasic Sesquihydrate; (g). Sodium Citrate Monobasic Bioxtra.

138. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable custom duties, except duties levied under Section 3, 8B, 9, 9A of the Customs Tariff Act, 1975, as amended from time to time.

### **O. FURTHER PROCEDURE**

139. An appeal against the order of the Designated Authority arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.



**(Darpan Jain)**  
**Designated Authority**