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**F. No. 15/17/2016-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti- Dumping & Allied Duties)
4th Floor Jeevan Tara Building, 5, Parliament Street, New Delhi-110001**

Dated the 5th January, 2018

NOTIFICATION

FINAL FINDINGS

Subject: Sunset Review of Anti-dumping duty imposed on the imports of Nylon Filament Yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP.

F. No. 15/17/2016/DGAD: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as the Rules) thereof; the Designated Authority (hereinafter referred to as the Authority) had initiated an anti-dumping investigation against import of Synthetic Filament yarn of Nylon also known as Polyamide Yarns and described as Nylon Filament Yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP vide Notification No.14/5/2005-DGAD on 4th July, 2005 and preliminary findings were issued by the Authority on 3rd February, 2006. Provisional duties were imposed on 29th March, 2006 vide notification no. 30/2006-Customs. The Authority notified final findings on 3rd July, 2006 recommending imposition of definitive duties on imports of Nylon Filament Yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP. The definitive anti-dumping duties on the subject goods imported from the subject countries were imposed by the Department of Revenue vide Customs Notification No. 85/2006 dated 29th August, 2006.

2. Whereas, the Authority undertook sunset review investigation and recommended continued imposition of the anti-dumping duty on the imports of the subject goods, originating in or exported from the subject countries vide Notification No. 15/4/2010 - DGAD dated 19th November, 2011 . Accordingly definitive anti-dumping duties were extended by the Central Government vide Notification No. 3/2012-Customs dated 13th January, 2012.

3. Whereas, M/s JCT Ltd, M/s Gujarat State Fertilizer Chemicals Ltd (GSFC), M/s Gujarat Polyfilms Pvt. Ltd. (GPPL), M/s Prafful Overseas Pvt. Ltd, and M/s AYM Syntex

Limited (hereinafter also referred to as “Petitioners” or “Applicants”) filed an application in the present case before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the Rules for initiating sunset review of the anti-dumping duty on imports of Nylon Filament Yarn (hereinafter also referred to as the subject goods), originating in or exported from China PR, Taiwan, Malaysia, Indonesia, Thailand and Korea PR (hereinafter also referred to as the subject countries) and requested for extension of anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries.

4. Whereas, the Authority on the basis of prima facie evidence submitted by the applicants to justify initiation of sunset review investigation issued a public notice vide Notification No. 15/17/2016-DGAD dated 9th January, 2017 to examine whether the expiry of the said duties on the import of the subject goods originating in or exported from the subject countries are likely to lead to continuation or recurrence of dumping and injury to the domestic industry. The validity of the antidumping duty on the imports of the subject goods from the subject countries were extended by the Central Government up to 12th January, 2018, vide Notification No. 4/2017-Customs (ADD), dated 19th January, 2017.

5. The scope of the present review covers all aspects of the original investigation concerning imports of the above goods, originating in or exported from the subject countries.

A. PROCEDURE

6. Procedure described below has been followed with regard to this investigation, after issuance of the public notice notifying the initiation of the above investigation by the Authority:

- i. The Authority notified the Embassies/Representatives of the subject countries in India about the receipt of the anti-dumping application before proceeding to initiate the investigations in accordance with sub-rule (5) of Rule 5 supra.
- ii. The Authority sent a copy of the initiation notification to the embassy of the subject countries in India, known producers/exporters from the subject countries, known importers/users in India, other Indian producers and the domestic industry as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification.
- iii. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject countries in India in accordance with Rule 6(3) of the Rules supra.
- iv. The Embassies of the subject countries in India were also requested to advise the exporters/producers from the subject countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject countries.

- v. The Authority sent Exporter's Questionnaire and Supplementary Questionnaire to the following known producers/exporters to elicit relevant information in accordance with Rule 6(4) of the Rules :
- a. M/s PT Susilia Indah Synthetic Fibre Industries, Indonesia
 - b. M/s PT Indachi Prima, Indonesia
 - c. M/s Recron (Malaysia) Sdn Bhd, Malaysia
 - d. M/s Hyosung Corporation, Korea
 - e. M/s Woongjin Chemicals Co. Ltd
 - f. M/s Suntex Fibres , Taiwan
 - g. M/s Thai Taffeta Company Ltd , Thailand
- vi. In response to the above notification, the following exporters/ producers responded and submitted questionnaire responses.
- a. M/s PT Indachi Prima
 - b. M/s Recron (Malaysia) Sdn Bhd.
 - c. M/s PT Sulindafin
- vii. The Authority sent Importer's Questionnaires to the following known importers/users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules:
- a. Brakes India Private Limited
 - b. Baliga Fishnets
 - c. Birla Cable limited
 - d. D C Mills Pvt. Ltd.
 - e. Entremode Polycoaters Ltd.
 - f. Goenka Industries Private Limited
 - g. IDL Industries Ltd
 - h. Vivilon Textile Industries P
 - i. Garden Silks Mills Ltd.
 - j. SK Exports
 - k. Shalon Silk Industries Pvt. Ltd.
 - l. Suertex Industries. Ltd.
 - m. Valson Polyester Ltd.
 - n. Supreme India Impex Ltd.
 - o. Surat Synthetics Ltd.
 - p. Sarla Performance Fibers Ltd.
 - q. Kayavlon Impex Pvt. Ltd.
 - r. Euro Vista India Ltd.
 - s. SRF Ltd.
 - t. Habasit Iakoka Pvt. Ltd.
 - u. Garware Wall Ropes Ltd.
 - v. Dupont Fibers Ltd.
 - w. Chidambaram Fishnets Pvt. Ltd.
 - x. Bayer India Ltd.

- y. AASU Textiles Private Ltd.
- viii. The following importers of the subject goods responded by filing questionnaire responses.
 - a. M/s Pergo India Private Limited
 - b. M/s Daya Knitters
 - c. M/s Ginza Industries Limited
 - d. M/s Milan Textile
- ix. Further, one of the importers of the subject goods, M/s. Sarla Performance Ltd performance has submitted a letter opposing the imposition of anti-dumping duty.
- x. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties;
- xi. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of subject goods for the past three years, and the period of investigation, which was received by the Authority. The Authority has relied upon the DGCI&S data for computation of the volume of imports and required analysis after due examination of the transactions.
- xii. The Non-injurious Price (NIP) based on the optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-dumping Rules has been worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- xiii. Considering the fact that the subject goods are being imported in various grades/sizes/dimensions, the applicants have proposed Product Control Numbers (PCNs) in order to make a PCN to PCN comparison for computing the dumping margin and injury margin. Accordingly, the authority has made PCN to PCN comparison for the purpose of computing dumping and injury margins.
- xiv. The Authority held an oral hearing on 14th November, 2017 to provide an opportunity to the interested parties to present relevant information orally in accordance to Rule 6 (6), which was attended by the representatives of domestic industry and other interested parties. All the parties who presented their views in the oral hearing were requested to file written submissions of their views expressed orally. The parties were also advised to collect written submissions made by the opposing parties and were requested to submit their rejoinders thereafter.

- xv. The verification of the information provided by the domestic industry was carried out to the extent considered necessary. Only such verified information with necessary rectification, wherever applicable, has been relied upon.
- xvi. The Period of Investigation (POI) for the purpose of the present review investigation is April, 2015 to September, 2016 (18 months). The examination of trends in the context of injury analysis covered the periods April 2012-March 2013, April 2013-March 2014, April 2014-March 2015 and the POI.
- xvii. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in this disclosure statement.
- xviii. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis.
- xix. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the views/observations on the basis of the facts available.
- xx. ‘****’ in this document represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xxi. The exchange rate for the POI has been taken by the Authority as Rs.66.53 = 1 US\$.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

B.1 View of the Domestic industry

- 7. The views of the domestic industry are as follows:
 - i. The present review investigation is a second sunset investigation. The product involved in the original and previous investigations and in the present sunset review investigation is Synthetic Filament yarn of Nylon also known as Polyamide Yarns and described as Nylon Filament Yarn. The product under consideration in the present sunset review is the same as has been held by the Designated Authority in the original investigation. Nylon Filament yarn is a synthetic filament yarn produced by polymerization of organic monomers.

- ii. The subject goods are classified under heading Chapter 54 under customs subheading no. 5402 of the Customs Tariff Act, 1975. However, the customs classification is indicative only and in no way binding on the scope of the subject investigation.
- iii. There is no difference in the technology employed and the quality of the domestic and imported product. Present investigation is a review investigation. The Designated Authority has examined the issue of product under consideration and like article in the original investigation, which is relied upon.

B.2 Views of the other interested parties

8. Other interested parties have made the following submission -
 - i. There is no injury being faced by the domestic industry with respect to Mono filament yarn and imports are also low thus mono filament yarn should be excluded from the scope of product under consideration.
 - ii. The petitioners do not produce all grades of the subject goods and some applicants/supporters such as JCT, Century Enka and Salasar are also importing certain similar types of nylon yarns.
 - iii. Imports of certain yarns by some of the Petitioners/Supporters highlights non availability of such yarns in India. Such products must necessarily be excluded from the scope of the product under consideration
 - iv. Domestic industry is not in a position to supply Nylon 6 and 66 POY – 35D to 126D in 10F to 72F

B.3 Examination by the Authority

9. The product under consideration in the present investigation is Synthetic Filament Yarn of Nylon, also known as Polyamide Yarns (also described as Nylon Filament Yarn and also referred to as subject goods). Nylon Filament Yarn is a synthetic filament yarn produced by polymerization of organic monomers.

10. The product under consideration includes all kinds of synthetic filament yarns of Nylon or Polyamides, other than sewing thread, such as flat yarn- twisted and/or untwisted, fully drawn yarn (FDY), spin drawn yarn (SDY), fully oriented yarn (FOY), high oriented yarn (HOY), partially oriented yarn (POY), textured yarn - twisted and/or untwisted, and dyed yarn, single, double, multiple, folded or cabled, classifiable within Chapter 54 under customs subheading no. 5402, but excludes high tenacity yarn of nylon or other polyamides.

11. The subject goods are classified under head the Chapter 54 under customs subheading no. 5402 of the Customs Tariff Act, 1975. However, the customs classification is indicative only and in no way binding on the scope of the subject investigation.

12. The present investigation being a sunset review investigation and anti-dumping duties, as earlier recommended by the Authority, being in force on the imports of the subject goods from the subject countries, the Authority considers that the scope of the PUC in the present investigation remains the same as that in the original and subsequent review investigation. .

13. As regards the claim that there are certain type of yarns that are not being produced by the domestic industry, the Authority notes that no supporting evidence has been furnished by other interested parties in this regard and hence the argument is not being accepted.

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

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

15. After considering the information on record, the Authority holds that there is no known difference in product under consideration exported from subject countries and the subject product produced by the Indian industry. The subject goods produced by the domestic industry is comparable to the subject goods exported from subject countries in terms of characteristics such as physical & chemical characteristics, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.

16. Thus, the Authority holds that the subject goods produced by the applicant domestic industry is like article to the product under consideration exported from the subject countries, in accordance with the AD Rules.

C. SCOPE OF DOMESTIC INDUSTRY & STANDING

C.1 Views of the domestic industry

17. Following submissions have been made by the domestic industry:

- i. The petition has been filed by M/s JCT Ltd, M/s Gujarat Fertilizer Chemicals Ltd (GSFC), M/s Gujarat Polyfilms Pvt. Ltd. (GPPL), M/s Prafful Overseas Pvt. Ltd, and M/s AYM Syntex Limited as domestic producers of the product under consideration and supported by Salasar Polytex, JPB Fiber (Eagle Group), Gupta Synthetics Limited, Orilon India Pvt Limited and Century Enka Limited
- ii. Production of petitioners constitutes a major proportion in Indian Production and therefore, the petitioners should be treated as “domestic industry” within the meaning of the Rules.
- iii. There is no legal requirement that each and every constituent of the domestic industry should be producing each and every type of the product under consideration. Considering the PCN parameters, there are potentially a very large number of product types. There can be no requirement for every producer to focus on every type of the product

C.2 Views of the other interested parties

18. The following submissions have been made in this regard –
- i. Petitioners consist of some producers who are importers of some grades/ types of nylon filament yarn and their inclusion in the scope of “domestic industry” merits reconsideration. Petitioner had included only four other companies- Salasar Polytex, JPB Fiber (Eagle Group), Gupta Synthetics Limited & Century Enka Limited as “supporters”. Updated Petition seems to “include” another supporter- M/s Orilon India. No letter of support has been appended in this regard.
 - ii. All producers and supporters must supply their injury data and the same must be considered in the industry-wise injury assessment

C.3 EXAMINATION BY THE AUTHORITY

19. The application has been filed by M/s JCT Ltd, M/s Gujarat State Fertilizer Chemicals Ltd (GSFC), M/s Gujarat Polyfilms Pvt. Ltd. (GPPL), M/s Prafful Overseas Pvt. Ltd, and M/s AYM Syntex Limited and was supported by Salasar Polytex, JPB Fiber (Eagle Group), Gupta Synthetics Limited, Orilon India Pvt Limited and Century Enka Limited. There are no other producers of the subject goods apart from the applicants and the supporters.

20. The application has been filed by M/s JCT Limited, M/s Gujarat Polyfilms Pvt Ltd, M/s Gujarat State Fertilizers and Chemicals Ltd, M/s Prafful Overseas Pvt. Ltd & AYM Syntex (Formerly known as Welspun Syntex). There are five other Indian producers of the product, namely, Salasar, JPB Fiber, Gupta Synthetics Limited, Century Enka, and Oriilon India Pvt Ltd. All the other producers have supported the application. The petitioners have neither imported the subject goods nor are they related to any importer or exporter of the subject goods, except for M/s JCT Limited and M/s AYM Syntex, who have imported small amount of product under consideration (around 148 MT and 117 MT respectively) from the subject countries. Their import constitutes insignificant share of their own production as well as total Indian production and therefore they have been considered as eligible domestic producers. Further, the production by the applicants constitutes ‘a major proportion’ of Indian production of the like product. . It is, thus, determined that the application has been made by and on behalf of the domestic industry and the application satisfies the requirements of ‘standing’ under Rule 5 of the AD Rules. Further, the applicants constitute ‘Domestic Industry’ in terms of Rule 2(b) of the AD Rules.

D. Miscellaneous submissions

D.1. Views of the Domestic Industry

21. The following miscellaneous submissions have been made by the Domestic industry:
- i. Investigation was initiated vide Notification dated January 2017, well before expiry of existing ADD. The only bar on Designated Authority under Section 9A(5) is that the sunset review must be initiated before expiry of ADD which has been done in the

instant case. The domestic industry has claimed confidentiality only where warranted and under the guidelines as established by the relevant laws. As regards exemption being sought on NFY 170/24 and 280/14 for warp knitting it is submitted that NFY 170/24 and 280/14 are attracting benchmark price of duty. As regards inconsistency with article 5.3 of ADA it may be noted that Rule 5 and Article 5.3 are not applicable in case of sunset review.

- ii. It is a settled principle of anti-dumping law that demand supply gap does not justify dumping. Imposition of ADD does not bar imports.

D.2. Views of other interested parties

22. The following miscellaneous submissions have been made by other interested parties in this regard –

- i. Extension of duty cannot be done after the expiry of original customs notification. Extension of AD duty in the interim of the sunset review has been done illegally. The notification came out on 19th which is after the expiry of original duties and cannot be retrospectively applied.
- ii. Excessive confidentiality has been claimed. Construction of normal value and export price is flawed.
- iii. Excessive confidentiality has been claimed. Construction of normal value and export price is flawed, the PCN wise calculations of the petitioners and lack of post-POI information is also to be looked into.
- iv. Petition lacks evidence and is inconsistent with article 5.3 of ADA. Total sales exceed total domestic production, this shows there is calculation error. And it has also gained approximately 96% capacity utilization.
- v. Petitioners have alleged non-cooperation by some exporters in the present case. However, these submissions appear to be incorrect as PT Susila Indah Synthetic Fiber Industries has in fact participated in the current investigation and has also been verified by the Authority.
- vi. Basis of Petitioners' claim that Formosa was earlier engaged in dumping from Taiwan and has now shifted operations to Vietnam belies any logic. Formosa never participated in the investigation from Taiwan and so it is unclear if Formosa was ever involved in trading with India from their Taiwanese unit. Entire argument is make-believe and no real threat of "shifting of dumping source" is established. "Shift" of source of dumping, as claimed, is nothing more than a claim of circumvention of existing duties.
- vii. Exemption from duty be given on NFY 170/24 and 280/14 for warp knitting as the same has been given to the same grade used for hook and loop tape fastener.

D.3 EXAMINATION BY THE AUTHORITY

23. Various interested parties have raised several issues with respect to the present investigation, including methodologies of dumping determination and injury claims of the domestic industry. While the issues regarding the dumping and injury determination is

addressed in the appropriate places , the general issues raised by the parties to the investigation are examined and addressed as provided hereunder:

- i. As regards the argument that the extension of duty cannot be done after the expiry original customs notification, it is noted that the Authority had duly initiated the investigation prior to the expiry of the anti-dumping duties as required under the law.
- ii. As regards the contention that the domestic industry cannot fulfill the demand of the warp industry it is noted that the claim has not been substantiated and in any case the imposition of anti-dumping duty does not prevent imports. All it does is to only remove the trade-distorting effect associated with the dumped import.
- iii. As regards the argument regarding the basis of petitioners' claim that Formosa was earlier engaged in dumping from Taiwan and has now shifted operations to Vietnam, the Authority notes that the imports from subject countries have declined and, in fact, imports have started entering the domestic market in significant volume from Vietnam. Thus, the shift in dumping is clearly visible.
- iv. As regards the argument that petition lacks evidence and is inconsistent with article 5.3 of ADA, the Authority notes that the domestic industry had filed a duly substantiated application and the Authority after prima facie satisfaction only initiated the investigation.
- v. As regards the contention on excessive confidentiality the Authority notes that the information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Further, wherever possible, parties providing information on confidential basis was directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file.

E. MARKET ECONOMY TREATMENT (MET), NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

E.1. Views of the Domestic industry

24. The domestic industry inter alia submitted as follows:
 - i. One of the provisions of Accession protocol has expired on 11th December, 2016. The Designated Authority should however proceed with present investigation considering Chinese producers as producers operating in non-market economy conditions due to reasons given below.
 - ii. The investigation period considered by the Authority in the present case is April 2015 to September 2016 (18 months).
 - iii. The purpose of fixation of POI is to consider a period when the existence of dumping causing injury is claimed and established..

- iv. The Chinese producers are required to be treated as non-market economy companies for the reason that the costs and prices in China do not reasonably reflect the market forces. Para 8 to Annexure-I specifies the parameters which should be considered for grant of market economy status.
- v. Since Chinese companies have been denied market economy status for the reasons mentioned in Para 8 of Annexure-I till December, 2016, petitioner submits that the Chinese producers are required to be treated as non-market economy companies till such time the investigation period includes the period specified in Accession protocol.
- vi. Chinese producers are required to be treated as companies operating under non-market economy environment and the Authority may proceed to determine the normal value on the basis of Para 7 of Annexure-I.
- vii. Normal value could not be determined on the basis of price of like article in an appropriate market economy third country for the reason that the relevant information is not publicly available. The petitioner has claimed consideration of normal value on the basis of cost of production in India duly adjusted.
- viii. The dumping margin from China is not only significant, but also substantial, thus establishing existence of significant dumping of the product under consideration in India. The import volume of China has remained significant throughout the present injury period, despite anti-dumping duty in force.
- ix. Considering the production capacities available with Chinese producers and their high export orientation, dumping would continue and even intensify in the event of cessation of anti-dumping duty.
- x. For Chinese Tapei, Malaysia, Indonesia, Thailand and Korea RP also the petitioners have claimed normal value on the basis of cost of production in the exporting countries, duly adjusted.

E.2 Views of the interested parties

25. The following submissions have been made with regard to normal value, export price and dumping margin –;
- i. Petitioners have failed to divulge the basis of the calculations for Normal Value and the source of best estimates. Petitioners also failed to mention what factors were considered as “relevant”. Petitioners have ignored liability of establishing adjustments for export price by way of evidence. Assumption that revocation of duty would pose a threat is not evidenced by data of Petitioners or borne out of imports from Indonesia.
 - ii. Basis of Petitioners’ claim that Formosa was earlier engaged in dumping from Taiwan and has now shifted operations to Vietnam belies any logic. Formosa never participated in the investigation from Taiwan and so it is unclear if Formosa was ever involved in trading with India from their Taiwanese unit. Entire argument is make-believe and no real threat of “shifting of dumping source” is established.

E.3 EXAMINATION BY THE AUTHORITY

E.3.1 Examination of Market economy claims

26. At the stage of initiation, the petitioners proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China to respond to the notice of initiation and provide information relevant to determination of whether their data/information could be adopted for the purpose of normal value determination. The Authority sent copies of the questionnaire to all the known producers/ exporters for providing relevant information in this regard. However, none of the Chinese producers/exporters have filed any response.

27. The Authority notes that none of the producers and exporters of the subject goods from the subject country have submitted the exporter’s questionnaire response and supplementary questionnaire response. In view of non-cooperation, the Authority is unable to determine normal value in case of China PR on the basis of their questionnaire response.

28. Further, none of the interested parties, including the Domestic Industry, has made available any material fact to the Authority to determine normal value on the costs or price in China. The Authority has, therefore, determined normal value in respect of China PR on the basis of best information available, in terms of rule 6(8) of the Rules.

E.3.2 Determination of Normal Value for producers and exporters in China PR

29. In view of the above, Normal value for the subject goods imported from China PR into India has been constructed considering optimum consumption norms of the domestic industry for raw materials and utilities, conversion cost, interest, SGA, etc. at the levels allowed for the domestic industry including thereupon reasonable profit. Separate normal value has been determined for each PCN.

E.3.3 Determination of Export Price for China PR

30. The Authority notes that none of the exporters from China PR has furnished information to the authority which could be used for determination of export price and individual dumping margin. Therefore, the Authority has determined export price for producers/exporters from China on the basis of the DGCI&S transaction- wise data. The export price has been adjusted on account of Ocean Freight, Marine Insurance Commission, Bank Charges, Port Expenses and Inland Freight Charges to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for exports from China PR is as shown in the dumping margin table below :-

Particular	UOM	China PR
Net export price/MT	USD/MT	***
Normal Value	USD/MT	***
Dumping Margin	USD/MT	***
Dumping Margin	%	20-30%

E. 3.4 Determination of Normal value for Indonesia

31. The Authority sent questionnaires to the known producers/exporters, advising them to provide information in the form and manner prescribed. Response to questionnaire was filed by the following producer/exporter from Indonesia.

- a. PT. Indachi Prima, Indonesia
- b. Sulindafin , Indonesia

32. In view of questionnaire response from the producers/exporters in Indonesia, normal value and dumping margin in case of responding producers & exporters has been determined on the basis of their questionnaire response.

33. From the Exporter Questionnaire (EQ) response, the Authority notes that M/s PT. Indachi Prima, Indonesia is a producer/exporter of the subject goods to India. As per information filed by the exporter and verified by the authority, during the Period of investigation PT. Indachi Prima, sold *** MT subject goods in the domestic market. The authority has considered cost of production of the company for each PCN and determined whether the selling price in the domestic market was viable and representative. In all those cases where more than 80% sales for the PCN was profitable, all sales have been considered in determining Normal Value. In all those cases where less than 80% sales for the PCN was profitable, profitable sales have only been considered in determining Normal Value. Price adjustments on account of taxes, commission, inland freight and credit cost has been claimed and has been allowed after due verification. PCN wise normal value has been determined for the PT. Indachi Prima, Indonesia. Weighted average Normal Value has been determined as *** USD per MT

34. In the exporter's questionnaire response filed by M/s Sulindafin, no export sales to India during POI has been reported. Accordingly, no individual margin or treatment can be given to Sulindafin, Indonesia.

E. 3.5 Export price for PT. Indachi Prima, Indonesia

35. Export price for PT Indachi Prima has been determined on the basis of questionnaire response filed by the exporter and verified by the authority. The producer/exporter has exported *** MT of subject goods to India during POI at a weighted average net export price of *** USD /MT. Adjustments have been considered on account of Credit cost, Inland Freight, Commission, Customs Handling Charges, ocean freight, and Bank Charges to determine net export price at ex-factory level, which have been verified and allowed to determine ex-factory export price. Separate export price has been determined for each PCN exported to India.

E. 3.6 Normal Value & Export Price for non-cooperating producers/exporters in Indonesia

36. For the other producers/exporters of Indonesia, Normal value has been determined on the basis of facts available while the export value has been considered on the basis of the cooperative exporter's data on exports to India. Based on this the dumping margin is indicated

in the relevant table.

E. 3.7 Determination of Normal value for Malaysia

37. The Authority sent questionnaires to the known producers/exporters, advising them to provide information in the form and manner prescribed. Response to questionnaire was filed by the following producer/exporter from Malaysia.

a. M/s Recron (Malaysia) Sdn Bhd , Malaysia

38. Exporter Questionnaire Response has been filed by M/s Recron, Malaysia. It is however noted that the domestic sales of the subject goods by the responding exporter/producer in its home market is below 5% of the export volume to India and thus not representative enough for determination of normal value on the basis of its domestic selling price and thus the ordinary course of trade test criterion has not been satisfied. Thus, PCN wise normal value has been determined for responding exporter/ producer on the basis of cost of production of the exporter and reasonable profit @5%.

E. 3.8 Export Price for Recron (Malaysia) Sdn Bhd , Malaysia

39. Export price has been determined on the basis of questionnaire response filed by the exporter and verified by the authority. The producer/exporter has exported *** MT of subject goods to India during POI at a weighted average net export price of *** USD /MT. Adjustments have been considered on account of overseas freight, Inland Freight, Commission, Customs Handling Charges, container seal charges, interest cost, insurance and Bank Charges to determine net export price at ex-factory level, which have been verified and allowed to determine ex-factory export price. Separate export price has been determined for each PCN exported to India

E. 3.9 Export Price for non-cooperating producers/exporters in Malaysia

40. For the other producers/exporters of Malaysia, Normal value has been determined on the basis of facts available while the export value has been considered on the basis of the cooperative exporter's data on exports to India. Based on this the dumping margin is evaluated as indicated in the relevant table.

E.3.10 Dumping Margin determination for Taiwan, Thailand and Korea

Normal Value for Taiwan, Thailand and Korea

41. As none of the producers/exporters from Taiwan, Thailand and Korea have responded, the Authority has constructed the normal value for all producers/exporters on the basis of best available information in accordance with Rule 6 (8) by adopting cost of production in India considering optimum consumption norms of the domestic industry for raw materials and utilities, conversion cost, interest, SGA, etc. at the levels allowed for the domestic industry

including reasonable profit. Separate normal value has been determined for each PCN.

E.3.11 Export Price in Taiwan, Thailand and Korea

42. As none of the producers/exporters from Taiwan, Thailand and Korea have cooperated, the DGCI&S import data has been adopted for determining the CIF price. To evaluate the ex-factory export price, adjustments on account of ocean freight, marine insurance, commission, bank charges, inland freight and port expenses has been made. To determine the landed value of imports, basic customs duty and cess have been applied on assessable value which is equivalent to CIF value of imports with 1% landing charges. Separate weighted average export price to India has been determined for each type of PCN.

E.3.12 Dumping Margin

43. The dumping margin for subject goods has been determined by comparing PCN wise normal value and net export price at ex-factory level for the subject goods. The table below shows the weighted average dumping margins for all the subject countries.

Table

Countries	Producer/Exporters	DM US \$/MT	DM %	DM % in Range
China PR	All producers/ Exporters	***	***	20-30
Indonesia	M/s PT Indachi Prima	***	***	65-75
	Others	***	***	115-125
Korea	All producers/ Exporters	***	***	20-30
Malaysia	M/s Recron	***	***	10-20
	Others	***	***	45-55
Taiwan	All producers/ Exporters	***	***	20-30
Thailand	All producers/ Exporters	***	***	20-30

44. It is seen that the dumping margins are more than the de-minimis limits prescribed under the Rules in respect of exports made from each of the subject countries.

F. DETERMINATION OF INJURY AND CAUSAL LINK

F.1 Views of the Domestic industry

45. As regards injury and causal link, the domestic industry has made submissions as under :

- i. The demand/apparent consumption of the subject goods have increased over the injury period including the POI. Imports from subject countries, though, have declined but still remained significant despite anti-dumping duty, both in absolute terms and in relation to production/consumption in India.
- ii. Demand of the subject goods has consistently increased over the injury period. The

information regarding imports volume and market share earlier provided shows that the imports have declined over the injury period. Market share followed the trend of volume of imports.

- iii. The imports are undercutting the domestic prices significantly. The extent of undercutting has increased over the injury period. With respect to price suppression/depression, both cost of production and selling price have declined over the injury period, with the decline in selling price being more as compared to the decline in cost of production. Selling price continues to remain below the level of costs of production. Landed price of imports is much below the level of selling price and cost of production.
- iv. A comparison between the landed price of imports and non-injurious price shows that the landed price of imports is far below the non-injurious price in the period of investigation resulting in price underselling.
- v. The production and sales of the domestic industry has increased over the injury period. The capacity utilization of the domestic industry has also increased over the injury period. The level of inventories has remained in similar range and is significant. Petitioners have not claimed injury on account of volume parameters.
- vi. The financial losses suffered by domestic industry show a reducing trend throughout the injury period, however the losses remain significant. The product under consideration can be either mono-filament or multi-filament. In monofilament yarn, since there are low imports of the product from subject countries, domestic industry has earned profits and the profits have increased over the years. In multi filaments, since the product under consideration is being dumped from subject countries as well as other countries (against which investigation is being carried out), the domestic industry is suffering severe financial losses.
- vii. Separate injury analysis for multi filament yarns and mono filament yarns is illegal under the law. The injury analysis must be for the like article to the product under consideration.
- viii. The domestic industry suffered significant financial cash losses in multi filament yarn, whereas it has earned cash profits in mono filament, clearly establishing that the adverse effect on multi filament yarn is due to dumped imports.
- ix. The return on investment was negative in 2013-14 and has thereafter shown a positive trend. The ROI is however still much below even the banks rate of interest in India. The domestic industry has suffered significant negative return on capital employed in multi filament, whereas earned positive return on capital employed in mono filament, clearly establishing that the adverse effect on multi filament is due to dumped imports.
- x. The domestic industry has earned cash profits post 2013-14 but profits have not been enough to sustain the domestic industry.
- xi. The ROI turned positive only from 2014-15 and onwards but still remained at abysmally poor levels. The ROI is much below even the banks rate of interest in India.
- xii. The market share of DI in demand has remained at similar levels while there is a decline in market share of subject imports.
- xiii. The number of employees and wages paid declined. Productivity per day and per employee has increased over the injury period in consonance with the production.
- xiv. The dumping margin and injury margin is positive and significant. Antidumping duties

have acted as a deterrent and have prevented the subject countries from aggressively dumping large volume of the goods into India. However, whatever volumes have been exported to India during the relevant period, are at dumped and injurious price.

- xv. Despite imposition of Anti-dumping duty and subsequent enhancement of the quantum of such duty in the Mid Term Review and extension of duties in the last conducted sunset review, product concerned continues to be imported at dumped prices. Import volumes have declined, however the same are at dumped price. The decline in import volumes is because of dumping additionally happening from other countries, which are now at present under investigation.
- xvi. Act and the Rules do not prescribe any time limit beyond which the anti-dumping duty should not be extended. The legal provision clearly is that the anti-dumping duty can be extended further from time to time, if it is found that dumping and consequent injury to the domestic industry is likely in the event of cessation of anti-dumping duty. Indian cases wherein duty extended for 15 years have been referred - Acrylic Fibre (Thailand & Korea RP); Acrylonitrile Butadiene Rubber (Korea RP); Vitamin C from China.
- xvii. The present sunset review investigation need not be confused with a fresh investigation. In a sunset review investigation there is no test of de-minimus. Even low volume of imports are at dumped and injurious price and the prices are undercutting the prices of the domestic industry.
- xviii. Imports continue to occur at dumped and injurious price which in itself shows the likely behaviour of exporters from subject countries. Factors such as likelihood of shifting of the source of dumping, ample production capacity of exporters and export orientation of foreign producers, dumping margins determined in all previous investigations, price attractiveness of Indian market and vulnerability of the domestic industry shows likelihood of continuation of dumping and injury.
- xix. No evidence has been provided to justify the claims regarding poor quality of yarn. The petitioners have been able to sell the subject goods and are suffering on prices that are taking the plunge caused by dumping.
- xx. The domestic industry has not been able to make only meagre profits despite imposition of antidumping duties. Innovation and investment in R&D in the event of cessation of dumping is not likely in the present scenario unless the domestic industry is protected from dumping.

F.2 Views of other interested parties

46. Submissions made by the other interested parties are as under:
 - i. Petitioners claimed to rely on IBIS data for the import data. The same is confusing as the petitioners in their petition stated that they will be relying on IBIS data as DGCI&S data was unreliable. Contrary to this, updated data relied on DGCI&S rather than IBIS. In written submission petitioners again state that only IBIS data has been used.
 - ii. The injury assessment done by Petitioners is based on data of the Petitioners without consideration of data of supporters. POI overlaps between October 2015 to September 2016 (1 year) in the current case as well as parallel fresh investigation. The risk of doubly remedying the same injury is very high in the present case.

- iii. Dumping margin, injury margin and undercutting has been determined grade wise but mentioned under “other PCN”, basis of which is not clear.
- iv. Separate injury analysis for multi filament yarn and mono filament yarn is required. Anti-Dumping duty in fixed duty form was imposed in NFY case with respect to multi filament yarn but benchmark price was applied with respect to mono filament yarn. The same should be continued.
- v. Indonesian imports are not entering into India at depressive prices. With respect to multi-filament yarn, Indonesian imports are not entering into India at suppressed or depressed prices. Imports from Indonesia are predominantly of monofilament yarns, which admittedly have not caused injury to the Petitioners.
- vi. Claim of continued injury to Indian industry is wrong. Price suppression and depression did not exist at the time of filing of Petition with respect to the POI but suddenly appeared while filing written submission.
- vii. The petitioners failed to establish existence of any continued injury or likelihood of recurrence. Domestic industry is suffering from injury even when ADD imposed because of increased capacity leading to high interest costs and high depreciation.
- viii. The domestic industry has shown poor performance in the inter se competition with other domestic producers. Status of domestic industry will not be altered on removal of ADD.
- ix. Data highlights that volume of imports from subject countries is at an all-time low. Imports from the subject countries halved in volume in comparison to that in the base year and declined over POI. Imports from other countries have increased by 228%.
- x. Production and consumption of Indian producers have increased as against decline in imports. The petitioner’s claim regarding price underselling as a factor for injury assessment is incorrect as the same is not admissible for analyzing the injury.
- xi. It is important to note the petitioner could not have maintained the market share of 42% in an expanding market as the market share of other Indian producers as well as that of imports from other countries have also increased.
- xii. Petitioner’s economic parameters show positive trends and no injury. Production, capacity and capacity utilization are all increasing. Inventories were falling between 2012-13 and from thereon remained constant. Petitioners have claimed that profits have been made in monofilament yarns but significant cash losses are there in multi filament. Petitioners have withheld data pertaining to interest and depreciation costs. In the original petition it is clear that PBIT (Profit before interest and tax) is high. And so petitioners are not suffering losses due to suppressed selling price. There is no “injury” due to alleged dumping. Increased capital employed with respect to multi-filament yarns also indicates that interest costs are high. Petitioners have attributed low ROI to dumped imports but actually they have increased their capacity over the period of injury and so the capital employed has also increased.
- xiii. Conclusions regarding adverse effects of imports on profits, market share, cash profit and inventories are without any basis as profits have increased while losses have declined. Inventories have declined in comparison to increased production volume.
- xiv. No injury based on trend analysis of number of employees, wages paid and productivity per day and per employee is seen.
- xv. Imports from certain countries are less than the minimum required level and so China, Thailand and Indonesia should be excluded as collectively they are below 7% and individually below 3%
- xvi. Poor quality material used by the domestic industry has resulted in heavy losses and poor production efficiency. The same is also because of old and obsolete tech used by them.

xvii. It cannot also be concluded that they are suffering from the ill impacts of dumping from Vietnam and EU.

F.3 EXAMINATION BY THE AUTHORITY

47. The Authority has taken note of the submissions made by the interested parties. The Authority has examined the submissions made by the domestic industry and other interested parties with regard to the injury in accordance with the Anti-dumping Rules.

48. For the examination of the impact of the imports on the domestic industry in India, the Authority has considered relevant economic factors and indices having a bearing on the state of the industry such as production, capacity utilization, sales quantum, stock, profitability, net sales realization, the magnitude and margin of dumping etc. in accordance with Annexure II (iv) of the Rules.

49. The Authority has undertaken injury analysis on overall basis as per the existing practice and the anti-dumping rules despite PCN methodology having been adopted for appropriate comparison.

F.3.1 Volume Effect of dumped imports and impact on domestic industry

A. Demand and Market Share

50. The demand or apparent consumption of the product in India is the sum of domestic sales of all the Indian producers and imports from all sources. The demand so assessed is given in the table below.

Particulars	Unit	2012-13	2013-14	2014-15	Annualised POI
Sales of Domestic Industry	MT	***	***	***	***
Sales of Other Indian Producers	MT	***	***	***	***
Imports from Subject Countries	MT	19,400	14,415	13,659	12,849
Imports from other countries under separate ADD investigation	MT	4,594	7,237	10,523	12,794
Imports from rest other Countries	MT	1,107	594	765	218
Demand/consumption	MT	68,275	75,459	90,088	1,05,145
Market share in demand					
Sales of Domestic Industry	%	43.27%	49.49%	44.61%	42.19%
Sales of Other Indian Producers	%	19.97%	21.03%	27.70%	33.21%

Imports from Subject Countries	%	28.41%	19.10%	15.16%	12.22%
Imports from other countries under separate investigation	%	6.73%	9.59%	11.68%	12.17%
Imports from Other Countries	%	1.62%	0.79%	0.85%	0.21%
Demand/consumption	%	100.00%	100.00%	100.00%	100.00%

51. The Authority notes that the demand for the product under consideration has increased throughout the injury period. The share of imports from subject countries in the demand/consumption has however declined. The share of the domestic industry in the demand has registered very marginal decline.

B. Import volumes and share of subject countries

52. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. The volume of imports of the subject goods from the subject countries have been analyzed as under:

Import Volume	Unit	2012-13	2013-14	2014-15	Annualize d POI
Subject Countries	MT	19,400	14,415	13,659	12,849
Imports from other countries under separate investigation	MT	4,594	7,237	10,523	12,794
Other Countries	MT	1,107	594	765	218
Total Imports	MT	25,101	22,247	24,946	25,860
Market Share in Imports					
Subject Countries	%	77.29%	64.80%	54.75%	49.69%
Others	%	22.71%	35.20%	45.25%	50.31%
Total Imports	%	100.00	100.00	100.00	100.00
Indian Production	MT	***	***	***	***
Demand	MT	68,275	75,459	90,088	1,05,145
Imports from subject countries in relation to-					
Indian Production	%	45.35%	26.54%	20.74%	16.12%
Consumption	%	28.41%	19.10%	15.16%	12.22%

53. It is noted that the import volume from subject countries has declined over the injury period in absolute terms. Imports from other countries under separate ongoing anti-dumping investigation have increased.

54. The volume of imports were further examined by segregating imports into mono and multi filament. It is seen that while volume of mono filament yarn imports have significantly declined, volume of multi filament yarn has more or less remained at the same level, as is evident from table below

Particulars	UOM	2012-13	2013-14	20145-16	POI (Annualised)
Dumped import from subject countries	MT	19400	14415	13659	12849
Mono Filament Yarn	MT	7290	2596	1536	959
Multi Filament Yarn	MT	12109	11819	12123	11890

F.3.2 Price Effect of dumped imports and impact on domestic industry

55. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in normal course. The impact on the prices of the domestic industry on account of the dumped imports from subject countries has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the cost of production, Net Sales Realization (NSR) and the Non-injurious Price (NIP) of the Domestic industry have been compared with the landed cost of imports from subject countries. The Authority has carried out the analysis of price undercutting and price underselling on PCN basis as there is significant variation in the per kg prices of various PCNs.

a) Price Undercutting

56. For price undercutting, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex-factory level.

Particulars	Unit	China	Indonesia	Korea	Malaysia	Taiwan	Thailand
Landed price of imports	Rs/MT	190,282	188,643	171,467	160,614	175,455	174,334
Net Selling Price	Rs/MT	***	***	***	***	***	***
Price Undercutting	Rs/MT	***	***	***	***	***	***
Price Undercutting	%	5-15%	10-20%	20-30%	25-35%	15-25%	15-25%

57. The Authority notes that during the POI, the price undercutting effect of the alleged dumped imports is positive in respect of all subject countries.

b) Price Underselling

58. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from subject countries. The comparison has been made on PCN wise and weighted average of all the calculations is as follows:

Particulars	Unit	China	Indonesia	Korea	Malaysia	Taiwan	Thailand
Landed price of imports	Rs/MT	190,282	188,643	171,467	160,614	175,455	174,334
Non Injurious Price	Rs/MT	***	***	***	***	***	***
Price Underselling	Rs/MT	***	***	***	***	***	***
Price Underselling	%	10-20%	10-20%	15-25%	25-35%	20-30%	15-25%

59. It is noted from the above table that there is price underselling on account of imports of the subject goods from the subject countries

60. **Price suppression and depression effects of the dumped imports:** In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position on the basis of the cost of sales and selling price furnished by the domestic industry is shown as per the table below:

Particulars	Unit	2012-13	2013-14	2014-15	Annualised POI
Cost of Sales	Rs./MT	***	***	***	***
<i>Trend</i>	Index	100	100	96	81
Selling Price	Rs./MT	***	***	***	***
<i>Trend</i>	Index	100	102	100	85
Landed Price	Rs./MT	241,250	235,746	216,937	171,062
<i>Trend</i>	Index	100	98	90	71

61. It is seen that both, cost of sales as well as selling price has declined over the injury period. There is depression in selling price only during the POI, though not during earlier injury period. There is however more decline in cost than in the selling price.

F.3.3 Examination of Economic Parameters relating to Domestic Industry

62. Annexure II to the AD Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the AD Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including

actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.

63. Accordingly, various economic parameters of the domestic industry are analyzed herein below:

A) Actual and potential impact on Production, Capacity, Capacity utilization and Sales

64. The performance of the domestic industry with regard to production, capacity, capacity utilization and sales are as follows:

Particulars	Unit	2012-13	2013-14	2014-15	Annualised POI
Capacity	MT	***	***	***	***
Production	MT	***	***	***	***
Capacity Utilization	%	81.15%	84.61%	88.10%	87.06%
Sales	MT	***	***	***	***
Demand/consumption	MT	68,275	75,459	90,088	1,05,145

65. The Authority notes that the domestic industry enhanced its capacity over the injury period in line with the increase in demand for the product under consideration in the country. Production, capacity utilization and sales volume of the domestic industry have also increased over the injury period.

B) Market Share in demand

66. The effects of the dumped imports on the market share of the domestic industry have been examined as below. It is noted that the market share of the domestic industry has declined but of other Indian producers has witnessed substantial increase.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Sales of Domestic Industry	%	43.27%	49.49%	44.61%	42.19%
Sales of Other Indian Producers	%	19.97%	21.03%	27.70%	33.21%
Imports from Subject Countries	%	28.41%	19.10%	15.16%	12.22%
Imports from Other Countries	%	8.35%	10.38%	12.53%	12.37%
Demand/consumption	%	100.00%	100.00%	100.00%	100.00%

C) Inventories

67. The Authority further notes that the average inventory levels of the domestic industry have remained almost the same throughout the injury period.

Particulars		UOM	2012-13	2013-14	2014-15	POI
Average Stock		MT	***	***	***	***

D) Profits, return on investment and cash flow

68. Performance of the domestic industry with regard to profit, return on investment and cash flow is as follows:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Profit/(Loss) per unit	Rs./MT	***	***	***	***
Profit/(Loss) per unit	Indexed	(100)	(52)	(5)	14
Profit/(Loss) - total	Rs.Cr	***	***	***	***
Profit/(Loss) - total	Indexed	(100)	(66)	(6)	21
Mono filament Yarn					
Profit/(Loss) per unit	Rs./MT	***	***	***	***
Profit/(Loss) per unit	Indexed	100	14	17	132
Profit/(Loss) - total	Rs.Cr	***	***	***	***
Profit/(Loss) - total	Indexed	100	15	19	147
Multi filament Yarn					
Profit/(Loss) per unit	Rs./MT	***	***	***	***
Profit/(Loss) per unit	Indexed	(100)	(38)	(7)	(19)
Profit/(Loss) - total	Rs.Cr	***	***	***	***
Profit/(Loss) - total	Indexed	(100)	(50)	(10)	(30)
Profit before Interest and Tax	Rs.Cr	***	***	***	***
Profit before Interest and Tax	Indexed	(100)	350	750	950
Mono Filament	Rs.Cr	***	***	***	***
Mono Filament	Indexed	100	47	47	126
Multi Filament	Rs.Cr	***	***	***	***
Multi Filament	Indexed	(100)	23	100	59
Return on Capital Employed	%	***	***	***	***
Return on Capital Employed	Indexed	(100)	349	770	840
Mono Filament	%	***	***	***	***
Mono Filament	Indexed	100	47	53	132
Multi Filament	%	***	***	***	***
Multi Filament	Indexed	(100)	19	79	43

69. It is noted that domestic industry is earning profits in mono filament yarn wherein imports is low and suffering losses in multi filament yarn where imports are relatively more. Similarly, return on investment is much less in Multi filament yarn as compared to mono-filament yarn. However, on overall aggregated basis, there has been improvement in rate of return as well as profitability

E) Productivity

70. It is seen from the table below that productivity in terms of, productivity per day as well as per employee, has increased over the injury period, which is in line with the movement of production:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Productivity Per day	MT/Day	***	***	***	***
Productivity Per employee	MT/Nos.	***	***	***	***

F) Employment and wages

71. It is noted from the table below that the employment with the domestic industry has declined during the injury period. However, wages paid have increased. The Authority notes that these parameters are dependent on a number of other parameters and not reflective of impact of dumping on the domestic industry.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Employment	Nos	***	***	***	***
Wages	Rs.Lacs	***	***	***	***

G) Growth

72. The table below shows that the domestic industry has registered positive growth in terms of volume parameters, such as, sales volume, production, capacity utilization. Further growth in terms of price parameters for monofilament yarn has improved wherein imports have been low whereas in case of multi filament yarn has been negative where imports have more or less remained constant.

Particulars	Unit	2012-13	2013-14	2014-15	POI (A)
Production	%	-	27%	8%	9%
Domestic Sale	%	-	26%	8%	10%
Capacity utilization	%	-	3%	3%	-1%
Mono Filament Yarn					
profit	%	-	-85%	24%	680%
Return on investment	%	-	-53%	14%	147%

Multi Filament Yarn	%	-			
profit	%	-	50%	80%	-202%
Return on investment	%	-	119%	318%	-46%

H) Ability to raise Capital Investment

73. The domestic industry has enhanced capacity for production of product under consideration considering the present and potential demand for the product in the country.

I) Level of dumping & dumping margin

74. It is noted that imports from the subject countries are still entering the country at dumped prices.

J) Factors affecting domestic Prices

75. The examination indicates that there is a healthy demand in India for the subject goods. It is also noted that the landed value of subject goods from subject countries are below non injurious price and selling price of the domestic industry. Petitioners have submitted that imports from other countries namely, EU and Vietnam are also entering the market at dumped and injurious price.

K) Magnitude of Injury and Injury Margin

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

Particulars	US\$/MT
Exchange Rate	***
Non Injurious Price (NIP)	***
Landed Price	2571.15
Injury Margin	***
Injury Margin-%	***
Injury Margin (Range)	20-30%

L) Other Known Factors & Causal Link

77. Having examined the existence of continued injury, volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting and price suppression and depression effects, other indicative parameters listed under the Indian Rules and Agreement on Anti-Dumping have been examined by the Authority to see whether

any other factor, other than the dumped imports could have contributed to injury to the domestic industry, as follows:

a) Volume and prices of imports from third countries:

78. The Authority notes that imports entering into the country from European Union and Vietnam are above de minimis level and a separate ongoing antidumping investigation is underway. Imports from Vietnam and EU are also in multi filament category.

b) Contraction of demand

79. There has been rise in demand of the product concerned over the injury period. .

c) Changes in the pattern of consumption

80. The pattern of consumption with regard to the product under consideration has not undergone any change. Therefore, changes in the pattern of consumption cannot be considered to have caused injury to the Domestic Industry.

d) Developments in technology

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

e) Conditions of competition and trade restrictive practices

82. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry.

f) Export performance of the domestic industry

83. The performance of the domestic industry and injury thereto has been examined with respect to the domestic performance to the extent possible. Possible deterioration in the export performance of the domestic industry is, therefore, not a possible cause of injury to the domestic industry.

g) Performance of other products produced and sold by the domestic industry

84. The performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

h) Productivity of the domestic industry

85. The Authority notes that the productivity of the domestic industry has followed the same trend as production and shows increase. Deterioration in productivity is not a cause of

injury to the domestic industry.

Factors relating to causal link

86. The Authority notes that:
- There has been dumping of the product under consideration.
 - The price undercutting effect of the dumped imports is positive in respect of all subject countries.
 - There has been by and large improvement in the health of the domestic industry on all relevant economic parameters except in profitability.
 - Overall profitability too has shown consistent improvement. However, it is mainly on account of the better performance in mono filament yarn segment where the import from subject countries has been relatively much less.

G. POST DISCLOSURE STATEMENT SUBMISSIONS BY THE INTERESTED PARTIES

87. The post disclosure submissions have been received from various interested parties. Majority of the issues raised therein have already been raised earlier during the investigation and also addressed appropriately. Additional submissions have been analysed as under:

Submissions made by the Domestic Industry

88. The submissions made by the domestic industry have been summarized as below:
- i. Analysis of Likelihood of continuation or recurrence of dumping and injury is the most critical examination in a sunset review investigation. However the Disclosure Statement is completely silent on essential facts on such critical aspect of the investigation. Issuance of Disclosure Statement has become redundant to the extent that the domestic industry is not able to comment on the appropriateness of the facts being considered for determination of likelihood.
 - ii. The emerging conclusions from the disclosure statement are –
 - a. The petitioners and domestic producers are eligible domestic producers of subject goods in India and their production constitutes a major proportion of Indian production.
 - b. The PUC is exported at prices below normal value, resulting in continued dumping from the subject countries.
 - c. Imports continue to cause injury to the domestic industry, as established by its performance over the period.
 - d. Performance of domestic industry in monofilament has improved where imports declined sharply and are low in volume and performance in multi filament yarn has deteriorated where imports are significant and dumping continues.

- e. Anti-dumping duty is required to be continued to address dumping causing injury to the domestic industry.
- iii. PUC is Synthetic Filament Yarn of Nylon, also known as Polyamide Yarns (also described as Nylon Filament Yarn and also referred to as subject goods). Nylon Filament Yarn is a synthetic filament yarn produced by polymerization of organic monomers. The present investigation being a sunset review investigation and anti-dumping duties, as earlier recommended by the Authority, being in force on the imports of the subject goods from the subject countries, it has been rightly considered that the scope of PUC remain the same as that in the original and subsequent review investigation and therefore the argument by the other interested parties on exclusion of mono filament yarn from scope of PUC has been rightly discarded. There is continued injury in case of multi filament yarn. Mono filament yarn continues to be a significant portion of domestic operations as well as that of the exporters operation.
- iv. Application was filed by M/s JCT Limited, M/s Gujarat Polyfilms Pvt Ltd, M/s Gujarat State Fertilizers and Chemicals Ltd, M/s Prafful Overseas Pvt. Ltd & AYM Syntex (formerly known as Welspun Syntex) and was supported by Salasar, JPB Fiber, Gupta Synthetics Limited, Century Enka, and Oriilon India Pvt Ltd. No imports have been made by any petitioners except M/s JCT Limited and M/s AYM Syntex and that too are insignificant and does not render the said companies to be ineligible for being considered as Domestic Industry
- v. Production by the petitioners constitutes a majority of Indian production. Petitioners constitute eligible domestic industry within the meaning of Rules.
- vi. POI falls between April 2015 to September 2016 (18 months) and this period is well before the expiry of Chinese Accession Protocol so interested parties should have no objection to the method of calculation of normal value or that China has been treated as a non-Market Economy. No exporter/producer from China has filed questionnaire response.
- vii. Actual cost of production of the domestic industry be considered as normal value, which is based on best available information. Kindly revise the normal value and dumping margin.
- viii. Demand has increased throughout the injury period. Imports from the subject countries have remained quite significant, while dumped imports from other countries have increased.
- ix. Price undercutting and injury margin are positive.
- x. Landed prices are much below the selling prices and the NIP of the domestic industry and thus undercutting and underselling the prices of the domestic industry.
- xi. Price depression is caused by dumped imports.
- xii. Analysis regarding decline in cost is more than the selling price is incomplete. Selling price has declined more than the decline in costs in the POI as compared from the previous year. The fact that the domestic industry is in the process of recovering from the past ill effects of dumping is an injury parameter showing injury in the present case.
- xiii. Selling price continues to remain below the level of cost of production. Landed price of imports is much below the level of selling price and cost of production. Cessation of duty is likely to intensify losses already being suffered.

- xiv. Production, sales and capacity utilization of the domestic industry increased over the injury period.
- xv. Inventories have remained in similar range and is significant.
- xvi. Domestic Industry is suffering losses throughout the injury period because of dumping. Financial losses suffered show a reducing trend throughout the injury period, however they remained significant. The domestic industry has suffered financial losses in multi filament yarn, whereas earned profits in mono filament where imports have steeply declined, clearly establishing the adverse effect in multi filament is due to dumped imports.
- xvii. Productivity per day and per employee has increased over the injury period, which is in line with the movement of production.
- xviii. Growth parameters show that growth in mono filament yarns has improved whereas in multifilament yarns it has declined.
- xix. Dumping margin and injury margin worked out by the Authority is positive and significant. Whatever volume has been exported to India during the relevant period is at dumped prices and injurious price.
- xx. Being a Sunset Review investigation, the Authority has failed to address the issue of likelihood or continuation/recurrence of dumping altogether and so petitioners reiterate the submissions on likelihood of dumping and injury.
- xxi. Imports are having positive dumping margin and injury margin during the POI, indicating the likelihood of dumping and injury in the event of cessation of duties. In several past cases, wherein upon finding positive injury margin during the POI, Authority held that cessation of duty will lead to likelihood of dumping and injury.
- xxii. Designated Authority as a quasi-judicial Authority bound by past determination unless established either on basis of different legal proposition or facts of the case that past determinations are not binding and need to be ignored. Designated Authority is a quasi-judicial authority as held by the Hon'ble Supreme Court in the matter of ATMA vs. Designated Authority.
- xxiii. Designated Authority has held that anti-dumping duties are required to be extended further when the price undercutting, dumping margin and injury margin are positive; when domestic industry is suffering injury, whether from present or other sources; when continued injury to domestic industry is not from factors other dumped imports. The same fully exist in the present case.
- xxiv. Domestic Industry is suffering injury from dumped imports from Vietnam and European Union but the fact that it is suffering injury from dumped imports from some other sources does not per se imply that there is no likelihood of dumping or injury to it from the present sources.
- xxv. Dumping is already established in the disclosure statement. In such a case it is entirely immaterial whether dumping is from one dumped source or other dumped source. While considering injury to Domestic Industry, source of dumped import is not relevant. Notice of initiation issued in Vietnam and European Union clearly establishes acceptance by the Designated Authority that injury to the Domestic Industry is due to dumped imports.
- xxvi. In SSR case Designated Authority cannot decide on likelihood without examining behavior of exporters in individual export transactions to various countries globally. In

the instant case even after calling for information the same has not been adopted in disclosure statement. Authority kindly consider the questionnaire response part II filed by responding exporters and in particular invoice by invoice details of exports made by responding exporters to various countries globally. Authority kindly determine dumping and injury margin in individual export transactions to third countries and such dumped imports must be considered separately and then cumulated to determine individual dumping margin in third country exports.

- xxvii. Imposition of ADD on the subject countries partly led to shift in dumping from other countries. Formosa Industries Corp. a group company of the Formosa Group operating a plant in Taiwan that produced the subject goods has shifted dumping through its company in Vietnam. It has responded in fresh investigation against subject goods in respect of Vietnam and EU. It was dumping from Taiwan and has now set up manufacturing facilities in Vietnam and therefore it is a clear case of dumping shifting from one source to another source.
- xxviii. Hyosung Corporation, a company in Korea manufacturing subject goods has shifted dumping through its related company in Vietnam.
- xxix. Authority itself noted in the Disclosure Statement that “imports have started entering the domestic market in significant volume from Vietnam thus the shift in dumping is clearly visible.” clearly establishing that in case current duties are removed and those on the fresh countries are levied the subject countries in the present investigations will again resort to the practice of dumping.
- xxx. Producers from subject countries have significant surplus capacities as compared to the demand of subject goods in subject countries. The same was held by the Authority in the last conducted sunset review investigation.
- xxxi. Authority is requested to kindly examine responses filed by exporters with respect to available capacity, export orientation and third country exports. It is likely that responses file by exporters would show likelihood of intensified imports in the event of cessation of anti-dumping duty.
- xxxii. Previous investigations established existence of significant dumping. Dumping margin determined for current investigation period is also substantially high clearly establishing that dumping is likely to continue and intensify in the event of cessation of present duty.
- xxxiii. Price at which subject goods are being exported by China to India is an indicator of the likelihood of continuation of dumping and injury. Imports are significantly undercutting the price of Domestic Industry. Imports are being made at dumped and injurious price. With cessation of duties, Indian prices are likely to be too attractive to the Foreign Producers.
- xxxiv. Domestic Industry suffered injury from dumped imports for quite some time as confirmed by the determination of previous investigations clearly establishing that the domestic industry is vulnerable to injury from dumped imports. There is a possibility that expiry of duty will result in flooding of the material in Indian market.
- xxxv. Only one exporter had responded to the authority and has claimed absence of likelihood. Malaysian exporter filed no submissions and has not even claimed absence of likelihood. The company is suffering significant financial losses in its business relating to PUC and has low domestic sales and very significant exports to third

countries which are understood to loss making, establishing likelihood of injury to Domestic Industry in the event of cessation of duty.

- xxxvi. Indonesian exporter contended that it is fully utilized and not likely to cause increased injury to Domestic Industry. It has suppressed vital facts and made false and misleading statements. It is sitting on rising inventories and is exporting significant volumes to third countries which are even at lower prices than India while it is understood to be suffering significant financial losses. Thus Domestic Industry as well as the exporters are suffering financial losses clearly showing that exporters are resorting to dumping and looking for market opportunities.
- xxxvii. Conditions as mentioned in the recently issued trade notice for SSR investigations are fully met in the present case as would be seen from the petition and questionnaire response of the exporters. Even going by the parameters laid down by the authority, facts of the case clearly show likelihood injury to Domestic Industry.
- xxxviii. Not necessary that all conditions should exist for continuation of duty. There are numerous cases wherein duty has been continued even when one or more parameters were satisfied.
- xxxix. The form of anti-dumping duty should be fixed quantum of anti-dumping duty (fixed form of duty) for all the forms of subject goods.
- xl. Duty be imposed in terms of US\$. Rupee has depreciated significantly and so the definitive duties may kindly be expressed in US\$.

Submissions made by other interested parties

89. The submissions made by the other interested parties have been summarized as below:

Post disclosure submissions on behalf of PT Indachi Prima, Indonesia.

- i. The subject goods have been subject to anti-dumping duty for over 10 years. The essential facts of the present case do not disclose any special circumstances warranting continuation of anti-dumping duty. This principle emerges from the Designated Authority's final findings dated 20 May 2013 in Dry Cell Batteries case where the Authority has held that it will be the endeavour of the Authority not to continue the duty beyond a period of 10 years.
- ii. Imports from Indonesia account for mere 2.68% in total imports and occupy a miniscule market share of 0.66%. Such low imports cannot cause any volume and price effects so as to cause injury. Rule 11 read with paragraph (iii) of Annexure II of the AD Rules mandates that where imports are below 3%, they cannot be cumulated with imports of other subject countries for assessment of injury. Imports from Indonesia should not be cumulated with imports of other subject countries.
- iii. In the past, in similar cases where imports were negligible, the Designated Authority terminated the sunset reviews. Such cases are Float Glass from China PR and Indonesia (Final findings dated 2 July 2015), where the review was terminated against Indonesia and Dry Cell Batteries from China PR (Final findings dated 20 May 2013) where the review was terminated against China PR and Pentaerythritol from China PR and Sweden (Final findings dated 25 March 2011), where the review was terminated against Sweden.

- iv. There is no volume effect and price effect from imports of mono filament yarns. There is no price suppression as well. The domestic industry is in significant profits in this segment and the return on investment in this segment is also very high.
- v. Growth in production, domestic sales, return on investment and profitability has improved significantly in the injury period.
- vi. Market share of the domestic industry is above 40% and that of the Indian producers is above 75% during the POI (A). Capacity utilization of the domestic industry is 87% during the POI (A). Decline in selling price is lower than decline in cost of sales, which indicates there is no price suppression.
- vii. There is absence of surplus capacity in Indonesia, absence of anti-dumping duty on exports of the subject goods from Indonesia and contraction of demand of mono filament yarn in India indicating that there is no likelihood of continuation or recurrence of dumping and injury from Indonesia.
- viii. Injury information of domestic industry is not disclosed in the disclosure statement such as capacity, production, sales, productivity, average stock, employment and wages. Even indexed numbers of the same have not been provided. These figures should be disclosed as the domestic industry has not claimed any confidentiality on the same.
- ix. It is requested that anti-dumping duty on mono filament yarn and duty against Indonesia should be discontinued.
- x. If the Authority decides to continue the duty, duty on Nylon 6 monofilament yarn should be in the same form as has been done in the original investigation and the subsequent sunset review.

H. EXAMINATION BY THE AUTHORITY

90. The Authority notes that most of the submissions by parties are repetitive in nature and were already addressed earlier in the disclosure statement. The findings above deal with these arguments of the parties. Further, the Authority has examined submissions of interested parties herein below to the extent relevant and not addressed elsewhere:

- a) With regard to the submission made by the domestic industry that likelihood of dumping and injury examination ought to have been carried out, the Authority notes that there is no increase in the volume of dumped imports from the subject countries, leave alone significant increase. On the contrary, the volume of dumped imports have declined consistently. Similarly, the imports are certainly not causing significant depressing or suppressing effect on the domestic prices. The Authority further notes that examination of other parameters for likelihood of dumping and injury viz. availability of sufficient freely disposable capacity with the exporters in the subject country or the likelihood of substantially increased dumped exports to Indian market, taking into account the availability of other exports markets to absorb any additional exports is an exercise akin to crystal ball gazing and the authority is not inclined to indulge in such an exercise. The Authority notes that there has been a clear and visible improvement in the performance of the domestic industry in respect of all economic parameters relevant for evaluation of injury.

- b) With regard to the submission that selling price of domestic industry is below the level of cost of production, the authority notes that the selling price as declared by the domestic industry was below the cost during the years prior to the POI. However, the situation has undergone a change during the period of investigation. During the POI, the selling price was well above the cost of production.
- c) With regard to the submission made by PT Indachi Prima that import from Indonesia are below 3% of the import of the product under consideration, the authority notes that Rule 14 of Anti-Dumping Rules does not apply to sunset review conducted under Rule 23.

I. RECOMMENDATIONS

91. After examining the submissions made and issues raised, and considering the facts available on record, the Authority concludes that though the product under consideration has been exported to India from the subject countries below the normal value, it can be seen that the overall health of the domestic industry has improved and the anti-dumping duty in force during last 11 years (approx.) has served its intended purpose.

92. Therefore, the authority does not recommend continuation of the anti-dumping duty on the imports of subject goods from the subject countries.

93. An appeal against the order of the Central Government that may arise out of this Final Findings Notification shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Sunil Kumar)
Additional Secretary & Designated Authority