

No. 14/23/2004-DGAD
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)
DIRECTORATE GENERAL OF ANTI DUMPING & ALLIED DUTIES
NOTIFICATION

New Delhi, the 4th April 2006

FINAL FINDINGS

Subject: Anti-dumping investigation concerning imports of Viscose Filament yarn originating in or exported from China PR and Ukraine. Final Findings.

A. PROCEDURE:

1. The procedure described below has been followed:-

(i) On 7th April 2005, the Designated Authority (hereinafter referred to as Authority), under the above Rules, announced a public notice (initiation notification) which was published in the Gazette of India with regards to the initiation of an anti dumping investigation concerning imports of viscose filament yarn originating in or exported from China PR and Ukraine (also referred to as subject countries). The Anti dumping proceeding was initiated following a petition received from Association of Man-Made Fibre Industry of India (AMFII) (the applicant) on behalf of the domestic industry representing a major proportion of the domestic production of said product. The application contained evidence of dumping of the said product and of material injury resulting there from, which was considered sufficient to justify the initiation of the proceedings.

(ii) Before initiation, the Authority notified the Embassies of subject countries in India about the receipt of fully documented application made by the applicant before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra;

(iii) According to sub rule (2) of the rule 6 supra, the Authority forwarded copy of the said public notice to the known producers/exporters, importers, industry associations, embassies of the

countries concerned and to the complainant and gave them an opportunity to make their views known in writing. Copies of initiation notice were also sent to FICCI, CII, ASSOCHAM etc., for wider circulation

(iv) According to sub-rule (3) of Rule 6 supra, the Authority provided a copy of the application to all the known exporters and Embassies of subject countries in India. According to sub-rule (4) of Rule 6 supra, the Authority provided a copy of the relevant questionnaire to all the known exporters and Embassies of subject countries in India and other interested parties. The Embassies of subject countries in New Delhi were also informed about the initiation of investigation and requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time

(v) The Authority sent questionnaires, to elicit relevant information, to the following known exporters from subject countries.

1. Yibin Grace Co. Ltd, SiChuan Province, China PR
2. Baoding Swan Group, Baoding Hebei, China PR
3. Xinxiang Bailu Chemical, Henan Province, China PR
4. Jilin Chemical Fibre Group Co Ltd, Jilin City, China PR
5. Hangzhou B.P. Chemical Co. Ltd. Hangzhou, China PR
6. JSC "Cherkasskoye, Ukraine - 18013

(vi) Four exporters/producers have responded to the exporter's questionnaire and notice of initiation.

1. Yibin Grace Co. Ltd, SiChuan Province, China PR
2. Yibin Heist Fibre Co. Ltd, China PR
3. Xinxiang Chemical Fibre Co. Ltd, China PR
4. M/s. HMEI Thread Co. Ltd. China PR

(vii) A copy of initiation notification along with the importers questionnaire were also sent to the following importers.

1. Shah Trading Co. Mumbai-21
2. Vyapar Com & Industries Ltd, Mumbai-5
3. Yash Enterprises, Mumbai-19
4. Doriwala Industries, Surat – 395003
5. Doriwala Industries, Surat – 395003
6. Marwadi Brothers, Mumbai-3
7. MIs Rajmall Son's and Group, Salem-2
8. MIs Chunnilal Kundanmall, Salem-2
9. MIs Shanti Textiles, Salem-2
10. Mis Krishan sale's Corporation, Bangalore-560002

(viii) None of the importers responded to the importers questionnaire. However, some importers and users association have responded to the initiation notification and they have submitted some comments, which have been taken into account subject to their being relevant to the investigation. Following importers, consumers and associations have responded to the initiation notification.

1. Handloom and Small Users Art Silk Yarn Association Ltd.
2. Federation of Indian Art Silk Weaving Industry (FIASWI), Surat.
3. Pandesara Ind Co Operative Society Ltd, Surat.
4. Bhiwandi Textile Manufacturer's Association Ltd,
5. The Udhna Group Weavers Producers Coop Society Ltd.
6. Surat Rayon Textiles Exporters Cooperative Society Ltd, Surat.
7. Sasme Cooperative Society Ltd.
8. Surat Vankar Sahakari Sangh Ltd, Surat.
9. Surat Art Silk Cloth Producers Cooperative Society Ltd, Surat.

However, none of the importers have submitted information as required under importers questionnaire and thus have not cooperated with the Authority in these investigations.

(ix) The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained by the Authority and kept open for inspection by the interested parties;

(x) **** in this notification represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules;

(xi) The investigation of dumping and injury covered the period from 1st January 2004 to 31st December 2004 (Also called the period of investigation or POI). The examination of trends in the context of injury analysis covered the period from POI and three years prior to that.

(xii) The public hearing was held on 2nd November 2005 under the auspices of Designated Authority wherein all the interested parties were invited to submit their views before the Authority. They were also asked to submit their written comments of the arguments advanced by them during the public hearing and they were also asked to submit rejoinders based on the written submissions of the other interested parties. It is pertinent to note that because of the divergence of the data especially the export values of the subject goods of the exporters and data recorded by DGCIS of these imports made by Indian importers, all the major importers whose names appeared in the DGCIS data were requested to submit imports made by them in the form and manner

required by the importers questionnaire stating that information submitted by them would greatly facilitate the investigations. However, none of the importers whom the Authority asked submitted any information and thus the importers did not cooperate with the Authority in this investigation.

(xiii) The Authority sought and verified all the information it deemed necessary for the purpose of final determination of dumping and resulting injury. The Authority conducted on the spot investigation of the domestic industry to the extent considered necessary. The Authority also conducted the exporters verification visit during February 2006 to verify the information submitted by the exporters. A verification report (confidential) was issued to the exporters while a non-confidential copy of the verification report was kept in the public file for the benefit of all other interested parties. Meanwhile, the cost of the production of the domestic industry was also analysed to work out the best cost of the production and the cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles based on the information furnished by the petitioner so as to ascertain if anti Dumping duty lower than dumping margin would be sufficient to remove injury to the domestic Industry. A disclosure statement was issued on 17th March and comments made by various interested parties have been analysed to the extent, which has been considered relevant in this investigations. It is noted that subsequent to the disclosure statement, comments have been received from various interested parties including responding exporters, Ministry of Commerce of China PR, China Chamber of commerce for import and export (CCCT), the domestic industry and M/s Federation of Indian Art Silk Weaving Industry (FIASWI), Mumbai.

B. Product under Consideration.

2. The product under consideration in the present investigation as mentioned in the initiation notification is Viscose Rayon Filament Yarn up to 150 deniers (and +- 4% permissible variation thereof), other than sewing thread, including mono filament yarn of less than 67 decitex also known as viscose filament yarn or VFY, Rayon Filament Yarn, Art Silk Yarn, Cellulose Yarn or Rayon Yarn and includes all yarns made of 100% viscose yarns such as dyed yarn, flat yarn, microfilament microyarn, twisted yarn, doubled/ multiple ply yarn etc of VFY.

3. Subsequent to the initiation, Federation of art silk Weaving Industry (M/s FIASWI) an association comprising of the consumers of the subject goods and other importers have represented that the technology, various parameters defining the product and tariff heads have been applied to define a PCN (Product Control

Nomenclature) which is suited to the domestic industry. They also asked the authority to clarify the tariff heads, which the subject goods pertain to and have suggested that the product scope should be clarified to all interested parties. They have also requested the Authority to exclude various types of the subject goods from the purview of the product under consideration, which are not manufactured by the domestic industry.

4. The Authority notes that Viscose rayon filament yarn is a regenerated cellulosic yarn which is produced from natural renewable resources i.e. wood pulp. Different types of VFY are produced from the similar production technology, manufacturing process, raw materials, plant & equipment and perform the same general purpose. Even though the product has been grouped into types according to technology (CSY/PSY), denier, luster, color, twisting, doubling, these different types contain the same basic characteristic of VFY as there is a great amount of substitutability between different types of VFY. The subject goods are classified within Customs subhead 54033100, 54033200, 54033300, 54034110, 54034120, 54034130, 54034140, 54034150, 54034160, 54034170, 54034180, and 54034190 though they have been reported to have been imported within other chapter heads also (like chapter 55). In this respect, the Authority holds that investigations have been initiated with respect to product under consideration irrespective of the classification under which they are being imported. Customs classifications are indicative only and in no way binding on the scope of these investigations.

5. With regards to the arguments advanced by some of the interested parties with regards to the scope of the product under consideration, it is held that this product includes all variants of VFY unless specifically excluded, such as twisted/untwisted/flat, bright/dull (or variants thereof), coloured/dyed (or variants thereof), multiple/folded/cabled (or variants thereof), whether or not sized yarn of viscose, but *excludes* high tenacity yarn of viscose classifiable under customs sub-heading 5403.10 (having tenacity beyond 2.2 gpd), textured yarn of viscose classifiable under 5403.20, viscose rayon tow classifiable under customs sub-heading 5502, all artificial yarns not having viscose filaments or having a combination of viscose filaments and other filaments. During the investigation, the opposing interested parties have sought exclusion of fur yarn, fire retardant yarn, air texturised yarn and embroidered yarn from the scope of the investigations. After examining the records, the Authority notes that the data furnished by responding parties do not show imports of these types yarn except embroidered yarn. With regards to the claim of some of the

interested parties to exclude the inclusion of embroidered viscose filament yarn from the purview of subject goods, it is noted that since embroidered yarn has been imported from the subject countries and no like article has not been offered by the domestic industry during the injury period, it is considered appropriate to exclude embroidered yarn from the purview of product under consideration. On the basis of detailed examination, it is considered more appropriate to exclude these types of yarn from the scope of the product under consideration.

6. Some of the importers and consumers have pointed out that use of the technology should differentiate the product as the imported subject goods are largely made of Tube spinning technology as against conventional trough spinning technology employed by the domestic industry. It has also been added that product should be differentiated on the basis of technology and raw material. It has also been brought before the Authority that prices differ on the basis of the denierage, twisting, dyeing, doping other value additions and therefore, the mandatory question of viability of substitute for the product needs to be addressed. The Authority has examined the contention of the interested parties and after examination, notes that various process of manufacturing i.e continuous spinning or pot spinning or choice of raw material such as wood pulp or cotton linters do not alter the basic physical, technical and chemical characteristics of subject goods. Moreover, subject goods within their specified denier as mentioned in the product under consideration are in many applications interchangeable and may have same or similar uses.

7. In view of the above, it is held that that the product under consideration in this investigation is Viscose Rayon Filament Yarn up to 150 deniers (and +- 4% permissible variation thereof) including mono filament yarn of less than 67 decitex also known as viscose filament yarn or VFY, Rayon Filament Yarn, Art Silk Yarn, Cellulose Yarn or Rayon Yarn and includes all yarns made of 100% viscose yarns such as dyed yarn, flat yarn, microfilament microyarn, twisted yarn (with the exclusion of embroidered yarn), doubled/ multiple ply yarn etc of VFY unless specifically excluded in this paragraph (also referred to as subject goods herein after). However, the subject goods do not include sewing thread, fur yarn, fire retardant yarn, engineered yarn, embroidered yarn and air texturised yarn.

C. Like Article.

8. The applicants have claimed that goods produced by it are like articles to the goods originating in or exported from subject countries. There is no significant difference in the subject goods produced by the applicants and those exported from subject countries. With regards to the like article, the Authority notes that rule 2 (d) relating to the definition of like article specifies that like article means an article that is 'identical' or 'alike' in all respects to the articles under investigation or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation. In order to establish that subject goods produced by the domestic industry is a Like Article to that exported from subject countries, characteristics such as technical specifications, manufacturing process, functions and uses and tariff classification have been considered by the Authority. Further, it has been submitted that the difference in the basic raw material in India and subject country leads to a marked cost difference and consequent prices and hence the subject goods manufactured from them may not be like product. The user industry has submitted arguments about the inability of the domestic industry to manufacture all the grades. The Authority has carefully examined these contentions after perusing the submissions made by various interested parties including the exporters and onsite verification of the sales data of the cooperating exporters from subject country. On the basis of the examination, it is noted that there is no significant difference within different deniers and different deniers of the subject goods in terms of their production facilities, physical and chemical characteristics and their broad usage. Further, no information along with any evidence has been presented to the Authority suggesting that domestic industry is not able to manufacture the particular grades "except those grades already excluded by the Authority from the product under consideration" and these grades are not substitutable amongst themselves. Moreover, it has been seen that the domestic industry largely produces the subject goods in 100, 120 and 150 denier with 120 deniers accounting for a major part of the production while imports have also been made for subject goods largely in 120 deniers (more than 80%). Further, it is also noted that every manufacturer fine tunes its products to cover some narrow niche segments within a broad segment, but that does not render that product unsubstitutable amongst themselves. On basis of the detailed investigation, the Authority notes that subject goods produced by domestic industry has characteristics, which are similar to those imported from subject countries and to those sold in the market of exporting countries. In view of the above the Authority holds that Viscose Filament yarn produced by the domestic industry and those being

imported from and sold in the subject countries are like articles within the meaning of the rules.

D. Domestic Industry

9. The application has been filed by the Association of Man-Made Fibre Industry of India (AMFII) on behalf of M/s. NRC Ltd., Kesoram Industries Ltd. and M/s. Indian Rayon & Industries Limited (the applicants) who are producers of the like article and are members of AMFII. The applicants have provided information relevant to the present investigations and have participated in the present investigations. The production of these companies constitute more than 50 % of Indian Production. M/s Century Rayon (A Division of Century Textiles & Industries Ltd.) and M/s Baroda Rayon Corporation Ltd. are other producers of the like article in India and have supported the present petition. The Authority has determined that (a) production of the three applicant companies constitute a major proportion in Indian production; (b) domestic producers expressly supporting the application account for more than 50 per cent of total production of the like product produced by the domestic industry; and (c) the application has been made by or on behalf of the domestic industry. The Authority after examining the above, determines that the applicants constitutes a domestic Industry within the meaning of the rule 2(b) read with 2(d) and it satisfies the criteria of standing to file the petition in terms of Rule 5(3) (a) of the Rules supra. The Authority notes that there are a number of small scale producers engaged in carrying out incremental activities on VFY sourced either from the Indian Producers or through imports. The Authority holds that regardless of whether or not production by these small scale producers carrying out incremental activities is included in Indian Production, application satisfies standing requirements under the Rules.

E. De-minimus.

10. As regards ascertaining that the imports from the subject countries during the period of investigation (POI) are above de-minimus levels, the Authority has referred to the transaction wise data from the subject countries as made available by DGCIS, Customs port and data made available by responding exporters. After examining the data, it is noted that the share of imports from Ukraine is below 3% of the total imports of the subject goods in India. There is no allegation or information with regard to potential volume of imports from Ukraine. The volume of actual or potential imports from Ukraine is thus negligible within the meaning of the

Rules. Therefore, Ukraine has been excluded from the scope of the present investigations and accordingly, the Authority terminates investigations against Ukraine in accordance with Rule 14 of the Rules. The scope of the subject countries therefore gets redefined to China PR only in the remaining part of these findings. Henceforth, only China PR shall constitute as subject country in this investigation wherever referred.

F. Dumping.

11. Under Section 9A (1) I of the Customs Tariff Act 1975, Normal value in relation to an article means:

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

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

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

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

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

The Authority sent questionnaires to all the known exporters for the purpose of determination of normal value in accordance with Section 9A(1)(c). None of the exporters have responded to the initiation and questionnaire in any form and consequently, they have been treated as uncooperative in this investigation.

F (1) China PR

(a) Cooperation

12. Four Chinese producers/exporters have made themselves known during the process of investigation and they have responded to the exporters' questionnaire by giving information with regard to Questionnaire pertaining to market economy status and also various appendices mentioned in the exporters' questionnaire.

(b) Normal Value & Export Price:

(M/s Xinxiang Chemical Fiber Co., Ltd (Xinxiang), M/s Yibin Grace Co. Ltd (Grace), Yibin Heist Fibre Co. Ltd (Heist), and M/s HMEI Thread Co. Ltd, (HMEI). China PR

13. The Authority has examined the submissions of the cooperating exporter, M/s Xinxiang, based on its responses to the market economy questionnaire and also with regard to various appendices of the exporter's questionnaire. After examining the responses, the Authority notes that M/s. Xinxiang Bailu Chemical Fibre Group Co. Ltd. ("Group Company"), which is a promoter of the company and is fully state owned company owns ****% shareholding in the subject company. However, it was submitted during the verification that the state is merely a shareholder and there is no interference by the State with the daily functioning of the companies or the commercial and pricing decisions. With regard to the invoices and the contract of purchase of raw materials, it was contended by the company officials that there is no preferential sourcing of raw materials, intermediates and utilities along with the packaging material from other state owned enterprises or other companies. During the process of verification, the verification team collected some invoices and contracts for purchase of raw materials which pertain to purchase of cotton pulp, cotton linter, caustic soda, sulphuric acid, zinc sulphate, carbon bisulphide and coal. The prices at which the raw materials are purchased from the group company or state owned company are shown higher or at the same level at which they are purchased from private companies. However it was noted that out of a total share capital of RMB ****, ****% shares amounting to RMB **** were unlisted and owned by the State. This was further seen that this percentage holding remained unlisted and without any market movement. With regards to boards of directors in the company, it was seen that a majority of the directors is appointed out by M/s. Xinxiang Bailu Chemical Fibre Group Company and the independent Directors are in minority. The Chairman of the Company who is also a Director of the Company is appointed by M/s. Xinxiang Bailu Chemical Fibre Group Company, which is a state owned company.

14. With regards to the export price, It is recalled that exports transaction to India was showing different unit values in the DGCIS data and the exporter's data when these transactions were

compared importers wise and date and volume wise. However, it was found that part of the payments was made as TT payments and the balance payment was received in the D/P basis. The exporters pointed out that the reason why they chose this payment method was the fact that this gave them cushion against bad debts and given the fact that importers sometimes default on the payments after receiving the goods. For each transaction, the exporter was informed by the Indian importer when the T/T payments were made. Only when the part payments made by T/T were received, the subject company would arrange to ship the subject products. In the case of Xinxiang, it was found that the exporter has realized the payment partially from the TT payment and partially from the DP payment. However, when asked by the verification team about linking up various TT payments against the invoices mentioned and against the importer mentioned in the shipping documents, it was submitted that it would be difficult for them to segregate the TT realizations with regard to various importers by name. However, the exporter submitted the documents to the verification team which illustrated the fact that the exporter has realized the entire money which was invoiced on the importer from the TT and the DP Payment basis. It was also shown to the satisfaction of the verification team that the shipping bill documents had clearly mentioned the numbers of TT payment along with the full amount of the invoice. It was also explained to the verification team along with the evidence that the exporter had received the VAT refund on the basis of the full amount realized by them as mentioned in the invoice. After verifying the records, it was found that though their sales quantity matched with many transactions in the DGCI&S report, their values did not fully match the values reflected in the DGCI&S report. On being asked about the discrepancy in the DGCI&S data (based on the imports made into India) and exporters data reflected in their invoice and shipping bills and proof of their subject goods imported into India by Indian importers at the same price as reflected in their invoice, the exporter could not fully establish the fact that they have received the payments from the same importer for entire invoice amounts and their Indian importer has actually imported the subject goods at the price invoiced by the exporter. In view of the above fact, it is proposed to take the export price as per the information submitted by the exporter and as verified by the Authority. However, in those transactions, wherever, the invoice and sales of the subject goods to India could not be reconciled by the port data, the export price accepted by the Authority was modified to the extent and as per the price at which the subject goods were imported into India by importers. The Authority has accepted all the adjustments claimed by the exporter to arrive at the net export price.

15. Similarly, with regards to the responses filed by M/s Yibin Grace Co Ltd (Grace) and M/s Yibin Heist Co Ltd, (Heist) , It was submitted that both the companies are State-Owned Enterprises (SOEs). However, it was claimed that the state is merely a shareholder and there is no interference by the State with the daily functioning of the companies or the commercial and pricing decisions. The Companies under investigation are M/s. Yibin Grace Company and Heist Fibre Co. Ltd. It was mentioned that in the questionnaire response, M/s. Yibin Grace Group Company has ****% share holding in Yibin Grace Company Ltd. and ****% share holding in Heist Fibre Co. Ltd. As it was stated that Yibin Grace Group Company is state owned, efforts were made to understand Capital Structure composition of Yibin Grace Group Co.

16. The Capital structure of M/s. YIBIN GRACE GROUP Company was analysed. It was stated by the Company and their Lawyer that M/s Yibin Grace Group Limited Corporation is another name for this Company. The registered capital of this Company is RMB **** Million. It was seen that Yibin Grace Group Company has investment of ****% in Yibin Grace Co. Ltd. The Registered Capital of Yibin Grace Co. Ltd is RMB **** Million. This company has ****% holding in Heist Fibre Co. Ltd. It was seen that the Chairman Mr. Feng Tao is common for both these companies. The Company was asked to explain as to how Yibin Grace Group Co. came into existence. It was explained by the Company that initially in 1988 Sichuan Province Yibin Chemical Fibre Plant (fully owned by the State) was established to produce the VFY. In the year 1999, the assets of this plant were appraised by Yibin Appraisal Office vide their Report No. **** of ****. A few documents pertaining to the some raw materials, and utilities were provided to show that the raw materials are procured by Grace and Hiest from the Grace Group or other SoEs at market driven prices. The Export Data of GRACE was tallied from several records of the company. One sample transaction was taken and the following documents were tallied (****, Invoice no ****). It is recalled that this transaction was showing different unit values in the DGCIS data and the exporters data when these transactions were compared importers wise and date and volume wise. However, it was found that part of the payments were made as TT payments and the balance payment was received in the D/P basis. The exporters pointed out that the reason why they chose this payment method was the fact that this gave them cushion against bad debts and given the fact

that importers sometimes default on the payments after receiving the goods. In the case of Grace, it was found that the same importer had sent the money by the TT basis to the exporter during the same time when the subject goods were shipped to the importer (only one transaction with the importer with the TT payment). However, M/s Heist admitted during the verification that they cannot submit the evidence of the full payments collected from the same importer as it was seen that part of the payments were on T-T basis for which exporters could not establish the facts that their subject goods were indeed imported by same importers at the same price at which these subject goods were invoiced. In view of the above fact, it is proposed to take the export price as per the information submitted by the exporter and as verified by the Authority. However, in those transactions, wherever, the invoice and sales of the subject goods to India could not be reconciled by the port data, the export price accepted by the Authority was modified to the extent and as per the price at which the subject goods were imported into India by importers. The Authority has accepted all the adjustments claimed by the exporter to arrive at the net export price.

17. It is noted that the cooperating exporters (M/s Grace and M/s Heist) have significant state share holding. Again, it is noted that no substantive evidences have been submitted in their responses along with the relevant facts with which they want to rebut the presumptions as mentioned in para 8 of annexure 1 of the Anti dumping rules and Market Economy Questionnaire sent to them with regards to grant of market economy status to their company. Further to the para 8 of the Annexure 1 of the Anti dumping rules, a MET claim must contain sufficient evidence that the exporting producer operates under market economy conditions. In particular, the exp[orting producer must evidence that its decisions regarding prices, costs, and inputs, costs of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand, and without significant state interference in this regard. Therefore, in cases, where companies are predominantly or entirely state owned with all consequences of the decision making process and nomination of key positions such as directors or managers etc., the aim of the investigation is also to assess to what extent the state could interfere in case anti dumping measures are imposed and what measures were taken by the company to prevent such interference. In these particular cases, it was considered that the companies that the companies which were predominantly state owned failed to demonstrate that appropriate measures have been taken to prevent state interference and that the state did not interfere in their business decisions. Under these

circumstances, it is proposed to assume that there was a significant state interference in the business decisions of the predominantly state owned companies.

18. With regards to the submissions made by M/s HMIE, it is noted that the cooperating exporter is undertaking only the value added production activity and not complete production of subject goods. Further, it has been mentioned in their response that the subject company does not manufacture the subject goods though it has submitted the various appendices pertaining to the exporter's questionnaire. It is further noted from their response that they have purchased viscose rayon from the producers namely M/s Grace and M/s HEIST which have separately responded in the investigation and which have significant state share holding. The company informed that their product is viscose rayon embroidered thread and this product should not be taken within the purview of product under consideration. They also added that their product is produced by the process of reeling, twisting, hanking or core winding, finished product quality checking and grading and packing. It was also added and illustrated by their factory visit that their dyed viscose rayon embroidered thread is produced by taking raw white viscose rayon embroidered thread as its raw materials. Further, it is produced by process of dying, drying, semi-finished quality checking, reeling, cone winding, grading and packing. It was also illustrated to the verification team after the tour of their factory premises that rayon embroidery thread is downstream deep process products of viscose filament yarn and its HS Code is also different from normal viscose filament yarn. The HS Code of the embroidery thread is 4503.4100. It was also submitted during the verification that viscose rayon embroidery thread is mainly used in embroidering and cannot substitute viscose filament yarn in weaving operation. It was also contended during the process of verification that the prices of their product i.e. embroidered thread are usually higher by 50% from the prices of the viscose filament yarn on account of significant value addition made through the process of dying, drawing, reeling, cone winding, twisting, grading and packing. In view of this response, it is considered that no subject goods have been exported to India by the responding exporter and hence no individual dumping margin could be determined for the responding exporter.

19. With regards to the M/s Yibin Grace, M/s Yibin Heist and M/s XinXiang, it is noted that the responding exporters are substantially State owned. Further, the Designated Authority while requesting information in the form and manner desired advised the Chinese producers to rebut the presumption that these companies are

treated as Non market economy companies. The companies were required to provide information and evidence while rebutting such presumption. The Authority notes that It is insufficient to respond to the questionnaire in this regard, as the purpose of the questionnaire is only to seek certain specific information. The obligation to establish that these companies satisfy market economy status is also onto these exporting companies. In fact, these companies are required to establish that they are free from State interference and satisfy the parameters laid down under the Rules. In these particular cases, it was considered that the companies that the companies which were predominantly state owned failed to demonstrate that appropriate measures have been taken to prevent state interference and that the state did not interfere in their business decisions. Under these circumstances, it is proposed to assume that there was a significant state interference in the business decisions of the predominantly state owned companies. Subsequent to the disclosure, it has been pointed out that Chairman in the company has not been appointed by the holding company (which is a State owned company). It is clarified in this connection that the selection of directors and thereafter Chairman of the board of directors is done by shareholders, where the State owned companies are in majority. It cannot therefore be claimed that the State owned companies had no influence over appointment of directors and thereafter Chairman in the board of directors. In view of the above fact, the Authority has constructed the normal value on the basis of para 7 of the Annexure 1 of the Anti dumping rules

20. Subsequent to the disclosure statement, a number of interested parties have argued that the Authority is not justified in considering India as a surrogate country. It has further been added that the Authority has not disclosed the methodology for determination of normal value. It has been further argued that the production process is different in India and China and therefore cost of production in India cannot be accepted. After having examined the submissions of all the interested parties, it is noted , as stated in the disclosure statement and in this findings, that even as when various interested parties opposed choice of India as an appropriate surrogate country, none of the interested parties provided information with regard to an appropriate third country relevant to determination of normal value. Even though CCCT suggested considering Brazil as a surrogate country, it is noted that no relevant information was provided with regard to Brazil, which would have permitted consideration of Brazil as an appropriate third country. Under the circumstances, the Authority considers that the only appropriate option with the Authority is to determine normal

value in China on the basis of estimates of cost of production in India. With regard to difference in raw materials, the Authority notes that it would not be appropriate to hold that the costs on account of raw materials could be different because of difference in the starting raw material by merely considering such difference on the basis of Indian costs and Chinese costs. This can only be established by considering such differences on the basis of costs in India and costs in third countries. No such claim has however been made. Therefore, the Authority is unable to make any possible adjustment from the normal value on this account.

21. The Authority notes that applicants had not provided an evidence of price or constructed value in a market economy third country. Price from a market economy third country to other countries was also not made available by the applicants despite the fact that the Authority did write to the known exporters from the EU to submit the relevant information. It may be noted that Prices from market economy third country to India could also not be adopted for the reasons that (a) the product under consideration involved a number of different types depending upon the deniers, colour and lustre which vary in associated costs & prices; (b) price adjustments to determine ex-factory prices are not available. While disputing the claim of the domestic industry to treat Chinese producers as non market economy, the Chinese producers, or importers or any other interested party made no claim nor advanced any evidence either with regard to price or constructed value in a market economy third country. Under the circumstances, the Authority has determined that only option available for the purpose of final findings is to determine normal value considering price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. Price actually paid in India has not been considered for the reason that the same has been suppressed. Thus, the Authority has constructed the normal value by taking into account cost of production in India, duly adjusted, to reflect international raw material prices and optimum conversion costs, selling, general & administrative expenses and reasonable profit.

(c) Comparison

22. For the purpose of a fair comparison between the normal value (constructed normal value) and export price at an ex factory level, due allowance in the form of adjustments was made for differences which

affect prices and price comparability subject to their being verified after the provisional determination.

(d) Dumping Margin:

23. The Authority has worked out a Dumping margin for each of the different grades/types depending upon their specifications like lustre, denier and brightness of the subject goods by making a comparison between the normal values and export price of the different types at ex factory level. This comparison was based on the weighted average selling price of each type of the subject goods manufactured by the producers/exporters and exported to India during the POI for which a comparable type of the subject goods could be found. Thus, weighted average overall dumping margin was determined by computing the dumping found on each type without zeroing negative dumping found on individual types. The comparison showed the existence of dumping of the subject goods by the exporters during the POI. The weighted average dumping margin, expressed, as a percentage to the export price has been determined.

Country	Name of the Producer/exporter	DM (US\$/Kg)	D.M%
China PR	M/s Yibin Grace Co Ltd	****	25.65
	M/s Yibin Heist Co Ltd	****	32.82
	M/s XinXiang Chemical fibre Co Ltd	****	24.30
	Others	****	74

24. Subsequent to the disclosure statement, it has been submitted by various interested parties that provisional findings has not been issued in this investigation, which is quite different from the normal practice. With regards to this argument, it is stated that the information provided by the petitioners, Foreign Producers, transaction wise imports information provided by the DGCI&S and Customs Port Authorities showed significant differences with regard

to the volume and price at which imports have been reported. In view of significant variations in the claims with regard to volume and prices, which have direct impact on the determination, it was considered appropriate not to issue preliminary findings. Further, it has been argued that the Authority should have accepted the data of CCCT and rejected the DGCI&S information. In this regard, it is stated that the information provided by the DGCI&S was not considered useful for the reason that full volume of imports of the subject goods was not reflected in this information. However, the information could not have been discarded for the purpose of determination of the price at which goods have been reported. It is further noted that the prices reported by the Customs Port Authorities and DGCI&S are quite relevant and appropriate for the purpose of determination of the price at which goods have been imported. Further, since DGCI&S information does not give information with regard to foreign Producers, the same could not be fully used. However, to the extent the information could be used, the same has been used in the present investigations. Further, it has been argued that the cost of production of subject goods is different depending upon whether the goods produced are through pot spun or continuous spun technology and the authority should have taken into account while determining the dumping margin. The Authority notes that the difference in the costs on account of this difference in production processes have been duly recognized by the Authority and separate normal values have been determined for CSY and PSY. Further, the export prices have also been considered separately for CSY and PSY. Thereafter, one weighted average dumping margin has been determined for the subject goods.

G. Injury

Domestic Consumption/Demand

25. The petitioner claimed in the petition the volume of imports from China as under:

Year	Volume in MT	Value (Rs.Lacs)	Rate per KG
2001-02	1933	2018	104.42
2002-03	6580	7899	120.05
2003-04	4842	5660	116.89
POI	3626	4483	123.64

The response received from the four Chinese producers reveals volume of imports as under:

Year	Exporter	Volume in MT	Value in Million US\$	Rate per KG in INR
2002	Grace	****	****	*****
	HMEI	Nil		
	Hiest	****		
	XinXiang	****		
2003	Grace	****	****	****
	HMEI	Nil		
	Hiest	****	****	****
	XinXiang	*****		
2004	Grace	****	****	****
	HMEI	****	****	****
	Hiest	****	****	****
	XinXiang	****	****	****
	Total	****	****	****

The Authority collected information from DGCI&S as also from various customs houses including JNPT, Mumbai Customs and Chennai Customs. The information provided reveals volume of imports for the POI as under:

Volume in MT

Source	Volume in MT	Value in Rs. Lacs	Rate per KG in INR
DGCI&S	4626	5656.06	122.27
JNPT, Mumbai			
➤ Xinxang			
➤ Yibin Heist			
➤ Yibin Grace			
Total at JNPT	2810	3961.64	140.97
Chennai Port			
➤ Xinxang			
➤ Yibin Heist			
➤ Yibin Grace			
Total at Chennai	538	636.16	118.19

During the course of on the spot investigation, discussions were held with CCCT. CCCT confirmed the volume of exports to India in the investigation period as follows:

Year	Volume in MT	Value in Million US\$	Rate per KG in INR
2002	6730	20.61	149.26
2003	7040	22.65	150.96
2004	5580	16.90	138.20

26. It would be seen that different sources revealed different volume of imports. The Authority received transaction wise details of imports from the responding exporter, IBIS, DGC&S, various customs ports including JNPT Mumbai port and Chennai port. The information provided included inter-alia name of the exporter (except IBIS and DGCI&S information), name of the importer, quantity, value of the goods, date of import etc. It was thus feasible for the Authority to correlate various information on shipment by shipment basis. Investigation revealed a number of instances where even though the volumes reconciled, the associated values differed significantly. At the same time, investigation has revealed that a large number of import transactions reported by the responding exporters are not reported in the data/ information provided by secondary sources, JNPT Mumbai, Chennai port and DGCI&S. It is also found, as stated in the para on the dumping margin , that the value of imports reported by the Customs in respect of a large number of entries are significantly different than value of exports reported by the exporter, even when the value reported by the Customs is based on the value of the invoice raised by the very same exporter. It has not been established by the exporters that goods invoiced by them on importer could have been cleared by some other party. In fact, there is not even a quantified claim to this effect. Under the circumstances, it is considered that it would be appropriate to determine volume of import by considering all individual import transactions reported by the responding exporters, and data received from various ports including Chennai port and JNPT Customs which are not reflected in exporter's response for the POI. For previous years, the import data has been taken as per the DGCI&S transaction wise information.

Considering the foregoing, the Authority has considered the volume of import as follows:

Year	Volume in MT
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2001-02	1978
2002-03	6034
2003-04	6069
POI	5580*

*Data also closely matches with the CCCT data

27. For the calculation of the domestic consumption/demand of the product under consideration, the Authority has added the sales volume of the domestic industry to the total imports as determined in the preceding paragraphs into India.

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Imports from China	MT	1978	6034	6069	5580
Imports From Other Countries	MT	993	2284	672	673
Petitioners	MT	18146	18658	19430	21689
Other supporting Indian Industry	MT	11507	10382	9134	11519
Total Demand	MT	32624	37358	35305	39460

On the basis of the demand analysis, it is considered that the demand of the subject goods has shown an increasing trend during the injury period. In fact, the demand has increased by 21% during the injury period though most of the increase has come though during the POI.

Imports originating in the subject country and other countries

Volume of imports

28. The volume of dumped imports of the product under consideration from China PR, and as also from other countries is placed in the table below:

	UNIT	2001-02	2002-03	2003-04	Jan to Dec,04
Imports – China	MT	1978	6034	6069	5580
Indexed		100.00	305.00	306.77	282.08
Year by year change	%		205.00	0.58	-8.05
Imports – Other Countries	MT	993	2284	672	673
Indexed		100.00	229.99	67.63	67.76
Year by year change	%	0.00	129.99	-70.59	0.19
Total Imports	MT	2971	8318	6740	6253
Indexed		100	280	227	210
Demand	MT	32624	37358	35305	39460
Indexed		100	115	108	121
Year by year change	%	0.00	-9.78	-12.02	26.10

On the basis of the imports data, it is noted that imports of the subject goods from subject country have increased in absolute terms.

Share of subject country in total imports:

29. Between 2001-02 and the POI, it is noted that the share of dumped imports from subject countries increased and was substantial.

Market Share in Imports	UNIT	2001-02	2002-03	2003-04	Jan to Dec,04
China	%	66.57	72.54	90.03	89.24
Other Countries	%	33.43	27.46	9.97	10.76

It is noted that imports of subject goods from the subject countries significantly increased over the years, resulting in significant increase in share of subject imports in relation to total imports of the subject goods into India. At the same time, share of other countries in imports into India declined significantly.

Market Share in Imports	UNIT	2001-02	2002-03	2003-04	Jan to Dec,04
China	%	66.57	72.54	90.03	89.24
Other Countries	%	33.43	27.46	9.97	10.76
Year by year change	%		16	-8	21
Year by year change	%		21	-11	17
Production	MT	17793	21038	21907	21465
Share of China as a proportion to domestic production	%	11.12	28.68	27.70	26.00
Demand	MT	32624	37358	35305	39460
Share of China as a proportion to consumption	%	6.06	16.15	17.19	14.14

From the above, it is considered that imports from subject country have increased significantly and it has significantly increased in relation to production of like products of the domestic industry.

Market share of dumped imports in total demand

30. The Authority has examined the share of dumped imports from the subject country in consumption in India. The Authority finds that share of subject country, which was 6.06% in 2001-02 increased to 14.14% of the demand during the POI. On the other hand, Market share of imports from countries other than subject country declined from 3.04% to 1.71% during the same period.

Market share in Demand	UNIT	2001-02	2002-03	2003-04	Jan to Dec,04
Domestic industry	%	55.62	49.94	55.04	54.96
Other Supporting Companies	%	35.27	27.79	25.87	29.19
Indian Industry	%	90.89	77.73	80.91	84.15
China	%	6.06	16.15	17.19	14.14
Other Countries	%	3.04	6.11	1.90	1.71
Changes in market share – from base year					
Domestic industry	%		-5.68	-0.59	-0.66
Other Supporting Companies	%		-7.48	-9.40	-6.08
China	%		10.09	11.13	8.08
Other Countries	%		3.07	-1.14	-1.34

It is seen from the above that share of subject imports increased significantly. It would also be seen that the domestic industry has not lost any significant market share over the years and during the POI. However, the share of Indian industry in the total demand has gone down by 7 percentage points during the same time. Imports share from countries other than subject country have declined and are considered negligible.

Price Undercutting

31. A comparison for selling price of domestic industry and landed price of imported material from subject country was made. The prices of the domestic industry were determined at the ex factory level. To determine landed price of imports from China PR, the Authority has added applicable basic customs duties and other charges to the CIF value. Comparison of landed price of entire imports from subject country and selling price of domestic industry showed that landed price of subject goods undercut the domestic selling prices during POI though margin of price undercutting is not very significant. However, margin of price undercutting does not give the true picture of the state of domestic industry as domestic industries prices were already depressed. The price undercutting has also been worked out separately for the responding exporters which show positive price undercutting except one exporter whose volume of exports is very less (less than 5%). It is pertinent to note that examination of exports data from China PR show that their exports prices differ a wide range with regards to

quantity and price and difficulty has been further compounded by total non cooperation by all importers in this investigation who have chosen not to cooperate and submit the data to the Authority. Further, the exporter's volume and prices do not match with the data correlated with the ports and DGCIS and in many instances, the volumes and prices reported by the exporters appear to be understated. A copy of the data received from all the responding exporters (without the importers name, date and invoice numbers) and those made available by ports and DGCI&S have been kept in the public file for information to all the interested parties. The price undercutting margin for different scenarios based on the data received is mentioned below. It is further added that the Authority has determined the margin of price undercutting in terms of various grades, deniers and other parameters after fully analysing the verified data of the exporters, and the domestic industry.

Price Undercutting for China as a whole for various grades and product as a whole during POI for volumes based data made available by DGCIS, Customs port data, JNPT and Chennai Customs and exporters response

Price undercutting from China as per the data received from DGCI&S

Particulars	Unit	Jan to Dec,04
Imports-Quantity		
China	MT	4625
Other Countries	MT	673
Imports-Value		
China	Rs.Lacs	5656
Other Countries	Rs.Lacs	911.88
Export Price		
China	Rs./KG	122
Other Countries	Rs./KG	135.48
Landed Value		
China	Rs./KG	148
Other Countries	Rs./KG	164.21
Net Sales Realisation	Rs./KG	****
Undercutting		
China	Rs./KG	****
Other Countries	Rs./KG	2.84
Price Undercutting % from China PR		10-15%

Price Undercutting and Price Underselling taken into account by the Authority as per the volumes (total volume considering the exports made by the responding exporters and information of the Customs of the other exporters as per various port data) and price (as per exporters data revised for the discrepancy with the port data as mentioned earlier)

Exporter	Dnr.	CSY/PSY	Volume	CIF Price	Landed	NSR	Undercutting	Undercutting %
Xinxiang	120	CSY	****	****	****	****	****	****
	100	CSY	****	****	****	****	****	****
	100	PSY	****	****	****	****	(****)	(****)
Xinxiang	Total		****	****	****	****	****	1-2%
Yibin Grace	120	PSY	****	****	****	****	(****)	(0-1)%

Yibin Heist	100	PSY	****	****	****	****	****	****	****
	120	PSY	****	****	****	****	****	****	****
	150	PSY	****	****	****	****	****	****	****
Yibin Heist	Total		****	****	****	****	****	****	5-6%
Others all types		CSY	129	****	****	****	****	****	20-30%
		PSY	1222	****	****	****	****	****	20-30%

Price Underselling

Exporter	Dnr.	CSY/PSY	Volume	CIF Price	Landed	NSR	NIP	IM	Price Underselling	Price Underselling
Xinxiang	120	CSY	****	****	****	****	****	****	****	
	100	CSY	****	****	****	****	****	****	****	
	100	PSY	****	****	****	****	****	****	****	
Xinxiang	Total		****	****	****	****	****	****	****	15-20%
Yibin Grace	120	PSY	****	****	****	****	****	****	****	5-10%
Yibin Heist	100	PSY	****	****	****	****	****	****	****	
	120	PSY	****	****	****	****	****	****	****	
	150	PSY	****	****	****	****	****	****	****	
Yibin	Total		****	****	****	****	****	****	****	10-15%
Others all types		CSY	****	****	****	****	****	****	****	25-30%
		PSY	****	****	****	****	****	****	****	

Table showing the dumping margin (DM)% and injury margin (IM)%

Exporter	DM%	IM%
Xingxang	24.30	12-18%
Yibin Grace	25.65	5-10%
Yibin Heist	32.82	8-15%
Others	74%	25-40%

32. The Authority received transaction wise details of imports from the responding exporters, IBIS, DGC&S, JNPT Mumbai port and Chennai port. The information provided included inter-alia name of the exporter (except IBIS and DGCI&S information), name of the importer, quantity, value of the goods, date of import etc. It was thus feasible for the Authority to correlate various information on shipment by shipment basis. Investigation revealed a number of instances where even though the volumes reconciled, the associated values differed significantly. At the same time, investigation has revealed that a large number of import transactions reported by the responding exporters are not reported in the data/ information provided by secondary sources, various ports including JNPT Mumbai, Chennai port and DGCI&S. It is also found, as stated in the para on the export price, that the value of imports reported by the Customs in respect of a large number of entries are significantly different than value of exports reported by the exporter, even when the value reported by the Customs is based on the value of the invoice raised by the very same exporter.

Price Depression

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec, 04
Net Sales Realization	Rs./KG	****	****	****	****
Indexed		100	124	113	102

33. From the above data, it is noted that selling prices of the domestic industry has been showing a continuous decline after they went up in 2002-03 from the base year. The prices of the domestic industry have drastically reduced during the POI as compared to previous year.

Situation of the Domestic Industry

34. The application was filed by three companies by AMFII on behalf of M/s Kesoram Rayon, M/s Indian Rayon and M/s NRC. It is noted that M/s Century Rayon, Mumbai supported the application at the time of initiation. The Authority called for the information relevant to injury and injury margin from M/s Century Rayon upon initiation of investigations. The Company has provided some information, which is not complete for being included for detailed examination of injury. In view of the above, the Authority considers M/s Kesoram Rayon, M/s NRC and M/s Indian Rayon as the domestic industry for the purpose of injury to the domestic industry in these findings.

Annexure II (iv) to the Rules states as under:-

- (iv) *the effect of the dumped imports shall be assessed in relation to the domestic production of the like article when available data permit the separate identification of that production on the basis of such criteria as the production process, producers sales and profits. If such separate identification of that production is not possible, the effects of the dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes the like product, for which the necessary information can be provided.*

35. The Authority notes that injury information has been verified in respect of like article to the extent feasible and separately available. However, in those situations where the information is not separately available in respect of the like article (for instance, capacity and capacity utilisation), because separate identification of that information is not feasible, the Authority has examined information in respect of narrowest group/range of products, which includes the like article (i.e., all kinds of Viscose Filament Yarn, including both below and above 150 deniers) and for which the necessary information was available.

36. Further, the applicants have argued that comparison should not be made with reference to 2001-02 for a number of reasons, inter-alia, because the industry was suffering from Chinese

dumping in that period, strike in major textile markets by the consumers and massive earthquake in Gujarat. Practice of the European Commission has also been cited in support of its claim for exclusion of 2001-02. On the other hand there are arguments that domestic industry does not show significant injury when its performance is seen with regards to the base year. The Authority has examined the contention of various interested parties and after, examining, it confirms that it has been the consistent practice of the Authority to compare performance of the domestic industry over a period of four years, including dumping period and therefore it would not be appropriate to exclude the year 2001-02. Further, it is further clarified that the performance of the domestic industry during the POI is measured against the trends of the various parameters during the injury period which comprises of POI and earlier 3 years. So it is the trend of the various indicators which is important rather than the performance of the domestic industry only during the POI and base year. In this investigation, while analyzing the performance of the domestic industry, the Authority has taken note of the submissions of the domestic industry that its performance was adversely affected during 2001-02 due to various factors including alleged dumping from China PR.

37. For the examination of the impact of the dumped imports on the domestic industry in India, the Authority considered such indices having a bearing on the state of the industry as Production, Capacity Utilisation, Sales Quantum, Stock, Profitability, Net Sales Realisation, the Magnitude and Margin of Dumping etc in accordance with Annexure II (iv) of the Rules supra.

Sales Volume, Sales turnover and market share of domestic industry

38. It is noted from below that the sales volumes of the domestic industry has increased consistently and has grown by 20% during the injury period. However, it is noted that sales turnover during the same period has not kept pace with the increase in volumes and it has declined marginally during the POI as compared to last 2 years. The above analysis suggests that domestic industry's prices have declined during the same period because of price depression.

39. With regards to the market share of the domestic industry in the total demand, it is noted that the domestic industry's share has declined only marginally during the injury period while share of subject country has increased significantly.

	UNI	2001-02	2002-03	2003-04	Jan to
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	T				Dec,04
Sales	MT	18146.32	18658.15	19430.49	21688.53
Trend		100	103	107	120
Demand	MT	32624	37358	35305	39460
Trend		100	115	108	121
Market share of domestic industry	%	55.62	49.94	55.04	54.96

Sales Turnover

40. Though the sales turnover increased by 25% during the POI as compared to the base year, it remained static after 2002-03 to the POI. The fact that sales volume increased significantly after 2002-03 to the POI without increase in the sales value points out deterioration in the sales turnover of the domestic industry. It may be mentioned that there is no change in the cost of production of the domestic industry. On the basis of foregoing, it is considered that domestic industry has suffered significant injury by not being able to increase its sales turnover in line with increase in sales volume.

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Sales Value-Net of Excise					
Domestic-PUC	Rs. Lacs	****	****	****	****
Index	Indexed	100	127	123	123
Exports	Rs. Lacs	****	****	****	****
Index		100	102	169	159
Total Sales	Rs. Lacs	****	****	****	****
Index		100	126	124	125

Profits and Cash Flow

41. It is noted from the data that profits of the domestic industry declined significantly. It has been claimed that in case the dumped imports from subject countries are not checked at this stage, this would lead to complete erosion of profits of the domestic industry. In fact, it is noted that the domestic industry suffered financial losses in all segments of deniers in the POI as is evident from the table below.

Profit before Interest	Rs. Lacs	-96.65	7694.67	4390.10	594.85	
Interest	Rs. Lacs	1419	980	729	638	
Profit after interest	Rs. Lacs	-1516	6714	3661	-43	
Depreciation	Rs. Lacs	714	733	933	831	
Cash Profit	Rs. Lacs	-	801.93	7447.63	4594.47	787.95

		2001-02	2002-03	2003-04	Jan to Dec,04
Profit before interest	Indexed	-100	7961	4542	615
Profit after interest	Indexed	-100	443	242	-3
Capital Employed	Indexed	100	91	98	126
Return – before interest	Indexed	-100	8757	4637	489
Return –after interest	Indexed	-100	487	247	-2

		2001-02	2002-03	2003-04	Jan to Dec,04
Cash profit	Indexed	-100	929	573	98

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Profit/Loss					
Less than 120 Denier	Indexed	-100	243	114	-54
120 Denier	Indexed	-100	599	312	17
121 to 150 Denier	Indexed	-100	1234	812	189

More than 150 Dnr.	Indexed	-100	528	433	178
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42. Further, the profitability of the domestic industry has been continually declining and the domestic industry has now started facing financial losses towards the last quarter of the investigation period, as would be seen from the table below:-

Cost Per KG		1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Indian Rayon	Indexed	100	101	103	104
Kesoram Rayon	Indexed	100	100	101	102
NRC Ltd.	Indexed	100	100	101	102
Total Domestic Industry	Indexed	100	100	102	102
Selling price (Net of Excise per KG)					
Indian Rayon	Indexed	100	98	92	90
Kesoram Rayon	Indexed	100	98	94	92
NRC Ltd.	Indexed	100	97	94	91
Total Domestic Industry	Indexed	100	97	93	90
Profit / (Loss) Per Kg					
Indian Rayon	Indexed	100	72	-9	-50
Kesoram Rayon	Indexed	100	-11	-368	-537
NRC Ltd.	Indexed	100	37	-50	-105
Total Domestic Industry	Indexed	100	58	-37	-88
Quantity Sold					
Indian Rayon	Indexed	100	89	113	135
Kesoram Rayon	Indexed	100	78	92	106
NRC Ltd.	Indexed	100	108	103	171
Total Domestic Industry	Indexed	100	93	105	140
Profit / (Loss)					
Indian Rayon	Indexed	100	64	-10	-67

Kesoram Rayon	Indexed	100	-9	-337	-568
NRC Ltd.	Indexed	100	40	-52	-180
Total Domestic Industry	Indexed	100	54	-38	-123

43. With regards to the issue of increase in the production of the domestic like product during the injury period, it has been claimed that the applicants would have suffered still higher financial loss in the proposed POI, had they not posted an increase in the production volumes, but had reduced the prices to the present levels.

44.. Cash flow position of the domestic industry could not be segregated for the domestic like product as the domestic industry is a multi product company. However, cash profits of the domestic industry pertaining to the like product has been determined and it shows similar trend as of profits. The cash profits of the domestic industry have deteriorated, as would be seen from the table below.

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Cash profit	Rs.Lacs	-****	****	****	****
Index		-100.00	928.71	572.92	98.26

45. It has been argued that the domestic industry (Indian rayon in particular) was making high level of profits in 2002-03 and that is the reason for decline in the prices subsequently. For this reason, the Authority has examined the data pertaining to profits of the product (albeit, VFY as a whole) of Indian Rayon over the much longer period (from 1995-96) and it was found that the earlier profits of the company were in fact higher than the profits in 2002-03. It could not therefore be considered that the industry had higher prices in 2002-03.

Company wise Profitability on PUC					
PBT		2001-02	2002-03	2003-04	Jan to Dec,04
Indian Rayon	Indexed	-100	346	187	31
Kesoram Rayon	Indexed	-100	794	420	-123

NRC Ltd.	Indexed	-100	575	331	-52
Total Domestic Industry	Indexed	-100	443	241	-3

Factors affecting domestic prices:

46. The imports from subject countries are resulting in price undercutting and price underselling in the Indian market. The landed price of imports from China PR as a whole is significantly below the non injurious price of the domestic industry. Selling prices of the domestic industry has declined as may be seen from the trends of the selling prices of the domestic industries. The trend is much more marked when deniers wise and grade wise price trends are examined. There has not been much change in the cost structure of the domestic industry during the injury period. Landed price from subject countries including applicable customs duty is below the sales realization and non injurious price of the domestic industry.

Actual and potential decline in production, capacity and capacity utilization

47. It has been submitted that plant utilization of the domestic industry remained at optimum levels due to dedicated efforts to be in the market and produce more and more. The production of the domestic like products shows a marginal positive trend when compared to the base year but it is noted that from 2002-03 to the POI, the production of the domestic industry has been stagnant despite the fact that additional capacity existed and demand also grew significantly during the same period. With regards to the capacity utilisation, it is noted that though the plant capacity utilisation has been significantly high, the capacity utilisation of the domestic industry with regards to the subject goods has been sub optimal. Moreover, it is noted the domestic industry has not been able to increase its sales proportionate to increase in production, in spite of reduction in selling prices.

	2001-02	2002-03	2003-04	Jan'04-Dec'04
Capacity	37500	37500	37500	37500
Production of subject goods	17793	21038	21907	21464
Production of all goods	29479	33898	36056	36451

Year by year change(%)		15	6	1.09
Capacity Utilization – Subject goods	47	56	58	58
Plant Utilization	79	90	96	97

Productivity

48. It is noted that the productivity of the domestic industry increased significantly during the POI. Per employee productivity of the domestic industry shows positive trend due to increase in production and a significant decline in the number of employees. It is thus concluded that the domestic industry has not suffered injury on account of this parameter. However, It is noted that in spite of increase in productivity, profitability of the domestic industry declined over the injury period.

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Employee	Nos	9716	9112	9288	8298
Productivity per day	MT	59.31	70.13	73.02	71.55
Productivity per Employee	MT	1.83	2.31	2.36	2.58

Return on investments and Capital employed

49. It is seen that the domestic industry's return on capital employed became positive during the 2002-03 but has been severely deteriorated thereafter.

:

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Gross Fixed Assets	Indexed	100	101	105	116

(VFY division)					
Nat Fixed assets(VFY division)	Indexed	100	100	99	113
Working Capital(VFY division)	Indexed	100	107	168	200
Capital Employed (VFY division)	Indexed	100	102	112	130
Capital Employed Per KG	Indexed	100	88	91	105
Capital Employed on Domestic sales	Indexed	100	91	98	126
Profit on Capital Employed	Indexed	-100	487	247	-2
Return on Capital Employed	Indexed	-100	8757	4637	489

Employment and Wages

50. There is a sharp decline in the employment level of the domestic industry. In fact, the decline has been significant during the POI as compared to the previous year. Wages of the domestic industry show a normal increase during the injury period.

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Employment	Nos	9832	9220	9360	8298
Wages	Rs.Lacs	10060.71	12025.53	11777.67	12503.12
Employment – Indexed		100.00	93.78	95.20	84.40
Wages – Indexed		100.00	119.53	117.07	124.28
Wages as a % of Total Cost	%	19.93	20.96	19.20	20.13

Inventories

51. The Authority finds that average stock of finished goods with the domestic industry increased over the period involved. The stock as a percentage of the production and stock sufficient for number of days sales have also increased significantly. It is thus evident that the domestic industry has not been able to sell the increased

production in market, resulting in piling up of inventories. This is in spite of the reduction in prices by the domestic industry

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Opening Stock	MT	1288.64	392.36	2269.99	3562.03
Closing Stock	MT	392.36	2269.99	3714.85	2391.56
Production of the domestic industry	MT	17793.00	21038.00	21907.22	21464.85
Avg. Stocks	MT	840.50	1331.18	2992.42	2976.79
Per Day Sales	MT	49.72	51.12	53.23	59.42
Stock sufficient for No. of days sales	Days	16.91	26.04	56.21	50.10
Stock as % of production	%	4.72	6.33	13.66	13.87

Ability to raise capital investments

52.. After examining the records, it is noted that no specific instance of deterioration in ability to raise capital investments have been found by the Authority. Hence, the authority does not conclude injury to the domestic industry on account of this parameter.

Growth

53. As shown in the table below, the domestic industry has faced negative growth in many parameters. Though, there is positive growth in sales volumes, production, demand, growth in sales values has been flat or marginally negative. Positive growth in sales volumes and production in spite of negative to static growth in sales values points out a significant reduction in the selling prices by the domestic industry. Moreover, the reduction in the selling prices has had very adverse impact on the profits, cash flow and ROI of the domestic industry.

Particulars	Unit	2001-02	2002-03	2003-04	Jan to Dec,04
Growth Compared to Previous Year					
Production	%		18.24	4.13	-2.02
Sales Volume Domestic	%		2.82	4.14	11.62

Sales Value Domestic	%		27.26	-3.51	0.50
Profit on Subject goods	%		542.92	-45.48	-101.18
Cash Profit on domestic sale	%		1028.71	-38.31	-82.85
Return on Capital Employed	%		57.63	-26.81	-26.98
No. of Employee	%		-6.22	1.52	-11.35
Wages per KG	%		3.95	-7.92	5.01
Average Selling Price/KG	%		23.77	-8.06	-9.26
NSR-PUC-Price/KG	%		24.00	-9.09	-9.41

H. THREAT OF MATERIAL INJURY

54. The Authority has examined the threat of material injury to the domestic industry in addition to the material injury on the domestic industry.

Annexure II to the Rules provides as under in this regard.

“A determination of a threat of material injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances which would create a situation in which the dumping would cause injury must be clearly foreseen and imminent. In making a determination regarding the existence of a threat of material injury, the Designated Authority shall consider, inter-alia, such factors and;

- (a) a significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;*
- (b) sufficient freely disposable or an imminent, substantial increase in capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian market, taking into account the availability of other export markets to absorb any additional exports;*
- (c) whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and,*
- (d) Inventories of the article being investigated.*

55. In the instant case, It is considered that

(a) There is significant and rapid increase in the import volumes from subject country in absolute term. This increase is considered very significant in spite of efforts of the domestic industry to sell their material at lower prices. It has been claimed by the domestic industry that the increase would have been more, had the domestic industry not made efforts to curtail the same by offering matching prices or not effecting legitimate price increases (at the cost of financial losses).

(b) The potential increase in imports from the subject country remains significant given the fact that consumption of the subject goods in subject country remains limited as compared to the production capacity.

© Though the price undercutting is not very significant with regards to dumped imports from subject country, the same could be because of the fact that the domestic industries prices are depressed. Further, it is noted that at any point of time there is a positive price difference between the domestic product and imported Chinese product. Given nature of the product involved, any price difference between the domestic product and imported product may not be acceptable to the consumers and the domestic industry might be again under constant pressure for price reductions;

(d) The capacities created by the producers in the subject countries appear to be far more than their respective domestic demand. In this regard, it is noted from the evidence placed before the Authority that Capacity for production of subject goods in China is more than 200000 MT, which is not only highest in the world but also significantly in excess of the demand in China which can be seen from the table below.

Year	2001	2002	2003	2004
Production(MT)	125389	145042	184639	200393
Domestic Sales (MT)	109416	115618	131477	157159
Exports (MT)	23692	394412	46579	40466

Source: - CCFEI.com

In fact, it has been claimed that due to excess capacity in China, producers have been directed to reduce the prices. One such website states as under:

“On Nov.25, Viscose Filament Industry Meeting was held in Beijing by Viscose Committee of China Chemical Fiber Association. The CEOs from viscose filament enterprises made strict regulations on production cutback tougher with the implementing measures. The production cutback amounts to 20kt by H1 of 2005 and to 35kt for the whole year. They also came to the same understanding that the price supervising mechanism be reinforced, with reward and punishment measures being demarcated clearly and linked with production cutback rate.”

56. It is evident from the above that: -

- (a) Capacity created by producers in China is more than demand.
- (b) Chinese producers are under pressure to restrict the production, which would lead to higher fixed costs.

In view of the above, it is noted that producers are under severe pressure in subject country to export more and more so as to keep their cost of production at lower level.

- (e) While inventories of the article with the domestic industry are showing significant increase in spite of significant reduction in the selling prices by the domestic industry, applicants have claimed that that the producers in China are saddled with higher inventories.

Conclusions

57. There has been significant increase in the volume of dumped imports from subject country at the absolute level and also in relation to total imports and also in relation to total demand of subject goods into India. These dumped imports had significant adverse price effect resulting into price depression of the domestic industry. Further these dumped imports undercut the domestic industry selling prices during the POI. The margin of price undercutting was not very significant as the domestic selling prices were already depressed. Even though the domestic industry posted higher sales volume and production, the growth of the domestic industry was negative in terms of sales value, profits, ROI and cash flow. Additionally, inventories with the domestic industry increased

significantly during the injury period. Further, the sales turnover remained static through much of injury period despite the fact that demand and sales volume increased significantly during the same period signifying the lower sales realisations of the domestic industry. This contributed to decline in profitability of the domestic industry. It is also noted that profitability declined to such an extent that domestic industry suffered financial losses during the POI. The steep decline in profitability resulting into losses could be discerned through quarter by quarter analysis for the POI. The dumped imports from subject country has further resulted into deterioration in the return on investment (ROI) of the domestic industry and cash profit. Significantly, the domestic industry has suffered loss of employment during the injury period. The performance of the domestic industry did improve in terms of production, sales, capacity Utilization and productivity Per Employee. However, this can not be considered satisfactory, given the fact that large number of parameters are showing significant adverse trends during the injury period which have culminated into the domestic industry suffering financial losses during the POI. With regards to the parameters analysed in connection with threat of material injury, it is noted that many parameters as per Annexure II of the rules show positive developments with regards to threat of material injury to the domestic industry. On the basis of the above analysis, it is concluded that the domestic industry has suffered material injury during the POI and is suffering threat of material injury also. Subsequent to the disclosure, a number of interested parties have claimed that the domestic industry has not suffered material injury. These arguments are based primarily on the fact that the performance of the domestic industry shows improvement if the injury parameters are compared between base year and investigation period. The Authority after examining the submissions of the interested parties considers that it would not be appropriate to compare the base year only with the investigation period. Such an approach would render information for the intervening periods redundant. Further, should the information for the intervening periods be considered, it would be seen that the performance of the domestic industry markedly improved after base year. However, the performance once again deteriorated after 2002-03. Further, as stated in the disclosure statement, the domestic industry was suffering injury for a variety of reasons in 2001-02. It is for this added reason that it would not be appropriate to compare performance of the domestic industry only between 2001-02 and investigation period. In fact, if the base year is ignored for the reason that the domestic industry has suffered injury due to a number of factors, it would be seen that the performance of the domestic industry deteriorated marked after 2002-03. Therefore, as

a matter of consistent practice, the authority has taken the trends during the entire injury period and not the base year and POI only into account while concluding material injury to the domestic industry.

I. Causal link

(a) Introduction

58. In order to reach its conclusions on the cause of the injury suffered by the domestic industry and in accordance with Article 3.5 of Agreement of Anti Dumping and as per para (v) of Annexure II under Rule 11 under Customs Tariff Act as amended, the Authority examined the impact of all known factors and their consequences on the situation in that industry. Known factors other than the dumped imports, which could at the same time have injured the domestic industry, were also examined to ensure that the possible injury caused by these other factors was not attributed to the dumped imports.

(a) Effect of dumped imports

59. There has been significant increase in the volume of dumped imports from subject countries at the absolute level and also in relation to total imports and also in relation to total demand of subject goods into India. These dumped imports had significant adverse price effect on account of dumped imports resulting into price depression of the domestic industry. Further these dumped imports undercut the domestic industry selling prices during the POI. The margin of price undercutting was not very significant as the domestic selling prices were already depressed. Though, the domestic industry has suffered a marginal decline in market share on account of dumped imports from subject country, dumped imports from subject country has resulted in negative growth of the domestic industry in terms of sales value, profits, ROI and cash flow. Further, it is noted that dumped imports from subject country increased during the second half of 2002-03, when the domestic industry increased its prices. It is also noted that these Imports declined thereafter when the domestic industry reduced the prices. The trend of declining imports is found within the investigation period also when domestic industry reduced the prices throughout the investigation period. This establishes the fact that that whenever the domestic industry increased the prices, the imports have shown an increase and whenever the domestic industry

reduced the prices, dumped imports from subject country have declined. More ever, it is also seen that whenever the domestic industry increased prices, its profitability increased though its inventory also increased in the same proportion and its market share went down. However, whenever the domestic industry reduced its prices, its profitability deteriorated. The decline in profitability was to such an extent that the domestic industry suffered financial losses in the investigation period. The deterioration in the financial parameters is evident when examined on quarter-by-quarter basis. Therefore, decline in profitability of the domestic industry after improvement in 2002-03 appears to be due to dumped imports from subject country.

Effect of Other factors

(a) Performance of Other Domestic producers:

60. There was one other domestic producer of the subject goods during the period under investigation apart from the applicants. Though they have not submitted the information in the form and manner of exporter's questionnaire, it could be concluded from the examination of limited information made available before the Authority that they have been adversely impacted during the POI and their operating performance has gone down.

(b) Contraction of demand and Changes in the pattern of consumption

61. The pattern of consumption with regard to the product under consideration has not undergone any change, nor there is any quantified allegation in this regard. The Authority notes that there are alternate competing products. However, the product under consideration and these alternate competing products have co-existed for quite long. As the demand of the subject goods have gone up significantly during the injury period and it may be concluded that alternate products may not have contributed to injury to the domestic industry.

© Volume and Prices of imports not sold at the dumped prices

62. The Authority has examined imports from various sources that include information from DGCI&S, secondary sources; Customs port data from JNPT and other customs houses, and exporters response data. It is seen that volume of imports from other subject countries individually including Ukraine is negligible and therefore, the Authority has terminated investigations against Ukraine on the grounds that the imports from Ukraine are negligible. In any event, it is noted that imports from other countries have not shown any consistent pattern of increase, and does not appear to be adversely affecting the prices in the Indian market and can at best be called sporadic imports.

(d) Trade Restrictive practices of and competition between foreign and domestic producers

63 The Authority notes that there is a single market for the subject goods where dumped imports from the subject countries compete directly with the subject goods produced by the domestic industry. The authority further notes that the imported product is sold to meet the similar commercial grades and specification as domestically produced subject goods. It is further noted that the imported subject goods and domestically produced goods are like articles and are used for similar applications/end uses.

(e) Developments in Technology, Export performance and productivity of the Domestic Industry

64. It has been argued that the domestic industry has obsolete technology. The Authority after examining the documents and verification of the exporters plant is of the view that there are only two technologies for production of the subject goods, namely PSY and CSY. It is found that producers in China as well as in India have both the technologies. Therefore, it is not true that the domestic industry has obsolete technology. On the basis of the examination of the records of the applicants, the authority holds that developments in technology, has not been a relevant factor for the injury to the domestic industry.

65. With regard to the export performance of the domestic industry, the authority notes that though there has been improvement in the exports of the domestic industry during the period under consideration, it still forms a not so significant part of the total sales of the domestic industry. It is further noted that the various performance with respect to

various economic indicators have been determined with respect to domestic sales only.

66. As regards improvement in productivity, it is noted that the Productivity of the domestic industry has increased as a result of increase in production. On the basis of the examination, the authority holds that the productivity per se is not the cause for the injury to the domestic industry.

(f) Conclusion on causation

67. Significant increase in volume of imports between 2001-02 and POI led to increase in share of imports in demand/consumption. Market share of the dumped imports gradually increased over the injury period. Though the market share of the domestic industry declined marginally during the same period, dumped imports from the subject countries undercut the prices of the domestic industry. As illustrated in the earlier paragraphs, because of dumped imports from subject country, the domestic industry was prevented from selling the product at a price, which would have enabled it to recover its cost of production and earn a reasonable profit. This led to deterioration in the performance of the domestic industry in terms of profits, cash profits and return on investment. Total wages and wages per unit of production also increased during the POI. But such increases are not up to the level, which can create any direct impact on profitability of the domestic industry. Subsequent to the disclosure statement, a number of interested parties have argued that injury to the domestic industry has been caused due to other factors. The Authority notes in this regard that the Rules require the Authority to examine any factor brought to the knowledge of the Authority, which could have at the same time caused injury to the domestic industry. No such specific factor other than those examined in the earlier paragraphs, which could have caused injury to the domestic industry, have been, however, brought to the knowledge of the Designated Authority.

68. Given the above analysis, which has properly distinguished and separated the effects of all known factors on the situation of the domestic industry from the injurious effects of the dumped imports, it is concluded that these other factors as such did not reverse the fact that the material injury found may be attributed to the dumped imports.

69. It is, therefore, concluded that the dumped imports originating in the subject country has caused material injury to the domestic industry within the meaning of Rule 11 of Anti Dumping rules and article 3.5 of the Agreement of Anti Dumping.

J. Indian Industry interest.

70. The purpose of anti dumping duties in general is to eliminate dumping which is causing injury to the domestic industry and to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country.

71.. The Authority recognizes that the imposition of anti dumping duties might affect the price levels of the products manufactured using subject goods and consequently might have some influence on relative competitiveness of these products. However, fair competition on 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, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods.

72. The Authority notes that the imposition of anti dumping measures would not restrict imports from subject countries in any way, and therefore, would not affect the availability of the product to the consumers. The consumers could still maintain two or even more sources of supply.

K. CONCLUSIONS:

73. The Authority has, after considering the foregoing, come to the conclusion that:

- A. The subject goods as defined in para 7 have been exported to India from the China PR below its normal value.
- B. The Domestic Industry has suffered material injury and is facing threat of material injury;
- C. The injury has been caused by the dumped imports from China PR.
- D. The Anti dumping investigations are terminated with regards to Ukraine as per rule 14 of the Anti dumping

rules as imports from that country have been found to be negligible within the meaning of the rules.

74. The Authority considers it necessary to impose an anti dumping duty on all imports of subject goods from subject country in order to remove the injury to the domestic industry. The margin of dumping and margin of injury determined by the Authority is indicated in the paragraphs 31 above. The Authority proposes to recommend the amount of anti dumping duty equal to the margin of dumping or less, which if levied, would remove the injury to the domestic industry. For the purpose of determining injury, the landed value of imports is proposed to be compared with the non-injurious price of the petitioner company determined for the period of investigation.

75. Accordingly, the Authority recommends that the definitive anti dumping duties be imposed by the Central Government on all imports of subject goods from the date of notification to be issued in this regard by the Central Government falling within Custom Heading 5403 originating in or exported from Peoples Republic of China. The Anti-Dumping duty shall be the difference between the amount mentioned in column 9 of the following table and the landed value of imports per Kg on imports of subject goods falling within Chapter 54 of the Customs Tariff, originating in or exported from the countries mentioned below: -

S. No.	Heading	Description of goods	Specification	Country of origin	Country of Export	Producer	Exporter	Reference price	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	5403	Viscose Filament Yarn*	Any	Any	China PR	M/s Yibin Grace Co Ltd	Any	3.91	Kg	US Dollar
2.	5403	do	Any	Any	China PR	M/s Yibin Heist Co Ltd	Any	4.04	Kg	US Dollar
3.	5403	do	Any	Any	China PR	M/s XinXiang Chemical fibre Co	Any	4.82	Kg	US Dollar

						Ltd				
4.	5403	do	Any	Any	China PR	Any except above	Any	4.82	Kg	US Dollar
5.	5403	do	Any	China PR	Any except China PR	Any	Any	4.82	Kg	US Dollar

*Viscose Rayon Filament Yarn up to 150 deniers (and +- 4% permissible variation thereof) including mono filament yarn of less than 67 decitex also known as viscose filament yarn or VFY, Rayon Filament Yarn, Art Silk Yarn, Cellulose Yarn or Rayon Yarn and includes all yarns made of 100% viscose yarns such as dyed yarn, flat yarn, microfilament microyarn, twisted yarn (excluding embroidered), doubled/ multiple ply yarn etc of VFY excluding embroidered yarn, sewing thread, fur yarn, fire retardant yarn, engineered yarn and air texturised yarn

76. Landed value of imports for the purpose shall be the assessable value as determined by the Customs under the Customs Act, 1962 and all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.32.

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

78. The Authority may review the need for continuation, modification or termination of the definitive measures, as recommended herein, from time to time, as per the relevant provisions of the Act, and public notices issued in this respect from time to time. No request for such a review shall be entertained by the Authority unless the same is filed by an interested party within the time limit stipulated for this purpose.

(Christy L.Fernandez)

ADDITIONAL SECRETARY & DESIGNATED AUTHORITY