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**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES**

Notification

Udyog Bhavan, New Delhi - 110011
Dated 5th December, 2011

Final Findings

Subject: - Sunset Review investigation concerning anti-dumping duties imposed on imports of Silk Fabrics 20-100 gms per meter originating in or exported from China PR.

F. No. 15/24/2010--DGAD. – Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and thereafter (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the Rules), the anti-dumping duty was originally imposed vide notification No. 121/2006 -Customs dated 26th December, 2006 on imports of Silk Fabrics 20-100 gms per meter (hereinafter referred to as the subject goods), originating in or exported from China PR (hereinafter referred to as the subject country).

A. Background of the case

1. Whereas the Designated Authority (herein after referred to as the Authority), having regard to the Customs Tariff Act, 1975 as amended in 1995 and thereafter and the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, had initiated the original investigation vide Notification No. 14/20/2004-DGAD dated 18th May 2005. The Authority issued its Final findings recommending imposition of definitive anti-dumping duty on imports of the subject goods, originating in or exported from subject country, vide Notification No. 14/20/2004-DGAD dated 15th November, 2006. Definitive anti-dumping duties were imposed by the Central Government vide Customs Notification No. 121/2006-Customs dated 26th December, 2006.

2. Whereas in terms of Section 9A (5) of the Act, anti-dumping duties imposed, shall unless revoked earlier, cease to have effect on expiry of five years

from the date of such imposition and the Authority is required to review, whether the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury. In this regard, Hon'ble Delhi High Court in the matter of Indian Metal and Ferro Alloys Ltd v/s Designated Authority in the WP No 16893 of 2006 held that sunset review is mandatory. Therefore, pursuant to the above orders of the Hon'ble Court and in accordance with Section 9A(5) of the Act read with Rule 23 of the Rules, the Authority initiated *suo motu* the present sunset review investigation on 6th December, 2010 to examine whether cessation of the duty would lead to continuation or recurrence of dumping and injury.

3. And whereas, the original anti-dumping duty as notified vide Notification No.121/2006- Customs dated 26th December, 2006 has been extended up to 5th December, 2011 vide notification No. 37/2011- Customs dated 21st April, 2011 in terms of Section 9(A)(5) of the Act.

B. Procedure

4. In these proceedings the procedure described below has been followed:

- (i) The Embassy/Representatives of the subject country in New Delhi were informed about the initiation of the investigation in accordance with Rule 6(2).
- (ii) The Authority sent copy of the initiation notification dated 6th December, 2010 to the Embassy of China PR in India, known exporters from the subject country, known importers, the China Chambers of Commerce for Imports and Exports of Textiles (hereinafter referred to as "CCCT") and other interested parties, and the domestic industry, as per the information available with it. Parties to this investigation were requested to file questionnaire responses and make their views known in writing within prescribed time limit. Copies of the letter, non-confidential version of the petition and questionnaire sent to the known exporters were also sent to the Embassy of the subject country along with a list of known exporters/producers with the request to advise the exporters/producers from the subject country to respond to the questionnaire within the prescribed time.
- (iii) Copy of the non-confidential version of the response filed by the domestic industry was made available to the known exporters, CCCT and the Embassy of the subject country in accordance with Rules 6(3) supra.
- (iv) Questionnaires were sent to the following known exporters from subject country in accordance with the Rule 6(4) to elicit relevant information:

- M/s Zhejiang G & F Foreign Trading Co., Ltd
- M/s Lianqing Wintus Silk & Textile Limited
- M/s. Sichuan Silk Export and Import Corporation
- M/s Zhejiang Cathaya International Co., Ltd
- M/s Deyang Bailong Lifeng Silk Weaving Co. Ltd.
- M/s Deqing County Bolida Silk Co. Ltd.
- M/s Nanjing Textiles Import & Export Corporation Limited
- M/s Suqian Hongyun Silk Co. Ltd.
- M/s Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd.
- M/s Guizhou Fortune Green Products Import & Export Co. Ltd.
- M/s Chongqing Wintus (New Star) Trade Development Limited
- M/S Shanghai Silk Group Co. Ltd.
- M/S Chengdu Investment Imp. & Exp. Co., Ltd.
- M/s Nanchong AnDe Industrial Co. Ltd.
- M/s Chengdu Kilter Silk Trade Corporation Ltd.
- M/s Zhejiang Mihuang Import & Export Co., Ltd.
- M/s Jiangsu SOHO International Group Corp.
- M/s Longchang Yinhua Silk Co. Ltd.
- M/s Xinyuan Cocoon Silk Group Co., Ltd
- Guangdong Silique International Group Gold Silk Co.Ltd.
- M/s Deqing Bolida Silk Co., Ltd.
- M/s Huzhou Sentong Silk Weaving Co.Ltd
- M/s Sichuan New Rise Imp. & Exp. Co. Ltd.
- M/s ChenFeng (Jiangsu) Clothing Co. Ltd.
- M/s Zhejiang Yangshi Silk Co., Ltd.,
- M/s Chongqing Golden Silk Co., Ltd.
- M/s China Chamber of Commerce for Export & Import of Textiles (CCCT)
- M/s Jiangsu Hongbao Group Co.,

(v) Questionnaire was also sent to the following known importers and consumers of subject goods in India calling for necessary information in accordance with Rule 6(4):

- M/s. Kailpar Engineering Co. Ltd.
- M/s Tekchand International
- M/s Universal Textile Mills

(vi) No questionnaire response or submission has been submitted by any exporter/producer of the subject goods from the subject country. However, submissions have been received only from China Chamber of Commerce for Export & Import of Textiles (CCCT).

(vii) No questionnaire response or submission has also been submitted by any of the importers/consumers.

- (viii) Transaction-wise data in respect of the imports of the subject goods for the period of investigation and preceding three years has been provided by the Directorate General of Commercial Intelligence and Statistics (DGCI&S). Domestic Industry has also furnished data based on IBIS (Secondary Source) in respect of imports of the subject goods from the subject country under various custom classifications. The Authority has relied upon the data from the DGCI&S source.
- (ix) The Authority made available non-confidential version of the evidences presented by the interested parties in the form of a public file kept open for inspection by the interested parties.
- (x) The Authority verified the information furnished by the domestic industry to the extent possible on the basis of Generally Accepted Accounting Principles (GAAP) to examine the injury suffered, to work out optimum cost of production, cost to make and sell the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to domestic industry.
- (xi) The Authority held a hearing on 19th August, 2011 to hear the interested parties orally, which was attended by the representatives of the interested parties. The arguments raised in the written submissions/rejoinders received from interested parties have been considered, wherever found relevant, in this finding.
- (xii) Investigation has been carried out for the period starting from 1st April, 2009 to 30th June, 2010 (POI). The examination of trends in the context of injury analysis covered the periods from 2006-2007, 2007-2008, 2008-2009 & the POI.
- (xiii) The Authority has considered the views expressed and submissions made by the interested parties to the extent they are found relevant for the present investigation.
- (xiv) In accordance with Rule 16 of the Anti-dumping Rules, the Authority issued a Disclosure Statement on 28th November, 2011 disclosing thereby essential facts of the subject investigation under consideration of the Authority. Comments received from the interested parties considered relevant by the Authority have been examined and addressed in this finding.
- (xv) Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has granted confidentiality, wherever

warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

- (xvi) Exporters, producers and other interested parties who have not responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties.
- (xvii) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority has also treated such interested parties non-cooperative and recorded the findings on the basis of the facts available.
- (xviii) *** in this disclosure statement represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.
- (xix) The Exchange rate adopted by the Authority in this disclosure statement is 1USD=47.88 INR as per relevant customs notification.

C. Scope of the Product Under Consideration and Like Article

5. The product involved in the present investigation is Silk Fabric of weight 20-100 gms per meter produced in the power looms only. As indicated in the initiation notification itself, only silk fabrics produced by power looms are covered in the product under consideration and not the fabrics produced in the handloom sector. Silk fabric is produced from the basic raw material raw silk, which is drawn from silk cocoons. Silk Fabric is classified under Heading 5007 of the Customs Tariff Act and generally gets cleared under Sub-heading 5007 9000. The subject goods are also cleared under Sub-headings 5007 1000, 5007 2000, 5007 2010 and 5007 2090 of the Customs Tariff Act. However, these Classifications are indicative only and are in no way binding on the scope of the present investigation.

6. Authority notes that different types of silk fabrics with weight ranging from 20-100 gms generally are used for sarees, dress materials mainly for ladies scarves, stoles, shawls, duppattas, men's wear, ties etc. Heavy varieties (exceeding 100 gms per meter) are mainly used as furnishings, bed covers, quilts etc.

Submissions made by the Domestic Industry

7. The product under consideration in the original investigation as well as the present sunset review investigation is Silk Fabric of weight 20 -100 gms per meter produced in the power looms. There is no change in the product under consideration.

Submissions made by CCCT

8. The following are the submissions made by CCCT with regard to product under consideration and like article:

- i. The raw silk produced by Chinese producers is qualitatively better because they employ dried cocoon reeling method as compared to the Indian silk producers who employ fresh cocoon reeling method to obtain raw silk.
- ii. Majority of Indian silkworms are multi-voltine variety, whereas Chinese silkworms are of the bi-voltine variety, which has high productivity of cocoon per acre, and the cocoon has higher silk output per kg, and the silk has higher tensile strength on the loom.
- iii. The machinery used by the Indian producers are obsolete, simple and inefficient which is the primary cause for the higher per unit value of Indian silk as compared to Chinese silk.
- iv. The twisting machines used by Indian producers to produce silk yarn can reach 800 twists per minute at the most. However, the twisting machines used by Chinese producers are advanced and can reach a number of twists of more than 2600 twists per minute the resultant product being of high quality.
- v. The raw material in China is cheaper than India. Further, negligible amounts are spent on storage and transportation expenses of the raw materials due to the advantage of logistics.
- vi. Chinese labor is highly skilled and available at lower costs.

Examination by the Authority

9. The present investigation being a sun set review investigation and anti-dumping duties, as earlier recommended by the Authority, being in force on the imports of the subject goods from the subject country, the Authority considers that the scope of the PUC in the present investigation remains the same as that of the original investigation, as per Rule 23(3) of Anti-Dumping Rules.

D. Scope of the Domestic Industry and Standing

Submissions made by CCCT

10. The following are the submissions made by CCCT with regard to scope of the domestic industry and standing:
- i. The present application has been filed by the Central Silk Board (CSB). The CSB Act does not permit CSB to represent the silk fabric manufacturers.
 - ii. CSB has no authorization to participate in the SSR on behalf of the domestic industry. The sunset review application filed by CSB does not contain any information related to the identities of domestic producers, production capacities and their authorizations.
 - iii. CSB cannot be considered as an interested party under the Anti-dumping Rules.
 - iv. CSB has been authorized by the associations of the producers in India and not by producers themselves. In such a situation CSB is not a representative body of producers but it is a representative body of the associations of producers.

Submissions made by the Domestic Industry

11. The following are the submissions made by the domestic industry with regard to scope of the domestic industry and standing:
- i. Section 8(1) of the CSB Act lays down the overall function and responsibility of CSB as follows:

“It shall be the duty of the Board to promote the development of the [*] silk industry by such measures as it thinks fit.”

Even though response filling response on behalf of the Domestic Industry is not covered within the duties specifically mentioned under Section 8(2) of the CSB Act, still it is covered under the aforesaid provisions of Section 8(1).
 - ii. There is no requirement in the law which mandates that the response on behalf of the Domestic Industry can be filed only by an interested party. Such a proposition goes completely against the

provisions of Section 9A (5) read with Rule 23(3) as interpreted by the Hon'ble Delhi High Court in the case of IMFA.

- iii. The objection raised by the opposition that CSB has not filled the application in prescribed format is factually and conceptually incorrect. CSB has not filed the application essentially on account of the fact that Rule 5 is not applicable in the case of sunset review under Rule 23(3). Moreover, in terms of the Trade Notice No. 1/2008 dated 10th March, 2008, the Designated Authority shall initiate SSR either on the basis of domestic industry's application or on suo-motu basis. In the event the DA initiates the sunset review suo motu, the Domestic Industry is only required to file a response to the questionnaire and not an application.
- iv. It is submitted that once the DA initiates an investigation suo motu, it may collect information from various sources and need not restrict it to the information provided by the Domestic Industry only. Domestic Industry is just one of the several sources of information available to the DA. Further, as stated earlier, the issue of checking the standing of Domestic Industry and adequacy/accuracy of evidence submitted by the Domestic Industry would arise only if application is filed under Rule 5(1). In any event, it would lead to absurdity if the Domestic Industry files an application when the investigations have already been initiated.

Examination by the Authority:

12. The Authority notes that in response to the suo motu initiation of the present sunset review investigation in terms of the judgment of the Hon'ble Delhi High Court in the matter of Indian Metal and Ferro Alloys Ltd v/s Designated Authority in the WP No 16893 of 2006, the Central Silk Board (CSB) has filed the petition/response on behalf of the domestic industry. The producers of the subject goods namely M/s Karnataka Silk Industries Corporation Ltd (KSIC), Bangalore and M/s Chamundi Silk Ltd, Bangalore have authorized the CSB to file the petition and necessary information in the present sunset review investigation. Further, the co-operatives/federations/associations concerned namely M/s Mysore Power Loom Silk Manufacturers Co-operative Society Ltd., Bangalore, M/s Karnataka Weavers Federation, Bangalore, M/s Bangalore District and Bangalore Rural District Power-Loom Weavers Production and Sales Co-operative Federation Ltd., Dodabalpur, M/s Silk Trade Association (Reg.), Varanasi, UP and M/s Pure Silk Weavers Association, Surat, Gujarat have also authorized the CSB, Bangalore to file the petition and necessary information in the present sunset review investigation.

13. The Authority notes that CSB had filed the application on behalf of the domestic industry in the original investigation as well and the issues raised then

by the interested parties with regard to eligibility of CSB to file the petition on behalf of the domestic industry and standing of the domestic industry were well examined and addressed by the Authority in the final findings. The stand taken by the Authority has gone unchallenged by the interested parties and therefore has attained finality.

14. Although Rule 2 and Rule 5 of the Anti-dumping Rules dealing with meaning of domestic industry and standing of the domestic industry are not covered in Rule 23(3) of Anti-dumping Rules concerning review, nevertheless, on the basis of information made available by CSB about the capacity and production of the producers and members of these co-operatives / federations / associations of power looms expressly supporting the application, the Authority is of the view that they account for a major proportion of total production of the like article in the country and constitute domestic industry.

15. The Authority has examined the various contentions raised by CCCT in the context of the standing of the CSB to file the petition/response. As a very first step, it has to be examined as to what are the exact requirements of investigations conducted in terms of Section 9A(5). It is clear that the said Section does not provide for any specific mechanism for carrying out the investigations. It has, therefore, been the consistent position of the Authority that the procedure of Rule 23(3) is applicable *mutatis mutandis* to Section 9A(5) proceedings also. It is pertinent to note that Rule 5 is specifically omitted from the various rules made applicable to review proceedings under Rule 23(3). That being the case, the question of examining standing under Rule 5 to file an application would not arise in the statute as it existed at the time of initiation of this investigation. The Authority therefore holds that the objections raised by CCCT on this account are without any merit.

16. As regards the filing of response by CSB on behalf of the Domestic Industry, the Authority notes that the Rules and the Trade Notice issued in this respect essentially require information in respect of the Domestic Industry. It is immaterial as to who files the information as long as the Authority is satisfied about its veracity and relevance to the investigation. Since the petition/response to the initiation notification has been filed by CSB who has been duly authorized by the producers/producers' associations/federations, the requirement of the various provisions of law are more than adequately met with.

Submissions Relating to Confidentiality

17. Post disclosure CCCT has submitted that the Designated Authority has claimed excessive confidentiality by not disclosing the Normal Value and Export Price.

Examination by Authority

18. The Authority notes that the methodology adopted by DGAD, for determination of constructed normal value and net export price, has been disclosed in this finding. The commercially sensitive and confidential information relating to constructed normal value, net export price etc. cannot be disclosed.

E. Miscellaneous Submissions

Submissions made by CCCT

19. The following are the miscellaneous submissions made by CCCT:
- i. CCCT is a Chinese industry association appointed and authorized by 11 exporters/producers from China to participate and file comments on their behalf in the Sunset Review proceedings. CCCT in turn has appointed World Trade Consultants & Advocates to represent them in the Sunset Review proceedings.
 - ii. Designated Authority treated CCCT as interested party in the original investigation. CSB also designated CCCT as an interested party in their petition.
 - iii. The Application claimed to have been filed on behalf of the Domestic Industry by Central Silk Board is incomplete, not in accordance with the prescribed application proforma.
 - iv. CSB is neither a producer nor an association of producers and not having authorization of the domestic industry to represent them.
 - v. Authority has overburdened the Exporters by asking to file detailed and comprehensive responses.
 - vi. CSB requested the Authority to levy anti-dumping duty in the form of fixed duty. But, the existing duty in the form of reference price is in the reasonable interest of importers, downstream industries and exporters, and conformed to the public interests of Indian industries.
 - vii. CSB has claimed that production figure reported by Designated Authority in its Final Finding No 14/20/2004 dated 16th Nov. 2006 are incorrect. In the original investigation the Authority had assessed demand and production of the Domestic Industry based on information made available by the Domestic Industry. The whole investigation was premised on one fact that the market share of the

Domestic Industry in relation to the exports from India has declined and production as well as sales of Domestic Industry has declined. Surprisingly CSB is now claiming that the conclusion drawn by the Designated Authority in its Final Finding dated 15th Nov. 2006 were based on wrong data.

- viii. The claim of CSB that number of looms installed during the period of investigation remained same as it existed 11 years ago is totally incorrect. In 2000-01 the number of looms installed in India was claimed as 75000 and the same number of looms continues to exist even after 11 years in 2011.

Submissions made by Domestic Industry

20. The following are the miscellaneous submissions made by the domestic industry:

- i. CCCT and 11 exporters can be represented by World Trade Consultants only when they establish before the Designated Authority that they are an interested party in terms of Rule 2(c) and are duly authorized. However, neither the CCCT nor the exporters have a right to make any submission before the Designated Authority since they cannot be termed as interested party in terms of Rule 2(C) of AD Rules.
- ii. There is no dispute that CCT is not falling under the category of a Producer, Exporter or an Importer. It may therefore claim the status of a business association under Rule 2(c). It may be seen from the above that only those associations can be considered as “interested party” the majority of the members of which are producers, exporters or importers of “such an article”. Therefore, the said CCCT can be permitted to participate as an interested party in the investigations only and only if it proves to the satisfaction of the Authority that the majority of the members of CCCT are either exporters or producers of silk fabrics. It is pertinent to note that the majority test is to be applied in the context of total membership of the CCCT. The Chamber has not even provided the list of their members along with their respective activities. Under the circumstances, CCCT cannot be considered as an interested party. It is pertinent to note that CCCT has not disclosed by way of any communication the nature of its legal status, its Memorandum of Association or any other similar document, or Charter under which it was incorporated or as to its aim and objectives, its total membership, the nature of activity undertaken by each of its members, etc. In other words, the said CCCT has not even made

out a case for being considered as an interested party before the Designated Authority.

- iii. World Trade Consultants do not have proper authority to appear for any of the said twelve parties in the present investigations.
- iv. None of the exporters named in the representation filed by World Trade Consultants is eligible to participate in the investigations as they have not filed the various prescribed questionnaires. It is also submitted that the conduct of the exporters by not providing the required information in the prescribed formats amounts to impeding the investigations in terms of Rule 6(8) of the Anti-Dumping Rules.
- v. The power of representation has been restricted to injury and price undertaking only as is evident from the authorization itself. Therefore, the arguments of the so-called representative on issues other than injury cannot be taken on record.
- vi. Participation in the original investigations per se does not confer any right on that party to participate in the future investigations. This being a jurisdictional issue for CCCT to participate in the investigation process as an interested party, the same can be raised at any stage of the investigation irrespective of the fact that they may have illegally participated in the original investigation. Further, facts regarding the membership, etc. keep changing and data for an old period (5 years) cannot be a basis to examine "pre-conditions" of Rule 2(c) which is required to be applied for the present investigations. Any other interpretation would lead to absurd results.
- vii. The objection raised by the learned consultant on behalf of so-called interested parties that data submitted by the Domestic Industry is on estimated basis, it is submitted that there is no requirement in law that the data or information pertaining to the Domestic Industry must necessarily be collected at the enterprise level. Kind attention is invited to Annexure II of the Anti-dumping Rules which clearly provides for the injury analysis in the context of the "state of the industry" and not the individual producers. It was also pointed out during the hearing that this Hon'ble Authority as well as authorities around the world always takes into consideration the industry level data for injury analysis. In any event, it is respectfully submitted that the very same issues had been raised by the CCCT and other parties in the original investigations which were rejected by the day. Since none of the issues with regard to the methodology adopted by the Designated Authority had been challenged by any of the interested parties, it is no longer open for them to raise the same issues in a sunset review investigation.

- viii. It may be recalled that the original findings had given due importance to the fact that the nature of domestic industry in the present case is quite different as compared to the typical domestic industry in various other cases. This industry is in the nature of cottage industry and is scattered one comprising of thousands of tiny units. The subject goods in the present case are manufactured by the extremely small and tiny units which are run by individual families. These units do not maintain nor are they required to maintain accounts under various Indian laws as is the case for the organized industry. The manufacturing as well as sales operations are undertaken by poor and illiterate families who have been in this vocation for generations and have acquired and developed the skills through inheritance.
- ix. The contention raised that the case should be closed merely on the ground that all the 15 parameters to be checked for determining the injury have not been evaluated is devoid of any merit. It is important to appreciate that this is a case of sunset review and not an original investigation where the criteria are distinctly different from those applied in an original investigation.

Examination by the Authority:

21. The Authority notes that the China Chamber of Commerce for Import & Export of Textiles (CCCT) is a known interested party who had participated in the original investigation. In the present investigation they have claimed to be representative of 11 Nos. of Chinese enterprises accounting for more than 60% of the exports of subject goods during the POI as follows:

- (i) Zhejiang Cathaya International Co., Ltd.
- (ii) Chongqing Wintus (New Star) Enterprises Group.
- (iii) Sichuan Flourish Silk Co., Ltd.,
- (iv) Sichuan Shuncheng Silk Co., Ltd.
- (v) Chongqing Golden Silk Co., Ltd.,
- (vi) Chongqing Chagnzhou Silk Co., Ltd.
- (vii) Guangdong Silique International Group Silk Gold Co., Ltd.,
- (viii) Guangdong Silique International Group Wintex Corp. Ltd., (ix) Jiangsu Soho International Group Corp.
- (x) Xinyuan Cocoon Silk Group Co., Ltd.
- (xi) Sichuan Silk Age Import & Export Trading Co., Ltd.

22. In terms of Rule 2(c) of the Anti-dumping Rules, “interested party includes:

“ (i) an exporter or a foreign producer or the importer of an article subject to investigation for being dumped in India , or a trader or business association a majority of the members of which are producers or importers or such an article; ……….”

The Authority notes that the CCCT has neither furnished the complete list of its membership along with details about their activity nor comprehensive authorisation from them in their favour to represent them in the present investigation. Post disclosure the CCCT has reiterated their claim to be interested party in terms of Rule 2(c) of AD Rules. However, the Authority notes that the authorisation given by the above stated members to CCCT is only for limited purposes namely to address issues concerning injury and price undertaking. Moreover, the Authority is not in a position to establish what is the activity/status of the majority of the members of the CCCT in the absence of details of their members. In view of the above, the Authority is not in a position to apply the provisions of Rule 2(c) to determine the eligibility of CCCT to be considered as an interested party.

23. From the available information with the Authority, it is clear that the CCCT is not falling under the category of a Producer, Exporter or an Importer per se. It can, therefore, at the most claim the status of a business association under Rule 2(c). However, under Rule 2 (c) of the Anti-dumping Rules, as stated above, only those associations can be considered as “interested party” the majority of the members of which are producers, exporters or importers of “such an article”. The Authority notes that CCCT has not demonstrated with adequate documentary evidence that the majority of its members are either exporters or producers of silk fabrics. Moreover, participation by an interested party in the original investigation per se does not confer any right on that party to participate in the future investigations as well, unless its eligibility is established afresh. In view of the above, the Authority notes that in the present investigation the CCCT cannot be considered as an interested party strictly under the Rule 2(c) of the Rules. Nevertheless, the Authority notes that in an anti-dumping investigation what needs to be focused is not the status of an interested party, but rather the issues. Therefore, the issues/submissions raised by the CCCT in the present investigation, considered relevant by the Authority, have been examined and addressed by the Authority in this disclosure statement.

24. As regards the submission of the CCCT that the application claimed to have been filed on behalf of the Domestic Industry by Central Silk Board is incomplete and not in accordance with the application proforma issued by the Designated Authority and contains no inputs to justify the Sunset Review investigation by the Authority, the Authority notes that the present sunset review investigation was initiated by the Authority suo motu. In response to the initiation

of the investigation, the CSB filed petition/response with relevant information/data on behalf of the producers / associations /federations/cooperatives of the subject goods constituting the Domestic Industry under the Rules. CSB is undisputedly a Government of India organization, endowed with the mandate for the research and development of silk fabric sector in India and are duly authorized by the producers of subject goods and the associations/federations/cooperatives of the subject goods in the present sunset review investigation. Considering the scattered and unorganized nature of the sector, it will be unjustified to expect them to file a well documented petition/response as an organized sector. Moreover, CSB was the applicant in the original investigation as well and the application was filed by them then in the similar manner. None of the interested parties challenged the final findings issued by the Authority pursuant to such application filed then by the CSB. The CCCT therefore has no locus standi now to raise objections to the form and manner of the response/petition filed by the CSB or the demeanor of the CSB to file petition/response on behalf of the producers of the subject goods and associations/federations/cooperatives of the subject goods.

25. As regards the contention of CCCT that the Authority has overburdened the Exporters by asking to file detailed and comprehensive MET as well Exporters Questionnaire along with an additional questionnaire called Exporters Questionnaire Part II, the Authority notes that the responses are required to be filed by the producers/exporters of the subject goods from the subject country to defend themselves, if they desire to do so. Otherwise, the Authority is duty bound to consider them as non-cooperative and give a finding on the basis of available facts.

26. The form and quantum of the anti-dumping duty that needs to be recommended by the Authority is governed by the facts of the investigation and the magnitude of dumping and injury that is established by an investigation. However, the submission of the CCCT that the reference price duty levied in the original investigation conformed to the reasonable interest of importers, downstream industries and exporters, and public interests of Indian industries, amounts to acknowledging dumping. **Post disclosure CCCT reiterated their submission for reference price duty. However, the Authority has already dealt with this submission adequately in this paragraph and need not be addressed again.**

27. As regards the contention of CCCT with regard to the number of power looms in the country during the POI, the Authority notes that the silk fabric sector in India is mostly unorganized and scattered and almost family run. Therefore it is neither possible nor desirable to exactly pin point the number of power looms engaged in the production of silk fabric in the country during the POI. In the original investigation the total power looms engaged in the production of subject goods was taken as 75000 based on survey report of power loom units in Karnataka by the Central Silk Technological Research Institute, Bangalore and

on the basis of a report compiled by the Economic Development Associates in 1993. However, of late no updated census or survey report is available to map the size of the sector in the country. Further, Authority observes, from the data provided by the CSB sourcing from the Department of Handloom & Textiles, Government of Karnataka, that the total number of power looms increased approximately @ of 10% each year from 2008-09 to 2010-11. In view of the above position, the Authority relies upon the data firmed up during the original investigation and applies the same to the base year i.e. 2006-07 and 2007-08. Therefore, the Authority considers the total number of power looms in the country engaged in the production of subject goods as 75000 during 2006-07 and 2007-08. However, taking the growth rate of 10% as reasonable from 2008-09 onwards, the Authority considers the number of power looms engaged in production of subject goods in the country during 2008-09 as 82500 looms and 90750 looms during the POI on annualized basis.

28. The Authority notes that most of these issues had been raised by the interested parties in the original investigations which had been appropriately dealt with in the Final Findings. It is pertinent to note that none of the issues relating to the approach and methodology adopted by the Authority in the context of the unorganized sector was challenged by any of the participating interested parties. That being the case, it is not open to CCCT to raise such issues at this stage in the present sunset review investigation. The Authority reiterates that there is no specific requirement of law which proscribes the acceptance of aggregated information for the industry as such. Thus, there is no bar in accepting information provided by the Central Silk Board for the purpose of any aspect of these investigations. Therefore, the Authority finds no reason to reject any data or information provided by CSB.

F. Post Disclosure Submissions/Comments

Domestic Industry

29. The following are the post disclosure submissions/comments made by the domestic industry:

- i. NIP is considerably low and would not be sufficient to protect the interests of the domestic weavers. Consumables cost & raw material cost in respect of Chamundi and input-output norms, value of assets, interest cost and cost of raw silk in respect of unorganised sector is on lesser side.
- ii. Domestic prices of raw silk have been increased substantially in the post POI period. So, proposed NIP will not play a major role in stabilizing the position of the domestic industry and to regain its share as expected.

CCCT

30. The following are the post disclosure submissions/comments made by the CCCT:

- i. The majority of the exporters of silk fabrics in China are the members of CCCT. CCCT is the most representative association of silk fabrics in China and is definitely an interested party in the present investigation in terms of Rule 2(c) of the Anti-dumping Rules.
- ii. The Designated Authority has claimed excessive confidentiality by not disclosing the Normal Value and Export Price.
- iii. The injury parameters and data adopted by the Authority to determine the injury suffered by the domestic industry was provided by CSB and two producers. The adoption of such injury data by the Authority as the basis of the findings is violative of the Anti-dumping Rules.
- iv. The statement of the Designated Authority in the disclosure statement that there is a growth of the power looms @10% contradicts its observation that due to unproductive nature of silk weaving many power looms have either closed or sold or diverted to other non silk varieties fabric weaving activities. The statement is self contradictory and cannot be the basis of arriving at the capacity utilization.
- v. Information collected in 1993 cannot be the basis of evaluation in 2011.
- vi. CSB has made self contradictory claims about production and looms not only in the original investigation but also in the current Sunset Review proceedings also. We have failed to understand that how the active looms can increase by 100% in 2009-10 as compared to 2000-01 when it has been claimed that the production has declined by almost 33% during the same period.
- vii. The Designated Authority has assessed demand incorrectly. Further, market share of the Domestic Industry and exports to India is also incorrect. In 1993 the number of looms installed in India was claimed as 75000 and the same number of looms continues to exist even after 15 years in 2011.
- viii. Para 53 of the disclosure statement is contradictory to other paras. In para 53 it has been stated that the Designated Authority has used Cost Audit Reports in addition to information provided by the CSB to

arrive at the Non-injurious Price. However in para 57 it has been stated that cost of production and selling price has been based on some actual data available in respect of one unit namely Chamundi Textiles only.

- ix. Injury parameters based on one company cannot be an indicator of the entire industrial sector. The present Non-injurious Price has been based on the cost data of one producer and not the Domestic Industry as a whole.
- x. In case the Designated Authority proposes to recommend continuation of anti-dumping duty, the same may please be fixed as reference price as was done in the original investigation.

31. CCCT has also raised certain issues with regard to the accuracy and adequacy of the data filed by CSB particularly with regard to the production, sales and representativeness of the information provided. These issues along with the post disclosure submissions/comments received from the interested parties have been dealt with at appropriate places in this finding.

G. De Minimis Limits

32. As per the import data received by the Authority from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and other secondary sources, the import of the subject goods from the subject countries are above the de-minimis level.

H. Dumping Determination

Examination of Market Economy Claim and Determination of Normal Value

Submissions made by the Domestic Industry

33. The following are the submissions made by the domestic industry in this regard:

- a. China is a non-market economy country under the Indian Anti-dumping Rules.
- b. The silk production and trade in China is admittedly not free from State interference.
- c. The prices/costs of silk fabric is directly and substantially affected by the prices of the silk yarn (raw silk) which in turn is directly linked to the price of cocoons. Cocoon trade in China is directly under the control of

the State and therefore, significant State interference is built into the Chinese system right from the stage of cultivation of cocoons.

- d. In view of the above, the domestic selling prices for the subject goods in China cannot be said to be representing all the costs. It is in this factual backdrop, it is the submission of the domestic industry that domestic prices based on raw material prices which are not reflective of the market values cannot be accepted as normal value.
- e. It is submitted that the normal value for China in such a case can be determined only in accordance with the provisions of para 7 of the Annexure I to Indian Anti-dumping Rules without invoking proviso to 8(2) in view of the aforementioned facts and circumstances.
- f. China and India together account for more than 90% of the total production of the subject goods in the world; China producing approximately 78% and India approximately 15% being the two major producers of silk in the world. Due to the overwhelming concentration of the production facilities and other unique factors, the Domestic Industry submitted that there is no other country which can be considered as an appropriate market economy third country meeting with the tests of paragraph 7.
- g. The domestic industry requests for determination of normal value in terms of the second part of paragraph 7 based on any other reasonable basis including price actually paid or payable in India.

Submissions made by CCCT

- 34. The following are the submissions made by CCCT in this regard:
 - i. CSB only provides the cost information of two Indian companies (Chamundi Silk Industries Ltd. and KSIC) which is extremely insufficient and cannot be used as the representative cost of domestic industry.

Examination by the Authority

35. The Authority, notes that in the past China PR has been treated as a non-market economy country in the anti-dumping investigations by other WTO Members. Therefore, in terms of Para 8 (2) of the annexure of Anti-dumping Rules, China PR is treated as a nonmarket economy country subject to rebuttal of the above presumption by the exporting country or individual exporters in terms of the above Rules.

36. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the

Authority advised the producers/exporters in China to respond to the notice of initiation and provided information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known exporters for rebutting presumption of non market economy in accordance with criteria laid down in para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise producers/exporters in their country to provide information.

37. As per Paragraph 8, Annexure I to the Anti Dumping Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and establish to the contrary. The cooperating exporter/producer of the subject goods from China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-

- i. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labor, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
- ii. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
- iii. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
- iv. The exchange rate conversions are carried out at the market rate.

38. The Authority notes that in the present investigation the Chinese producers/exporters have not cooperated and no response has been filed by them. None of the importers in India have also filed response. Further, none of the interested parties has provided any other alternate basis on which normal value can be determined. In view of the above position and the submissions made by the Domestic Industry and considering China as a non-market economy country, the Authority adopts the third option available in the Rules which

provides for adoption of 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 and construct the normal value in respect of China PR.

39. Accordingly, the ex-works Normal Value of the product under consideration for China PR has been constructed based on facts available. The Normal Value has been constructed taking into account international prices of major raw materials and adopting conversion cost, consumption norms and SGA expenses of the domestic industry. After adding a reasonable profit margin of 5% the constructed normal value is determined on weighted average basis as US\$ *** per Meter in respect of the China PR.

I. EXPORT PRICE

40. With regard to export price, the Authority observed that none of the exporters from the subject country has cooperated in the subject investigation. Therefore, the Authority has considered weighted average export price based on the DGCI&S import data available with the Authority. The weighted average CIF price of imports of the subject goods from China PR, for the POI comes to **USD *** per Meter**. In the absence of response from producers/exporters from the subject country, the following adjustments amounting to Rs. ***/- (USD *** per metre) have been made to arrive at net export price: -

- a. Ocean freight USD ***per MT
- b. Marine insurance @ ***% of CIF value
- c. Commission @ ***% of CIF value
- d. Port handling expenses @ *** %of CIF value
- e. Adjustment towards VAT @ ***%

41. Based on the above data the net ex-works export price of the exports from China PR is determined by the Authority on weighted average basis as USD ***/- per metre.

J. Dumping Margin

42. On the basis of the constructed normal value and net export price determined, as explained above, at ex-factory level, the dumping margin arrived at for all exporters of the subject goods from the subject country during POI is as given in table below:

Normal value (US\$ per metre)	***
Net Export price (US\$ per metre)	***
Dumping Margin Amount (US\$ per metre)	***

Dumping Margin (%)	***
Dumping Margin (% Range)	60-70

K. INJURY AND CAUSAL LINK DETERMINATION

43. The Authority, in the original final findings, noted that the domestic industry in the present case is highly fragmented and scattered, comprising of thousands of tiny units. Therefore, this industry is quite different in structure and composition as compared to the typical domestic industry in various other cases. The units are mainly cottage based and run by individual families. By the very nature of their manufacturing activity, these units do not maintain, nor are they required to maintain, accounts under various Indian laws, as is the case for the organized industries. It was also noted that in view of the nature of operations and the size of the units, it is not possible to obtain exact details, regarding the various injury parameters, from the domestic industry as required in the usual manner as in the case of the industry in the organized sector. The Authority also held that though it is required to examine all the parameters specified under the Rules, it is also a settled position that all parameters need not necessarily show injury to the domestic industry, in an antidumping investigation for a positive injury determination. Rather, it is the overall evaluation of the factors, which would enable the Authority to take a view whether injury exists in a particular case, or not. The arguments of the interested parties with regard to injury determination are summarized as follows:

Submissions made by the CCCT

44. The following are the injury and causal link related submissions made by the CCCT:

- i. Anti Dumping Rules make it mandatory for the Designated Authority to examine all 15 parameters to establish continuation or recurrence of dumping and injury, irrespective of the type of investigation.
- ii. CSB has not provided the necessary information for the examination of whether the dumped import has caused material injury to the domestic industry.
- iii. CSB has provided inaccurate and conjectural injury information, especially with regard to the number of domestic

power looms, output and production value of silk fabrics in India and by the complainants, etc.

- iv. CSB has not declared the source and authenticity of these data or provided any evidence to prove these data.
- v. Import Statistics provided by CSB are also based on Hypothetical assumptions.
- vi. CSB has only submitted the information regarding costs, domestic price, profits, return on investments and cash flows of two Indian companies (Chamundi Silk Industries Ltd. and KSIC). Any decision based on unrepresentative data is misleading and cannot be the basis of any Anti-Dumping proceedings.
- vii. In the current injury period the applicant has claimed that it has the same 75000 looms but its production has increased more than 7 times. At full capacity utilization 75000 looms were producing 2.817 crores Mtrs in 2000-01. Now the same number of looms are producing 14.824 crores Mtrs in the injury period and the period of investigation of the Sunset Review. When the same number of looms operating at full capacity in 2003-04 were producing 2.817 crores Mtrs how the same looms can produce 14.82 crores mtrs now. This clearly establishes that the information submitted by the applicant is totally misleading, false, baseless, concocted and needs to be rejected.
- viii. The averment of CSB that the methodology adopted in the original investigation has attained its finality since not challenged by any interested party and therefore cannot be challenged now is not correct.

Submissions made by the Domestic Industry

45. The following are the injury and causal link related submissions made by the domestic industry:

- i. The silk fabric units are not only scattered and unorganized but also mainly cottage based and run by individual families. By very nature of their manufacturing activity, these units do not maintain, nor are they required to maintain, accounts

- under various Indian laws, as is the case for the organized industries.
- ii. The present investigation being a sunset review, the criteria for analysis of injury is different from the original investigation.
 - iii. On examination of the facts of the present case and state of the silk producing clusters, the Authority held in the original investigation that the scope of Annexure II to the Anti-dumping Rules is very wide in its scope in as much as it also covers situations and eventualities where complete and meticulous data may not be available to the Authority for assessing injury to the domestic industry. There is no restriction or compulsion that the information relating to injury assessment must necessarily pertain to individual components constituting domestic industry. If sufficient data and information is available to the Authority at aggregate level or indicative data is available, there is no legal requirement to get the information of individual units even though in practice the Authority normally considers it appropriate to take into account the information of the individual units. Considering the nature and composition of the domestic industry and keeping in mind the legal requirement, the Authority evaluated injury on the basis of available information at an aggregate level.
 - iv. The Authority in the original investigation evaluated the injury to domestic industry on the basis of available information on record. It is also submitted that the methodology for injury analysis adopted in the original investigation was not challenged by any of the exporters from China or any other interested party and, therefore, it is no longer open to the opposite parties to raise the same issues in a sunset review investigation as they have indeed attained finality.
 - v. As regards the issue of the alleged misleading information with regard to the production and the market share of the Domestic Industry in the original Final Findings, it is not open for the so-called interested party to raise factual issues relating to the Final Findings during the course of sunset review investigations. Since the concerned party had not challenged the Final Findings, they have willfully relinquished their right of raising these issues.
 - vi. However, without prejudice to the aforesaid submission, it is submitted that the contention of the party fails on merit also. CCCT has made a futile attempt to confuse the issue by

using numbers and percentages completely out of context. As was pointed out by the Domestic Industry in their written submissions, there appears to be a clerical error in recording of the total production by the Domestic Industry while expressing the number “in meters”. Instead of indicating the total domestic production as 208170000 meters, the same was indicated as 20817000 meters. It may be seen that the Designated Authority in paragraph 148 of the original findings has shown the domestic production as 10408 MT in the year 2000-2001. Even a simple calculation would establish that the tonnage used by the Authority in the Final Findings converts into 208170000 meters and not 20817000 meters. The figures used by CCCT in its rejoinder statement would lead to nothing but absurdity. It is further submitted that if CCCT’s proposition is used as such, it would suggest that the total domestic production in India in 2000-2001 was around 175 MT which is ex facie an absurd proposition. As far as CSB is concerned, it had submitted the information in MT and the error had apparently crept in due to conversion from MT to meters. Nevertheless, it is important to note that the end result or the trend of market share is not altered in any manner which could have led to a different conclusion by the Designated Authority.

Examination by the Authority

46. Article 3.1 of the ADA and Annexure II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like products; and (b) the consequent impact of these imports on domestic producers of such products, with regard to the volume effect of the dumped imports. The authorities are required to examine whether there has been a significant increase in imports, either in absolute term or relative to production or consumption in the importing member. With regard to the price effect of the dumped imports, the authorities are required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in the importing country, or whether the effect of such imports is otherwise to depress prices to a significant degree, or prevent price increase, which would have otherwise occurred to a significant degree.

47. The Authority has taken note of the arguments of the interested parties on injury examination aspect and addressed the issues raised at appropriate places in this disclosure statement to the extent these arguments are valid. The Authority has examined the injury parameters objectively, while keeping in view the structure and nature of the domestic industry. The Authority notes that while the domestic industry has provided information on various injury parameters that

is reasonably available, in view of the nature of the industry, the Authority has also taken steps to corroborate the data and information through independent sources and field visits. The Authority also notes that while the Agreement on Antidumping provides for objective examination of all relevant parameters for an injury examination, it also recognizes the problem of fragmented and unorganized industries in the footnote to the Agreement.

48. With regard to the submission of CCCT that anti-dumping Rules make it mandatory for the Designated Authority to examine all 15 parameters to establish continuation or recurrence of dumping and injury, irrespective of the type of investigation, the Authority notes that in terms of Rule 9(2) the examination of the impact of the dumped imports on the domestic industry shall include an evaluation of all relevant economic parameters and indices having a bearing on the state of the industry, including the natural and potential decline in sales, profits, output, market share, productivity, ROCE, etc. The present investigation being a sunset review, the focus of the investigation is examination of continuation of dumping and injury or likelihood of recurrence of dumping and injury, in the event of cessation of the duty.

49. Based on the information received from CSB, cost audit reports of organized and verified units and information available with the Authority. The Authority notes that the domestic industry in the present investigation, as in the original investigation, is a highly scattered, unorganized, primarily family-run sector. An investigation based on a straight jacketed evaluation of each and every economic parameter in respect of such a sector is neither feasible nor desirable. Nevertheless, the Authority has taken enough care to make injury analysis on the basis of best available information/data taking in to account the nature of the sector. The peculiarities of the domestic industry and non-availability of absolute data in this case have been adequately dealt with and injury investigation in this case has been carried out on the basis of data provided by the domestic industry and supplemented by data from the secondary sources and field visits.

50. The NIP and injury related post disclosure submissions/comments made by the domestic industry are examined and addressed by the Authority as follows:

- i. It is noted that Central Silk Board (CSB) has claimed other conversion cost as fixed expenses in respect of all varieties of silk fabrics while furnishing information in respect of unorganized sector. Therefore, in line with the claim of CSB consumables being part of conversion cost has been considered as fixed expenses.
- ii. With regard to raw material cost of M/S Chamundi, the Authority notes that the best utilization of raw-material by the domestic industry, over the past three years

period and the period of investigation, and at period of investigation rates for different varieties of silk fabrics has been considered for determination of NIP.

- iii. CSB has not furnished authenticated data substantiating that wastage in respect of unorganized sector is more than the wastage in organized sector. In the absence of substantiated data, the Authority has considered the input-output SION norms of DGFT.
- iv. CSB has not furnished any documentary evidence in support of the cost of new power looms installed since the last investigation. Therefore, the Authority has gone by the best available information. Therefore, the depreciation charged for determination of NIP is in line with the original investigation.
- v. Regarding interest cost the Authority notes that the basis adopted for interest calculation is in line with the one claimed by CSB for the unorganized sector.
- vi. The Authority has considered the raw silk prices as claimed by the domestic industry.
- vii. The Authority notes that NIP has been determined on the basis of cost data of the POI. Any variation in the cost data post POI is not relevant for the determination of NIP.

51. The injury related post disclosure submissions/comments made by CCCT are examined and addressed by the Authority as follows:

- (i) The Authority notes that the silk fabric weaving sector in India is highly unorganized and scattered. In view of the very nature and structure of the sector well documented and recorded data is not available. As a result the Authority has to rely upon the best possible and available data from the organized domestic producers verified by the Authority, data gathered during field visits of clusters, information furnished by CSB etc.
- (ii) During the clusters visit, it was claimed by the weavers that due to unproductive nature of silk fabric weaving, many powerlooms have either been closed or sold off or diverted to other non silk variety fabric weaving activities. The Authority relayed the claims made by the weavers of the unorganized sector, but due to the unorganized nature of the sector, the claims could not be verified. Therefore, due to non availability of authenticated data, the Authority relies upon the data firmed up during the original investigation and applies the same to the base year i.e. 2006-07 and 2007-08. Accordingly, the Authority considers the total number of power looms in the country engaged in the production of subject goods as 75000 during 2006-07 and 2007-08. Further, on the basis of data

furnished by Department of Handloom and Textile, growth rate of 10% has been considered as reasonable from 2008-09 onwards.

- (iii) In the original investigation the total power looms engaged in the production of subject goods was taken as 75000 based on survey report of power loom units in Karnataka by the Central Silk Technological Research Institute, Bangalore and on the basis of the report compiled by Economic Development Associates in 1993. However, of late no updated census or survey report is available to map the size of the sector in the country. As already explained in this finding, considering the unorganized nature of the sector and absence of well documented and recorded data, the Authority has relied upon the best available information.
- (iv) Regarding contention of CCCT that reduction in actual production from 2000-01 to 2009-10 and corresponding increase in looms from 30000 looms to 60000 looms during the same period is contradictory, the Authority notes that clarification given by domestic industry concerning production data, as has already been reflected in the para 41(iv) of disclosure statement. However, the Authority notes that number of active looms have increased during the POI in comparison to the year 2003-04.
- (v) Regarding calculation of wrong demand, the Authority notes once again that in view of the very nature and structure of the sector well documented and recorded data is not available. Accordingly, the Authority has relied upon the best available information.
- (vi) Determination of NIP, as explained in para 53 of disclosure statement is based on the information received from CSB, cost audit reports of organized and verified units and information available with the Authority. However, it was amply made clear at para 57 of the disclosure statement that potential impact on profitability, return on investment and cash flow was based on the data of M/S Chamundi Textile. It is noted that the analysis made in the above paras is in respect of two different aspects, whereas the common factor between both the analysis is domestic selling price which is same in both the paras as mentioned in the disclosure statement. However, cost of sales in para 57 is based on the data of Chamundi Textile only as the other verified unit namely M/S KSIC is mostly engaged in production of silk fabrics predominantly made of zari.
- (vii) The authority notes that most of the economic parameters are based on the domestic industry data, although due to absence of recorded data the Authority had to rely upon the best available

information. Further, NIP has been determined on the basis of information provided by CSB, cost audit reports of organized and verified units and information available with the Authority.

52. The Authority also notes that dumping examination concluded in the previous section clearly establishes that the goods have been exported from the subject country into Indian market at dumped prices and the dumping margins have been found to be substantial. Therefore, the effects of the dumped imports on the domestic industry have been examined as follows:

(A) VOLUME EFFECT:

Production, capacity and capacity utilization

53. The Authority notes that the silk fabric sector in India is mostly unorganized and scattered and almost family run. Therefore it is immaterial to exactly pin point the number of looms engaged in the production of silk fabric in the country during the POI. In the original investigation the total power looms engaged in the production of subject goods was taken as 75000 based on survey report of power loom units in Karnataka by the Central Silk Technological Research Institute, Bangalore and on the basis of the report compiled by Economic Development Associates in 1993. However, of late no updated census or survey report is available to map the size of the sector in the country. Further, Authority observes, from the data provided by the CSB sourcing from the Department of Handloom & Textiles, Government of Karnataka, that the total number of power looms increased approximately @ of 10% each year from 2008-09 to 2010-11. As per the information provided by CSB, the state of Karnataka holds around 65% share of the total silk fabric production in the country. In view of the above position, the Authority relies upon the data firmed up during the original investigation and applies the same to the base year i.e. 2006-07 and 2007-08. Therefore, the Authority considers the total number of power looms in the country engaged in the production of subject goods as 75000 during 2006-07 and 2007-08. However, taking the growth rate of 10% as reasonable from 2008-09 onwards, the Authority considers the number of power looms engaged in production of subject goods in the country during 2008-09 as 82500 looms and 90750 looms during the POI on annualized basis. However, during the clusters visit, it was claimed by the weavers that due to unproductive nature of silk fabric weaving, many powerlooms have either been closed or sold off or diverted to other non silk variety fabric weaving activities.

54. The Authority notes from the table below that capacity utilization of the domestic industry has substantially decreased during the POI as compared to the base year. It is evident from the table given below that abundant capacity is available with the Domestic industry to cater to the demand of the Indian market. But, inspite of the available capacity, the production and sale of the domestic

industry has declined during the POI, indicating the negative and injurious impact of dumped imports from the subject country.

Particulars	Unit	2006-07	2007-08	2008-09	POI (Annualized)
Installed capacity of DI	Mtrs	270000000	270000000	297000000	326700000
Total Production	Mtrs	150600000	147700000	148800000	148240000
Capacity utilization DI	%	55	54	50	45

Demand and Market shares

55. The Authority has determined demand or apparent consumption of the product in the Country as the sum of domestic sales of the Indian producers and imports from all sources. The Authority notes that the silk fabric sector in the country is scattered and unorganized and therefore recorded data regarding sales by such sector is not possible to ascertain. Moreover, the domestic consumption of silk fabric in India is quite substantial. In view of the above position, the sale of the domestic industry has been considered by taking 85% of the silk fabric production as domestic consumption. Further, from the data given in the table below it is observed that the import from the subject country during POI has increased substantially vis-à-vis the base year as well as the immediate preceding year. The demand of the product in the country during the POI has increased substantially as compared to the base year as well as the preceding year. However, while the import of the subject goods from the subject country and also the demand in the domestic market have registered substantial increase during the POI, the domestic sale has suffered decline.

Figures in Mtrs

Year	2006-07	2007-08	2008-09	Annualized(POI)
Sales of Domestic Industry	128010000	125545000	126480000	126004000
Import from China *	49713210	71456177	59438117	76266137
Import from other countries	3597024	8846303	518706	1446213
Total Imports *	53310234	80302480	59956823	77712350

Demand	181320234	205847480	186436823	203716350
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*Source: DGCIS data

Import Volume & market share

56. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. It is seen that the share of imports from China is in increasing trend, during the POI as compared to the base year, whether it is in relation to total imports, total demand or production of Indian Industry, as evidenced from the below given table.

Figure in Mtrs

Particulars	2006-07	2007-08	2008-09	Annualized (POI)
Import from China	49713210	71456177	59438117	76266137
Production (domestic Industry)	150600000	147700000	148800000	148240000
Total Imports	53310234	80302480	59956823	77712350
Demand	181320234	205847480	186436823	203716350
Share of Chinese Imports in relation to (%)				
➤ Total imports in India	93%	89%	99%	98%
➤ Demand in India	27%	34%	31%	37%
➤ Production of Indian Industry	33%	48%	40%	51%

Sales of the Domestic Industry:

57. Sales volumes of domestic industry are given in the table given below:

Particulars	Apl 06- Mar 07	Apl 07- Mar 08	Apl 08- Mar 09	Annualized (POI)
Estimated Domestic industry Sales (MTR)	128010000	125545000	126480000	126004000
Total Imports (MTR)	53310234	80302480	59956823	77712350
Total Demand on Sales Basis	181320234	205847480	186436823	203716350
Market share of Domestic Industry	71%	61%	68%	62%

The Authority notes that the market share of the domestic industry has decreased during POI as compared to the base year as well as the immediate preceding year. The Authority also notes that the share of Chinese exports has increased during the POI as compared to the base year as well as the immediate preceding year. The Authority notes that decline in share of domestic industry in demand has been captured by imports from China PR. Further, even when the anti dumping duties remained in effect, the volume of imports has not got impacted by the existing anti dumping duties.

(B) **Price Effect** - Price effect of dumped imports and impact on domestic industry:

58. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject country have been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed value of imports from the subject country. A comparison for subject goods during the period of investigation was made between the landed value of dumped imports and the domestic selling price in the domestic market. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission offered by the domestic industry have been adjusted. The price underselling is an important indicator of assessment of injury; thus, the Authority has worked out a non-injurious price and compared the same with the landed value to arrive at the extent of price underselling. The non-injurious price has been determined for the domestic industry by appropriately considering the cost of production and other factors relating to cost on the basis of information provided by M/s Chamundi Silk and the units in unorganized sector for the product under consideration during the POI. Since, M/s KSIC primarily produces subject goods predominantly made of Zari, the Authority has not taken in to consideration their cost related information. The position is as follows:

Price Undercutting and Underselling:

59. The domestic selling prices of the silk fabrics manufactured by the power-looms have been analysed on the basis of selling prices available from M/s Chamundi Silk and the units in unorganized sector, in order to examine the effects of the dumped imports on the domestic selling prices. The weighted average selling price of the above units has been considered as the selling price of the domestic industry as such, in view of the unorganized nature of the sector and unavailability of well documented and recorded data. The selling prices of various types of fabrics, to the extent de-segregated data is available, has been compared with the import prices for various types as per the DGCI&S database. On a comparison, it is noted that the import prices are substantially undercutting the selling prices of the domestic industry in India.

60. For the purpose of price underselling examination, the Authority has taken non-injurious price determined on the basis of the optimum cost of production inclusive of cost of silk yarn consumed for various types and grammages of fabrics, conversion cost, twisting and degumming cost, selling, general and administrative expenses and a reasonable return on capital employed based on information received from Central Silk Board, cost Audit Reports of organized units and information available with the Authority. This non-injurious price estimated for various types of fabrics have been compared with the landed values of imports of comparable types of imported fabrics for POI. Based on weighted average selling price of the domestic industry, weighted average landed value of imports from the subject country and non injurious price determined for the domestic industry, the price undercutting and underselling works out as under:

(Rs./Meter)				
Year	2006-07	2007-08	2008-09	POI (annualized)
Wt Avg Landed Value China	***	***	***	***
Wt Avg Domestic Selling Price of DI	***	***	***	***
Trend	100%	104%	86%	77%
Price Undercutting %	***	***	***	***
Trend %	***	***	***	***
Trend Range	100 - 110	190-200	80-90	30-40
Non injurious price				***
Price Underselling				***
Price Underselling				***

%				
Price Underselling % Range				50 - 60%

It may be seen from above table that during POI price underselling is substantial.

Price Suppression And Price Depression

61. In order to assess whether the imports from subject country were suppressing/depressing the prices of the domestic industry, the Authority has compared the cost of production and net selling price of the domestic industry along with the landed price of imports over the injury period, which is given in the following table:

Year	2006-07	2007-08	2008-09	POI (annualized)
Weighted Average COP of DI (Rs./Meter)	***	***	***	***
Weighted Average COP of DI (Indexed)	100	113	94	84
Wt. Avg. Domestic Selling Price of DI (Rs./Meter)	***	***	***	***
Wt. Avg. Domestic Selling Price of DI (Indexed)	100	104	86	77
Avg. Profit/Loss	***	(***)	(***)	(***)
Avg. Profit/Loss (indexed)	100	(52)	(58)	(43)
Wt Avg Landed Value China	***	***	***	***

62. From the above table, it is evident that the cost of production during POI has substantially declined compared to the base year as well as immediate preceding year. Further, the net selling price also declined similar to cost of production. However, net selling price declined by ***% during POI as compared to the base year, whereas decline in the cost of production is only ***% during the same period. The Authority notes that the trend in the movement of the cost of production and the selling price shows price suppression/ depression effect.

Examination of other Injury Parameters

63. After having examined the effect of dumped imports on the volumes and prices of the domestic industry and major injury indicators like volume and value of imports, capacity, output, capacity utilization and sales of the domestic industry as well as demand pattern with market shares of various segments, other economic parameters which could indicate existence of injury to the domestic industry have been analyzed hereunder as follows:

Actual and Potential impact on Profitability, return on investment and cash flow

64. The Authority notes that the silk fabric weaving sector being unorganized, no proper accounting and documentation system or well documented record/data is available. However, on the basis of cost of production and domestic selling prices available from the considered verified unit namely M/S Chamundi Textiles, for which some actual data was available, the required examination and analysis have been done. The information of the cost and prices of this unit indicate that the domestic industry has suffered loss during the POI. However, in comparison to the base year per unit profit has been converted to marginal loss during the POI. Return on capital employed has reduced from positive *** % during the base year to negative ***% during the POI.

Year	2006-07	2007-08	2008-09	POI (annualized)
Weighted Average COP of DI (Rs./Meter)	***	***	***	***
Wt. Avg. Domestic Selling Price of DI (Rs./Meter)	***	***	***	***
Avg. Profit/Loss (Rs./Meter)	***	(***)	(***)	(***)
Avg. Profit/Loss (indexed)	100	(52)	(58)	(43)
Profit before Interest (Rs./Lakh)	***	(***)	(***)	(***)
Cash Profit (Rs./lakh)	***	(***)	(***)	(***)
ROCE (Percentage)	***	(***)	(***)	(***)
ROCE (Indexed)	100	(40)	(60)	(60)

Inventories

65. Due to the scattered and unorganized nature of the industry, no specific data could be available regarding the stocks of the domestic industry. However, stock in the present case has been analyzed on the basis of data of M/S Chamundi Textiles only and it is noted that stock has shown increasing trend during injury period including POI. Inventories with the domestic industry have been as under:

(in Meter)

	2006-07	2007-08	2008-09	POI
Average stock	***	***	***	***
Indexed	100	127	131	166

Actual and potential effect on Employment and Wages

66. The Authority notes that the employment in power loom sector is directly linked to the number of powerlooms. As informed during the field visits, direct employment in the power loom is generally of 1.5 persons per loom considering a composite unit of twisting and weaving. However, as observed during the field visits, the powerlooms also generate indirect job for the allied activities, both in the upstream and downstream segments linked to weaving, bleaching and dyeing. Most of the weavers are self-employed and as informed during field visits the closure of the large number of power looms is responsible for loss of employment in this vital traditional industry. However, as per information furnished by CSB, employment level of domestic industry indicates a marginal increase during POI as compared to the base year.

Actual and potential impact on growth

67. The Authority has examined the growth profile of this sector on the basis of field visits and assessment of various growth parameters. The Authority notes that the production capacity has grown by 21% during POI as compared to the base year, although the capacity utilization has declined by 10 % during the same period. The Authority further notes that profit during the base year has been converted to losses during the POI. The Authority also noted in the previous sections that sales and market share have declined over the investigation period. The impact of volumes of imports and price levels of dumped goods has impacted the growth of the sector adversely.

Ability to raise capital investment

68. During the clusters visits it was observed that most of the silk weaving units are either self financed or financed through unorganized private sources. However, for the working capitals, the weavers depend upon the commercial banks, mainly textile cooperative banks and other nationalized banks. Further, as informed by the weavers of the clusters visited, due to decline in production and idle capacities, the recoveries of the loans are poor, thereby affecting their capacity to avail loans. In view of the above position, the ability of the domestic industry to raise capital investment has been severely affected

Productivity

69. The productivity of the domestic industry, measured in terms of fabric production per loom per day and labour productivity per day, indicates that average production of a standard loom varies between 10 to 12 meters depending upon the type of fabric, with a single shift operation, which compares well with the productivity of the powerlooms in the country of exports, as observed by the Authority in the final findings of original investigation.

L. Magnitude of dumping margin

70. The Authority notes that the dumping margin as indicator of magnitude of effect of dumped imports on the domestic industry is significant and worked out as ***%.

M. Other Known Factors and Causal Link

a) Volume and price of imports not sold at dumped prices

71. The Authority notes that the dumped imports from the subject country constitute about 98% of total imports of the subject goods. Un-dumped imports from other sources constitute a very small proportion of the total imports as well as total demand in the country. Although the average prices of certain countries other than China are slightly less than the Chinese price, but the quantity of imports from these countries is de minimus. However, the average price of import from non-subject countries in general is more than the price from the subject country. Therefore, volume and prices of imports from other sources do not seem to have any adverse effect on the domestic industry.

b) Contraction of demand or Changes in the pattern of consumption

72. As noted in the previous section, even if the entire production of the domestic industry is ignored, the consumption of the silk fabrics in India, based on the imports alone, has gone up substantially. Further, traditionally silk fabric has its niche market segment in the country, which uses silk fabric by choice. Moreover, new and unconventional usage of silk fabric in the country in furnishing, home decor, garment sector etc, is gaining popularity. Therefore, contraction in demand or change in pattern of consumption cannot be attributed to the cause of injury of the domestic industry.

c) Trade restrictive practices and competition between foreign and domestic producers

73. The Authority notes that the goods are freely importable and imported products are freely sold in the Indian market without any trade restrictive competition or restriction. It is further noted that the imported subject goods and domestically produced goods are like articles and are used for similar applications/end usages.

d) Development in technology, export performance and productivity of the domestic industry

74. As far as development in technology is concerned, the domestic industry uses both ordinary power looms and semi-automatic power looms. Although technological support and R&D services are available through a number of

institutions, however absorption of modern technology and up-gradation is rather slow due to the prevailing market conditions. As observed during the cluster visits, though there is scope and willingness for modernization of the sector, the prevailing market condition do not allow the domestic industry to make additional investments for technological up-gradation and modernization of the sector. In view of the above, the Authority further notes that lack of absorption of technology and modernization, instead of being the cause of the injury, is rather the effect of the injury suffered by the domestic industry.

75. In view of the lack of response from the Chinese producers in the present sunset review investigation, the productivity of the domestic industry cannot be compared with the Chinese producers. However, as observed by the Authority in the original final findings, the productivity of domestic industry is comparable with that of the Chinese counter part and therefore cannot be a cause for the injury to the domestic industry.

76. As per the information provided by the CSB the export earnings from the export of silk goods is growing steadily because of increasing demand for Indian silk goods particularly from Asia region in addition to the traditional major markets like USA and European countries. However, the Authority notes that the performance with respect to various economic indicators have been determined with respect to domestic sales only. Hence, the Authority holds that material injury suffered by the domestic industry is not as a result of the export performance of the domestic industry and therefore the export performance cannot be attributed to the injury.

N. Conclusion on Causation

77. On the basis of examination of vital economic parameters, examination of volume and price effects of the dumped imports in terms of absolute and relative increase in the volume of dumped imports and significant decline in import prices from the subject country, it is noted that the domestic industry's overall performance has been significantly affected by the dumped imports. Significant increase in the volume of dumped imports has resulted in significant decline in production and closure and shifting to other products of large number of power looms of the domestic industry. As it was informed during the cluster visits, in the face of large scale imports of the dumped imports of the subject goods from the subject country, the weavers were forced to close down or to switch over to weaving of other fabrics. It was also informed that due to the prevailing market conditions and un-remunerative nature of the sector in the face of continued dumping, a large number of power looms have either closed down or shifted to weaving of other fabrics. Therefore the Authority concludes that the dumped imports of the subject goods from the subject country, through their volume and price effects, have caused material injury to the domestic industry, within the meaning of Rule 11 of the Anti-dumping Rules.

O. Likelihood of continuation/recurrence of dumping and injury

Submissions made by the domestic industry

78. The following submissions are made by the domestic industry regarding current injury and likelihood of continuation/recurrence of dumping and injury:

- i. China is having huge production capacity to meet the entire domestic demand in India.
- ii. The imports from China have increased not only in terms of total imports but have also increased in comparison to total production despite the existence of anti-dumping duties.
- iii. Volume of exports has remained at significant level even after imposition of anti-dumping duty at significantly dumping levels.
- iv. The decline in CIF prices and landed values during POI clearly indicates about the future behavior of the exporters from China that the prices from China would further be reduced and the domestic industry in all probability would get injured in the event of revocation of the duty.
- v. Significant dumping margin from the subject country also indicates about their dumping behavior. In all probability dumping would intensify once the duties are lifted.
- vi. The production of subject goods in India has decreased from 20,81,70,000 meters (year 2000-2001) to 14,82,40,000 meters (year 2009-2010) inspite of the fact that anti-dumping duty is in force and the number of active looms has increased from 30,000 to around 60,000. The dumped imports from the subject country in all probability would surge in case anti-dumping duties are lifted.
- vii. The imports are still continuing in significantly increased volumes and are being reported at low and dumped prices.
- viii. The circumstances, which were prevalent at the time of previous investigations, are very much in existence even till date. There has been no change in the circumstance, which could suggest that the dumping would not recur at the aggravated level at which it was at the time of previous investigations.
- ix. The present reference price is to be increased to make it effective.

Submissions made by the CCCT

79. The following are the submissions made by CCCT with regard to likelihood of continuance or recurrence of dumping and injury:

- i. CSB has not provided any valid evidence to prove the likelihood of continuance or recurrence of injury.
- ii. Although Chinese imports have experienced an increase in absolute terms compared with the imports of 2006, the degree of increase is limited, and the imports have decreased significantly after the year of 2007.
- iii. Although Chinese imports have experienced a decline in import price and landed price compared with the year of 2006, the degree of decrease is limited, and the import price has increased significantly after the year of 2007.
- iv. Dumping margin has been calculated on the basis of the costing information of two Indian companies namely Chamundi Silk Industries Ltd and KSIC which cannot meet the requirement of domestic industry representativeness.

Examination by the Authority

80. The Authority has examined the likelihood of recurrence/ continuation of dumping and injury as follows:

- a. In the present investigation no response/submission has been filed by either the producers/exporters from the subject country or by the Indian importers of the subject goods. The entire beneficiary of dumped imports of the subject goods preferred not to cooperate with the Authority in the present investigation.
- b. In spite of the anti-dumping duty in force, the Chinese exporters command a significant share in the Indian market.
- c. The imports of subject goods from the subject country have increased significantly during the POI as compared to the base year. The landed price has decreased substantially during 2007-08 as compared to base year 2006-07 and again increased during 2008-09 and POI. However, the landed price marginally reduced during POI as compared to the base year.

- d. In spite of the anti-dumping duty in force, the subject goods are entering the Indian market at dumped prices and the dumping margin is significant.
- e. The price under cutting and underselling effect of the dumped imports of the subject goods are also significant.
- f. China has substantial production capacity and also substantial exportable surplus of the subject goods as evident from the UN Trade data provided by the CSB. Further, it is noted that the subject goods are being dumped in to India in an intensified manner in spite of the anti-dumping duty in force. In the circumstances, the propensity of Chinese exporters to dump the subject goods in India and the likelihood of further dumping and consequential injury in the event of revocation/cessation of the anti-dumping duty causing injury to the domestic industry cannot be ruled out.

P. Magnitude of Injury and injury margin

81. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority on weighted average basis has been compared with the weighted average landed value of the exports of subject goods from the subject country for determination of injury margin during the POI. Thus compared, the weighted average injury margin is determined as under:

Particulars	US\$ per Meter
Landed price of imports	***
Non injurious price of the domestic industry	***
Injury margin	***
Injury margin %	***
Injury margin % Range	50-60

Q. Indian industry's interest and other issues

82. The Authority recognizes that the imposition of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic

industry and help maintain availability of wider choice to the consumers of subject goods. The purpose of anti dumping duties, 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. Its objective is basically to create a level playing field for the domestic industry to compete more effectively in the market. It is Imposition of anti dumping, therefore, would not affect the availability of the product to the consumers.

R. CONCLUSIONS

83. 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 the above analysis of the state of continuation of dumping and consequent injury and likelihood of continuation/recurrence of dumping and injury, the Authority concludes that:

- a. No response/submission was made by either the producers/exporters from the subject country or by the Indian importers of the subject goods and are therefore non-cooperative.
- b. In spite of the anti-dumping duty in force, the Chinese exporters command a significant share in the Indian market.
- c. The imports of subject goods from the subject country have increased significantly during the POI as compared to the base year. The landed price has decreased substantially during 2007-08 as compared to base year 2006-07 and again increased during 2008-09 and POI. However, the landed price marginally reduced during POI as compared to the base year.
- d. In spite of the anti-dumping duty in force, the subject goods are entering the Indian market at dumped prices and the dumping margin is significant.
- e. The subject goods have been exported to India from the subject country below its normal value.
- f. The domestic industry has suffered material injury.
- g. The injury has been caused by the dumped imports from the subject country.

- h. During POI, as compared to preceding year, the domestic industry has shown declining trend in sales, production etc.
- i. The situation of domestic industry has improved due to the existing anti-dumping duties, but it is noted that their overall performance is still getting affected by the dumped imports.
- j. The subject goods are entering the Indian market at dumped prices and the dumping margin is above de-minimis.
- k. The price under cutting and underselling effect of the dumped imports of the subject goods are also significant.
- l. China has substantial production capacity and also substantial exportable surplus of the subject goods. In the event of cessation of the existing anti-dumping duty, the likelihood of further intensified dumping and consequential injury to the domestic industry cannot be ruled out.

S. Recommendations

84. Having concluded that there is likelihood of continuation and intensification of dumping and injury on account of imports of the subject goods from the subject country if the duties are revoked, the Authority is of the opinion that the measure is required to be extended and the level of reference price is required to be modified in respect of imports of the subject goods from the subject country from the earlier level recommended by the Authority vide Final Findings Notification No.14/20/2004-DGAD dated 15.11.2006.

85. Having regard to the lesser duty rule, the Authority recommends continuation and enhancement of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury. Accordingly, the Authority recommends continued imposition of definitive anti dumping duties, on imports of Silk Fabric of weight 20-100 gms per meter, falling under Custom Heading 5007 of Schedule 1 of Customs Tariff Act, originating in or exported from subject country, as the difference between the landed value of the subject goods and the amount indicated in Col 9 of the duty table annexed herewith at **Annexure-I**, provided the landed value is less than the value indicated in Col 9 of the Duty Table.

T. Further Procedures

86. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

87. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Vijaylaxmi Joshi)
Designated Authority

Annexure - 1

Duty Table										
S.No.	Sub-Heading	Description of Goods	Specification	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit of Measure	Currency
1	2	3	4	5	6	7	8	9	10	11
1	5007.10 00 5007.20 00 5007.20 10 5007.20 90 5007.90 00	Silk Fabrics	Crepe in the following weight range of Grammes per Meter	China PR	China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.26	-Do-	-Do-
			Above 25 upto & Including 30					2.54	-Do-	-Do-
			Above 30 upto & Including 35					2.83	-Do-	-Do-

			Above 35 upto & Including 40					3.12	-Do-	-Do-
			Above 40 upto & Including 45					3.40	-Do-	-Do-
			Above 45 upto & Including 50					3.69	-Do-	-Do-
			Above 50 upto & Including 55					3.98	-Do-	-Do-
			Above 55 upto & Including 60					4.26	-Do-	-Do-
			Above 60 upto & Including 65					4.55	-Do-	-Do-
			Above 65 upto & Including 70					4.84	-Do-	-Do-
			Above 70 upto & Including 75					5.12	-Do-	-Do-
			Above 75 upto & Including 80					5.41	-Do-	-Do-
			Above 80 upto & Including 85					5.70	-Do-	-Do-
			Above 85 upto & Including 90					5.98	-Do-	-Do-
			Above 90 upto & Including 95					6.27	-Do-	-Do-
			Above 95 upto & Including 100					6.56	-Do-	-Do-
S.No.	Sub-Heading	Description of Goods	Specification			Country of Origin	Country of Export	Producer	Exporter	Amount
1	2	3	4			5	6	7	8	9
2	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Georgette/ Chiffon in the following weight range of Grammes per Meter	China PR	China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					1.82	-Do-	-Do-
			Above 25 upto & Including 30					2.08	-Do-	-Do-
			Above 30 upto & Including 35					2.34	-Do-	-Do-
			Above 35 upto & Including 40					2.60	-Do-	-Do-
			Above 40 upto & Including 45					2.86	-Do-	-Do-
			Above 45 upto & Including 50					3.12	-Do-	-Do-
			Above 50 upto & Including 55					3.38	-Do-	-Do-
			Above 55 upto & Including 60					3.63	-Do-	-Do-
			Above 60 upto & Including 65					3.89	-Do-	-Do-
			Above 65 upto & Including 70					4.15	-Do-	-Do-
			Above 70 upto & Including 75					4.41	-Do-	-Do-
			Above 75 upto & Including 80					4.67	-Do-	-Do-
			Above 80 upto & Including 85					4.93	-Do-	-Do-
			Above 85 upto & Including 90					5.19	-Do-	-Do-
			Above 90 upto & Including 95					5.45	-Do-	-Do-
			Above 95 upto & Including 100					5.71	-Do-	-Do-
3	5007.1000	Silk Fabrics	Habutai in the	China PR	China PR	Any	Any	As given	Meter	US\$

	5007.20 005007. 2010500 7.20905 007.900 0		followin g weight range of Gramm es per Meter					below		
			Above 20 upto & Including 25					2.16	-Do-	-Do-
			Above 25 upto & Including 30					2.43	-Do-	-Do-
			Above 30 upto & Including 35					2.69	-Do-	-Do-
			Above 35 upto & Including 40					2.96	-Do-	-Do-
			Above 40 upto & Including 45					3.23	-Do-	-Do-
			Above 45 upto & Including 50					3.50	-Do-	-Do-
			Above 50 upto & Including 55					3.76	-Do-	-Do-
			Above 55 upto & Including 60					4.03	-Do-	-Do-
			Above 60 upto & Including 65					4.30	-Do-	-Do-
			Above 65 upto & Including 70					4.57	-Do-	-Do-
			Above 70 upto & Including 75					4.83	-Do-	-Do-
			Above 75 upto & Including 80					5.10	-Do-	-Do-
			Above 80 upto & Including 85					5.37	-Do-	-Do-
			Above 85 upto & Including 90					5.63	-Do-	-Do-
			Above 90 upto & Including 95					5.90	-Do-	-Do-
			Above 95 upto & Including 100					6.17	-Do-	-Do-
4	5007.10 00, 5007.20 00, 5007.20 10, 5007.20 90, 5007.90 00	Silk Fabrics	Others in the followin g weight range of Gramm es per Meter	China PR	China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.56	-Do-	-Do-
			Above 25 upto & Including 30					2.90	-Do-	-Do-
			Above 30 upto & Including 35					3.24	-Do-	-Do-
			Above 35 upto & Including 40					3.57	-Do-	-Do-
			Above 40 upto & Including 45					3.91	-Do-	-Do-
			Above 45 upto & Including 50					4.23	-Do-	-Do-
			Above 50 upto & Including 55					4.56	-Do-	-Do-
			Above 55 upto & Including 60					4.90	-Do-	-Do-
			Above 60 upto & Including 65					5.23	-Do-	-Do-
			Above 65 upto & Including 70					5.57	-Do-	-Do-
			Above 70 upto & Including 75					5.91	-Do-	-Do-

			Above 75 upto & Including 80					6.24	-Do-	-Do-
			Above 80 upto & Including 85					6.58	-Do-	-Do-
			Above 85 upto & Including 90					6.92	-Do-	-Do-
			Above 90 upto & Including 95					7.25	-Do-	-Do-
			Above 95 upto & Including 100					7.59	-Do-	-Do-
S.No.	Sub-Heading	Description of Goods	Specification	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit of Measure	Currency
1	2	3	4	5	6	7	8	9	10	11
5	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Crepe in the following weight range of Gramm es per Meter	China PR	Any country other than China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.26	-Do-	-Do-
			Above 25 upto & Including 30					2.54	-Do-	-Do-
			Above 30 upto & Including 35					2.83	-Do-	-Do-
			Above 35 upto & Including 40					3.12	-Do-	-Do-
			Above 40 upto & Including 45					3.40	-Do-	-Do-
			Above 45 upto & Including 50					3.69	-Do-	-Do-
			Above 50 upto & Including 55					3.98	-Do-	-Do-
			Above 55 upto & Including 60					4.26	-Do-	-Do-
			Above 60 upto & Including 65					4.55	-Do-	-Do-
			Above 65 upto & Including 70					4.84	-Do-	-Do-
			Above 70 upto & Including 75					5.12	-Do-	-Do-
			Above 75 upto & Including 80					5.41	-Do-	-Do-
			Above 80 upto & Including 85					5.70	-Do-	-Do-
			Above 85 upto & Including 90					5.98	-Do-	-Do-
			Above 90 upto & Including 95					6.27	-Do-	-Do-
			Above 95 upto & Including 100					6.56	-Do-	-Do-
6	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Georget/ Chiffon in the following weight range of Gramm es per Meter	China PR	Any country other than China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.08	-Do-	-Do-
			Above 25 upto & Including 30					2.34	-Do-	-Do-
			Above 30 upto & Including 35					2.60	-Do-	-Do-

				Above 35 upto & Including 40				2.86	-Do-	-Do-
				Above 40 upto & Including 45				3.12	-Do-	-Do-
				Above 45 upto & Including 50				3.38	-Do-	-Do-
				Above 50 upto & Including 55				3.63	-Do-	-Do-
				Above 55 upto & Including 60				3.89	-Do-	-Do-
				Above 60 upto & Including 65				4.15	-Do-	-Do-
				Above 65 upto & Including 70				4.41	-Do-	-Do-
				Above 70 upto & Including 75				4.67	-Do-	-Do-
				Above 75 upto & Including 80				4.93	-Do-	-Do-
				Above 80 upto & Including 85				5.19	-Do-	-Do-
				Above 85 upto & Including 90				5.45	-Do-	-Do-
				Above 90 upto & Including 95				5.71	-Do-	-Do-
				Above 95 upto & Including 100				5.97	-Do-	-Do-
7	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Habutai in the followin g weight range of Gramm es per Meter	China PR	Any country other than China PR	Any	Any	As given below	Meter	US\$
				Above 20 upto & Including 25				2.16	-Do-	-Do-
				Above 25 upto & Including 30				2.43	-Do-	-Do-
				Above 30 upto & Including 35				2.69	-Do-	-Do-
				Above 35 upto & Including 40				2.96	-Do-	-Do-
				Above 40 upto & Including 45				3.23	-Do-	-Do-
				Above 45 upto & Including 50				3.50	-Do-	-Do-
				Above 50 upto & Including 55				3.76	-Do-	-Do-
				Above 55 upto & Including 60				4.03	-Do-	-Do-
				Above 60 upto & Including 65				4.30	-Do-	-Do-
				Above 65 upto & Including 70				4.57	-Do-	-Do-
				Above 70 upto & Including 75				4.83	-Do-	-Do-
				Above 75 upto & Including 80				5.10	-Do-	-Do-
				Above 80 upto & Including 85				5.37	-Do-	-Do-
				Above 85 upto & Including 90				5.63	-Do-	-Do-
				Above 90 upto & Including 95				5.90	-Do-	-Do-
				Above 95 upto & Including 100				6.17	-Do-	-Do-

8	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Others in the followin g weight range of Gramm es per Meter	China PR	Any country other than China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.56	-Do-	-Do-
			Above 25 upto & Including 30					2.90	-Do-	-Do-
			Above 30 upto & Including 35					3.24	-Do-	-Do-
			Above 35 upto & Including 40					3.57	-Do-	-Do-
			Above 40 upto & Including 45					3.91	-Do-	-Do-
			Above 45 upto & Including 50					4.23	-Do-	-Do-
			Above 50 upto & Including 55					4.56	-Do-	-Do-
			Above 55 upto & Including 60					4.90	-Do-	-Do-
			Above 60 upto & Including 65					5.23	-Do-	-Do-
			Above 65 upto & Including 70					5.57	-Do-	-Do-
			Above 70 upto & Including 75					5.91	-Do-	-Do-
			Above 75 upto & Including 80					6.24	-Do-	-Do-
			Above 80 upto & Including 85					6.58	-Do-	-Do-
			Above 85 upto & Including 90					6.92	-Do-	-Do-
			Above 90 upto & Including 95					7.25	-Do-	-Do-
			Above 95 upto & Including 100					7.59	-Do-	-Do-
S.N o.	Sub- Heading	Descrip tion of Goods	Specific ation	Country of Origin	Country of Export	Produc er	Exporte r	Amount	Unit of Measur e	Currenc y
1	2	3	4	5	6	7	8	9	10	11
9	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Crepe in the followin g weight range of Gramm es per Meter	Any country other than China PR	China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.26	-Do-	-Do-
			Above 25 upto & Including 30					2.54	-Do-	-Do-
			Above 30 upto & Including 35					2.83	-Do-	-Do-
			Above 35 upto & Including 40					3.12	-Do-	-Do-
			Above 40 upto & Including 45					3.40	-Do-	-Do-
			Above 45 upto & Including 50					3.69	-Do-	-Do-
			Above 50 upto & Including 55					3.98	-Do-	-Do-
			Above 55 upto & Including 60					4.26	-Do-	-Do-

			Above 60 upto & Including 65					4.55	-Do-	-Do-
			Above 65 upto & Including 70					4.84	-Do-	-Do-
			Above 70 upto & Including 75					5.12	-Do-	-Do-
			Above 75 upto & Including 80					5.41	-Do-	-Do-
			Above 80 upto & Including 85					5.70	-Do-	-Do-
			Above 85 upto & Including 90					5.98	-Do-	-Do-
			Above 90 upto & Including 95					6.27	-Do-	-Do-
			Above 95 upto & Including 100					6.56	-Do-	-Do-
10	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Georgette/ Chiffon in the following weight Range of Grammes per Meter	Any country other than China PR	China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.08	-Do-	-Do-
			Above 25 upto & Including 30					2.34	-Do-	-Do-
			Above 30 upto & Including 35					2.60	-Do-	-Do-
			Above 35 upto & Including 40					2.86	-Do-	-Do-
			Above 40 upto & Including 45					3.12	-Do-	-Do-
			Above 45 upto & Including 50					3.38	-Do-	-Do-
			Above 50 upto & Including 55					3.63	-Do-	-Do-
			Above 55 upto & Including 60					3.89	-Do-	-Do-
			Above 60 upto & Including 65					4.15	-Do-	-Do-
			Above 65 upto & Including 70					4.41	-Do-	-Do-
			Above 70 upto & Including 75					4.67	-Do-	-Do-
			Above 75 upto & Including 80					4.93	-Do-	-Do-
			Above 80 upto & Including 85					5.19	-Do-	-Do-
			Above 85 upto & Including 90					5.45	-Do-	-Do-
			Above 90 upto & Including 95					5.71	-Do-	-Do-
			Above 95 upto & Including 100					5.97	-Do-	-Do-
11	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Habutai in the following weight range of Grammes per Meter	Any country other than China PR	China PR	Any	Any	As given below	Meter	US\$
			Above 20 upto & Including 25					2.16	-Do-	-Do-

			Above 25 upto & Including 30						2.43	-Do-	-Do-
			Above 30 upto & Including 35						2.69	-Do-	-Do-
			Above 35 upto & Including 40						2.96	-Do-	-Do-
			Above 40 upto & Including 45						3.23	-Do-	-Do-
			Above 45 upto & Including 50						3.50	-Do-	-Do-
			Above 50 upto & Including 55						3.76	-Do-	-Do-
			Above 55 upto & Including 60						4.03	-Do-	-Do-
			Above 60 upto & Including 65						4.30	-Do-	-Do-
			Above 65 upto & Including 70						4.57	-Do-	-Do-
			Above 70 upto & Including 75						4.83	-Do-	-Do-
			Above 75 upto & Including 80						5.10	-Do-	-Do-
			Above 80 upto & Including 85						5.37	-Do-	-Do-
			Above 85 upto & Including 90						5.63	-Do-	-Do-
			Above 90 upto & Including 95						5.90	-Do-	-Do-
			Above 95 upto & Including 100						6.17	-Do-	-Do-
12	5007.10 00 5007.20 005007. 2010500 7.20905 007.900 0	Silk Fabrics	Others in the followin g weight range of Gramm es per Meter	Any country other than China PR	China PR	Any	Any	As givebn below	Meter	US\$	
			Above 20 upto & Including 25						2.56	-Do-	-Do-
			Above 25 upto & Including 30						2.90	-Do-	-Do-
			Above 30 upto & Including 35						3.24	-Do-	-Do-
			Above 35 upto & Including 40						3.57	-Do-	-Do-
			Above 40 upto & Including 45						3.91	-Do-	-Do-
			Above 45 upto & Including 50						4.23	-Do-	-Do-
			Above 50 upto & Including 55						4.56	-Do-	-Do-
			Above 55 upto & Including 60						4.90	-Do-	-Do-
			Above 60 upto & Including 65						5.23	-Do-	-Do-
			Above 65 upto & Including 70						5.57	-Do-	-Do-
			Above 70 upto & Including 75						5.91	-Do-	-Do-
			Above 75 upto & Including 80						6.24	-Do-	-Do-
			Above 80 upto & Including 85						6.58	-Do-	-Do-
			Above 85 upto & Including 90						6.92	-Do-	-Do-
			Above 90 upto & Including 95						7.25	-Do-	-Do-
			Above 95 upto & Including 100						7.59	-Do-	-Do-

