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**F.No. 6/11/2019-DGTR  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
(DIRECTORATE GENERAL OF TRADE REMEDIES)  
Jeevan Tara Building, 5, Parliament Street, New Delhi-110001**

Dated 04<sup>th</sup> March, 2020

**NOTIFICATION**

**FINAL FINDINGS**

**Subject: Anti-dumping investigation on the import of Nylon Multi Filament Yarn originating in or exported from China PR, Korea RP, Taiwan and Thailand.**

**A. BACKGROUND OF THE CASE**

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.

1. M/s Century Enka Limited and M/s Gujarat Polyfilms Limited (hereinafter referred to as the Applicants) have filed a fresh application before the Authority in accordance with the Act, and the Rules, for initiation of anti-dumping investigation concerning imports of Nylon Multi Filament Yarn (hereinafter also referred to as the product under consideration (PUC) or the subject goods) from China PR, Korea RP, Taiwan and Thailand (hereinafter also referred to as the subject countries).
2. In view of the duly substantiated application filed by the Applicants, the Authority in accordance with Rule 5 of the Rules, initiated the anti-dumping investigation vide Notification No. 6/11/2019-DGTR dated 28th June, 2019, published in the Gazette of India, to determine the existence, degree and effect of the alleged dumping of the subject goods and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

**B. PROCEDURE**

3. The procedure described below has been followed with regard to the investigation:

- i. The Authority notified the Embassies of the subject countries prior to initiation of investigation, in accordance with Rule 5(5) of the Rules.
- ii. The Authority sent a copy of the initiation notification dated 28th June, 2019 to the embassies of the subject countries in India, the known producers and exporters from the subject countries, known importers and other interested parties, as per the available information. The interested parties were requested to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
- iii. Copy of the non-confidential version of the application filed by the Applicants was made available to the known producers / exporters of the subject countries and the embassies of the subject countries in accordance with Rule 6(2) and 6(3) of the Rules.
- iv. The Authority forwarded a copy of the public notice initiating anti-dumping investigation to the following known producers / exporters in the subject countries and opportunity to make their submissions known in writing within forty days in accordance with the Rules 6(4) of the Rules:
  - a. China Resources Yantai Nylon Co Ltd, China PR
  - b. Fujian Jingfeng Technology Co.,Ltd. China PR
  - c. Fujian Kaibang Polyamide Technology Co. Ltd, China PR
  - d. Fujian Xinsen Synthetic Fiber Technology Co.Ltd., China PR
  - e. Fuzhou Hang Yang International Trade Co.,Ltd., China PR
  - f. Guangdong Charme Industrial Company, China PR
  - g. Jiangsu Onetouch Business Service C, China PR
  - h. JianhuHuashun Textile Co.Ltd., China PR
  - i. Liheng (Change) Polymide Technology Co Ltd, China PR
  - j. New Brite Industries Inc., China PR
  - k. United Raw Material Pte Ltd., China PR
  - l. Kolon Corporation, China PR
  - m. GaoyaoHuajin Group Co., Ltd, China PR
  - n. Qingdao Zhongtai Group Company, China PR
  - o. Basf-Huayuan Nylon Co.,Ltd., China PR
  - p. Shandong Dacheng Chemical Industry Group Co.,Ltd, China PR
  - q. Guangdong XinhuiMeida Nylon Co. Ltd, China PR
  - r. Jinan Juda Fiber Co Ltd, China PR
  - s. Wu Jiang Heng Yu Textile Co.,Ltd, China PR
  - t. Xiamen Tonglun Industrial Co.,Ltd., China PR
  - u. Kolon Nanjing Co.,Ltd., China PR
  - v. Xiamen Phoenix New Material Technology Co Ltd, China PR
  - w. YiwuBangcheng Import and Export Co Ltd, China PR
  - x. Zhangjiagang Bojun Trade Co., Ltd, China PR
  - y. Zhejiang Summer Plus Trading Co, China PR
  - z. ZhujiBaifuqin Trade Co Ltd, China PR
  - aa. Hyosung Corporation, Korea RP

- bb. Hyosung TNC Corporation, Korea RP
- cc. Inco International Co. Ltd., Korea RP
- dd. Kolon Fashion Material, Inc, Korea RP
- ee. Shinhan Trading Co.Ltd., Korea RP
- ff. Kohap Corporation, Korea RP
- gg. Kolon Industries, Korea RP
- hh. Sung Hwa Industry Ltd, Korea RP
- ii. Taekwang Industrial Co.Ltd, Korea RP
- jj. Acelon Chemicals & Fiber Corpo, Taiwan
- kk. Elite Spirit Co.,Ltd, Taiwan
- ll. Hi-Tech Textile Company Ltd, Taiwan
- mm. Joysun Textile Corp, Taiwan
- nn. Chung Shing Textiles, Taiwan
- oo. Li Peng Enterprise Co., Ltd., Taiwan
- pp. New Brite Industries Inc, Taiwan
- qq. Pacific International Financial Co Ltd, Taiwan
- rr. Qin Xiang Industrial Co., Ltd, Taiwan
- ss. Maw Chawg Enterprise Co., Limited, Taiwan
- tt. Chain Yarn Co., Ltd, Taiwan
- uu. Neshin Spinning Co., Ltd, Taiwan
- vv. Formosa Nylon, Taiwan
- ww. Right Prosper Inc, Taiwan
- xx. Suntex Fiber Co. Ltd., Taiwan
- yy. United Raw Material Pte Ltd., Taiwan
- zz. Zig Sheng Industrial Co., Ltd, Taiwan
- aaa. M/S. Fenatex Co. Ltd., Taiwan
- bbb. Thai Toray Synthetics Co., Ltd., Thailand
- ccc. Thailon Techno Fiber Limited, Thailand
- ddd. Thai Taffeta Company Limited, Thailand
- eee. Asia Fibre Public Company Limited Company Limited, Thailand
- fff. Thai Baroda Industries Limited, Thailand
- v. In response to the above notification, following exporters / producers have filed response to the exporters' questionnaire:
  - a) Fujian Xinsen Synthetic Fiber Technology Co. Ltd., China PR
  - b) Fujian Jinjiang Technology Co. Ltd., China PR
  - c) Fujian Jingfeng Technology Co. Ltd., China PR
  - d) Fujian Xinchuang Nylon Industry Co. Ltd., China PR
  - e) Fujian Kaibang Polyamide Technology Co. Ltd., China PR
  - f) Changle Highsun Synthetic Fiber Technologies Co. Ltd., China PR
  - g) Liheng (Changle) Polyamide technology Co. Ltd., China PR
  - h) Fujian Kaibang Polyamide Technology Co., Ltd., China PR
  - i) Taekwang Industrial Co. Ltd, Korea RP
  - j) Hyosung TNC Co., Korea RP
  - k) Inco International Co. Ltd., Korea RP
  - l) Shinhan Trading Co. Ltd., Korea RP

- vi. Additionally, submissions have been filed by China Chamber of Commerce for Imports and Exports of Textiles.
- vii. The Authority sent 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 Limited
  - b) AASU Textiles Private Ltd.
  - c) Baliga Fishnets
  - d) Bayer India Ltd.
  - e) Birla Ericsson Optical Ltd.
  - f) Chidambaram Fishnets Pvt. Ltd.
  - g) D C Mills Pvt. Ltd.
  - h) Dupont Fibers Ltd.
  - i) Entremode Polyecoaters Ltd.,
  - j) Garware Wall Ropes Ltd.
  - k) Goenka Industries
  - l) Habasitlakoka Pvt. Ltd.
  - m) IDL Industries Ltd
  - n) SRF Ltd.
  - o) Vivilon Textile Industries Pvt. Ltd.
  - p) Garden Silks Mills Ltd.
  - q) Euro Vista India Ltd.
  - r) KayavlonImpex Pvt. Ltd.
  - s) SK Exports
  - t) Sarla Performance Fibers Ltd.,
  - u) Shalon Silk Industries Pvt. Ltd.
  - v) Surat Synthetics Ltd.
  - w) SuertexInds. Ltd.
  - x) Supreme India Impex Ltd.
  - y) Valson Polyester Ltd
- viii. In response to the above, following importers / users filed responses and made submissions.
- a. Ginza Industries Ltd
  - b. Pratiman Textiles
  - c. SGP India
- ix. Authority also sent initiation notification to the following associations intimating them about the initiation of the investigation and also to call for their comments on initiation:
- a. Federation of Indian Art Silk Weaving Industry
  - b. Federation of Gujarat Weavers Association
  - c. Surat Grey Kapada UtpadakSangh.

- x. The following interested parties filed submissions responding to the initiation notification:
  - a. Surat Art Silk Weaving Industry
  - b. Surat Textile Club
  - c. South Gujarat Warp Knitters Association
  - d. Federation of Gujarat Weaver's Welfare Association
  - e. Pandesara Weavers Co-op Soc. Ltd.
  - f. SASME Co-operative Society Limited
- xi. Submissions have also been filed by Bishnu Texport Pvt. Ltd, Sunheri Texcraft Pvt. Ltd. and Thailon Techno Fiber Limited.
- xii. Post hearing, Ved Road Art Silk Small Co. Op. Federation Ltd., The Surat Art Silk Cloth Manufacturers Association and SainathKnitex also filed written submissions. Foreign producers/exporters and other interested parties who have not responded to the Authority, or not supplied information relevant to this investigation, have been treated as non-cooperating interested parties.
- xiii. Investigation was carried out for the period starting from 1st April, 2018 to 31st March, 2019 (POI). However, injury examination was conducted for a period from 2015-16, 2016-17, 2017-18 and the period of investigation.
- xiv. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange for details of imports of subject goods for the past three years and the period of investigation. The Authority has relied upon the DGCI&S data for computation of the volume of imports and required analysis.
- xv. On-the-spot verification of the information / data provided by the applicant domestic industry, to the extent deemed necessary, was carried out by the Authority. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of the present investigation.
- xvi. Optimum cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry. The non-injurious price (NIP) has been determined by the Authority in terms of the principles laid down under Annexure – III to the Rules.
- xvii. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to the interested parties to present their views orally in a public hearing held on 10th October, 2019. Further, a 2<sup>nd</sup> oral hearing was held on 5.12.2019 in view of change in the Designated Authority, in pursuance of the decision of the Hon'ble Supreme Court in the matter of *Automotive Tyres Manufacturers' Association vs Designated Authority*. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.
- xviii. 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;

- xix. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in this Final Findings.
- xx. Information provided by 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.
- xxi. 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 recorded the disclosure on the basis of facts available.
- xxii. A Disclosure Statement containing the essential facts in this investigation which forms the basis of the present Final Findings was issued to the interested parties on 04.02.2020. The post Disclosure Statement submissions received from the domestic industry and other interested parties have been considered, to the extent found relevant, in this Final Findings Notification.
- xxiii. \*\*\* represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules. Information in ( ) bracket in this Final Findings indicates negative number/range.
- xxiv. The average exchange rate of 1US\$ = Rs 70.82 prevailing during the period of investigation has been adopted by the Authority

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

4. The product under consideration in the present investigation is “Synthetic Multi Filament Yarn of Nylon” also known as “Polyamide Multi Filament Yarn” or “Nylon Multi Filament Yarn”.

### **C.1 Submissions of the domestic industry**

5. Following submissions have been made by the domestic industry with regard to product under consideration:
  - a. The price difference between partially oriented yarn and fully drawn yarn is significant which should also be considered for determining the PCN.
  - b. The PCN methodology should be based on crimped / flat yarn, partially oriented / fully drawn yarn, filaments, denier, luster and color, as adopted in the previous investigation.
  - c. The domestic industry is producing fine denier yarn, micro filament yarns, yarns with S & Z twist and mother yarns.
  - d. While the domestic industry has not produced low melting NFY or conductive yarn, it has the capability to produce the same and has not produced them only because of low demand and unviable prices.

- e. Off-grade yarns cannot be excluded as such yarns invariably arise as a part of production with all producers. It is well settled that the scope of product cannot be defined on the basis of quality.
- f. There is no need for exclusion of mother yarn, which is a fully drawn multi-filament yarn without intermingling and is being made by the domestic industry. Further, the imports of mother yarn have caused injury to the domestic industry.
- g. As regards the request to exclude Nylon 66 the issue is well settled in past Findings of the Authority, wherein it was noted that Nylon 6 yarns produced by the domestic industry are like article to the imported Nylon 66 yarns.
- h. As regards the contention of the respondents that the domestic industry has not supplied yarn having equal length and weight, it is submitted that the Domestic industry has provided evidence establishing that it has supplied the same.
- i. As regards the contention that quality should be made a parameter for PCN, it is submitted that non-prime and prime goods use the same raw materials and undergo the same production process, entailing the same conversion costs, and therefore, quality should not be a criterion for PCN.

## **C2. Submissions of other interested parties**

- 6. Following submissions have been made by the Exporter/Importer/User/Trader with regard to product under consideration:
  - a. The Indian producers are unable to produce delicate denier filaments with S&Z twists, which is used to produce seamless garments.
  - b. Nylon 6 and Nylon 66 should not be under the scope of product under consideration as they are not produced by the domestic industry. They are imported to produce air covered yarn. They were outside the scope of previous investigation as well.
  - c. Mother Yarn should not be a part of product under consideration as it is converted completely into mono filament yarn, which is outside the scope of product under consideration.
  - d. Low melting NFY having melting point of 90-100 degree Celsius and used in making upper fabric of shoe is not produced in India and should be excluded from the scope of investigation.
  - e. There is a substantial difference in cost and prices in High Oriented Yarn (HOY), Drawn Textured Yarn (DTY), Spin Drawn Yarn (SDY), Air Textured Yarn (ATY), and therefore, should form separate PCNs.
  - f. A separate PCN should be devised for goods with denier of less than 10 and exceeding 250.
  - g. Grade of the product, in terms of prime and non-prime, should also be considered as a parameter for PCN, which is consistent with the Anti-Dumping Agreement, Rules, formats prescribed by DGTR and practice of other authorities.
  - h. Off-grade products exported by Taekwang should be excluded from the scope of product under consideration.
  - i. Recycled yarn should be excluded from scope of product under consideration.
  - j. Since the domestic industry is not producing nylon filament yarn having packages

of equal length and weight, which is required by the warp knitting industry, the same should be excluded from the scope of product.

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

7. The submissions made by the domestic industry and other interested parties with regard to the product under consideration and like article related issues have been examined.
8. The product under consideration in the present investigation is “Synthetic Filament Yarn of Nylon” also known as “Polyamide Multi Filament Yarn” or “Nylon Multi Filament Yarn”. The subject goods are classified under heading Chapter 54 under customs subheading no. 5402 of the Customs Tariff Act, 1975.
9. The product under consideration has been imported under the tariff Codes 5402 31, 5402 32, 5402 39, 5402 45, 5402 49, 5402 51, 5402 59, 5402 61 and 5402 69. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation.
10. The product under consideration includes all kinds of synthetic multi filament yarns of Nylon or Polyamides, 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. Nylon filament yarn is a synthetic filament yarn produced by polymerization of organic monomers. Mother yarn, being multi-filament yarn, is also included in the scope of product under consideration. The product under consideration includes only multi-filament yarn and mono filament yarns are excluded from the scope of PUC.
11. The product includes all variants of Nylon Filament Yarn or Polyamide Yarns such as flat/ textured/ twisted/ untwisted, bright/ semi-dull/ full-dull (or variants thereof), grey/ colored/ dyed (or variants thereof), single/ double/ multiple/ folded/ cabled (or variants thereof), whether or not sized, but excludes high tenacity yarn of nylon. All manmade filament yarns not having nylon or polyamides are beyond the scope of the product under consideration.
12. The interested parties have sought exclusion of certain product types from the scope of product under consideration. The claims have been examined herein below.
  - a. Nylon 66 yarn (also referred to as nylon 6.6 yarn) – The interested parties have claimed that nylon 66 yarn should be excluded as they are not being produced by the domestic industry. The Authority notes that the issue of exclusion of nylon 66 yarn has been examined in previous investigations as well. In anti-dumping investigation concerning imports of Nylon Filament yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP having Final Findings Notification No. 14/5/2005-DGAD dated 3rd July, 2006, the Authority noted as under:

*“7. Nylon filament yarn has vast applications in textiles applications, which includes saree, dupatta, women’s dress material / fashion wear, fancy causal knit wear, stockings and socks, intimate wear and foundation wear, lingerie and night wear, briefs, panties, slips, kids wear, sportswear and active wear, swim wear and beach wear, outer wear, wind wear, fashion accessories, elastic tapes, show/footwear linings, laces/fancy tapes, tie/scarves, feather yarn, ribbons/satin ribbons, etc. With regards to the observations made by some of the interested parties not to take into account Nylon filament Yarn made from Nylon 66 because of its allegedly different characteristics, the Authority has considered all relevant information made available by interested parties with regard to whether or not nylon 6 and nylon 66 are one like products and notes that nylon 66 has been rightly included within the scope of product under consideration. The Authority holds nylon 6 and 66 as one like product, considering parameters such as physical and chemical properties, technology, manufacturing process, raw materials, functions and uses, tariff classifications etc. Nylon 66 is therefore, considered within the scope of present investigations.”*

The Authority also took the same view in the Sunset Review investigation of anti-dumping duty imposed on imports of Nylon Filament Yarn from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP, having Final Findings notification no. 15/14/2010-DGAD dated 19<sup>th</sup> November, 2011. While demanding exclusion, none of the interested parties has not provided any new information that could justify reconsideration of the Authority’s consistent view in previous Findings. Therefore, the Authority holds nylon 66 yarn within the scope of product under consideration. However, based on post-disclosure submissions, nylon 66 yarn, used for non-textile applications, have been excluded from the scope of product under consideration.

- b. Mother yarn – As regards the exclusion of mother yarn, it is noted that it is multi filament yarn and is produced and sold by the domestic industry. The fact that such yarn is later converted into mono filament yarn is not relevant for determining the scope of product under consideration. The Authority also notes that mother yarn was included in the scope of product under consideration in the anti-dumping investigation into imports of nylon filament yarn from European Union and Vietnam as well.
- c. Delicate denier yarns, micro filament yarns, yarns with S&Z twists and recycled yarns – The interested parties had also sought exclusion of the aforesaid types of yarns on the ground that these types are not being produced by the domestic industry. However, the domestic industry submitted that it has produced and sold such yarns during the period of investigation. The domestic industry has also submitted sales invoices and other evidences establishing that they have produced

and sold such types of yarns. Accordingly, the Authority does not hold to exclude these yarns from the scope of product under consideration

- d. Low-melting yarn – The interested parties have submitted that the domestic industry is not able to supply low melting yarns. The domestic industry has conceded that it has not produced the same, but that it holds the capability to supply the same and the only reason for not producing is absence of orders from the consumers. Both the interested parties have acknowledged that the price of such yarn is much higher than the price of other yarns. The Authority has examined the same and it is found that such yarn are priced higher than other yarns. Accordingly, the Authority finds it appropriate to exclude this yarn from the scope of the product under consideration,
  - e. Off-grade products – The interested parties have sought exclusion of off grade products. The Authority notes that a product cannot be excluded from the scope of the investigation merely on the ground of difference in quality. This is especially when there is nothing to show that off-grade products are not competing with the like article manufactured by the domestic industry. The Authority had taken the same view in the earlier investigations into the product under consideration. The Authority accordingly holds not to exclude off-grade products.
13. Subject to above, there is no known difference between the subject goods imported from the subject countries and that produced by the Applicants. Nylon filament yarn produced by the Indian industry and imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and consumers can use them interchangeably. The Authority holds that the goods produced by the Applicants are like articles to the product under consideration imported from the subject countries.
14. In order to ensure fair comparison for the purposes of determining the dumping margin and injury margin, a PCN methodology has been adopted after inviting comments from interested parties. The submissions made by the interested parties have already been considered and appropriately addressed in the PCN methodology. Insofar as the arguments regarding PCN categorization of prime / non-prime is concerned, the Authority notes that the PCN methodology adopted by the Authority is in line with its consistent practice. Non-prime grade / off-grade material is also produced from the same raw material and undergoes the same processing and accordingly have same cost of production as the prime grade. Therefore, the Authority holds that the PCN methodology adopted for this investigation is appropriate.

The Authority has considered following PCN methodology for the purpose of the present investigation.

SN	Characteristic	Format	Explanation
1.	Yarn type	XX	<p>a. Partly/high oriented yam "PO"</p> <p>b. Fully Drawn/Flat /Spin Draw yarn "FD"</p> <p>c. Draw Textured/Crimped Yarn "DT"</p> <p>d. Air Textured Yarn "AT"</p> <p>e. Other than above: "OT" (please specify and give explanation/ justification separately)</p>
2.	Denier	XXXX	<p>The next 4 digits in the PCN should denote Denier.</p> <p>For Example:</p> <p>a. 15 Denier: 0015</p> <p>b. 20 Denier: 0020</p> <p>c. 100 Denier: 0100</p>
3.	Filaments	XXX	<p>These 3 digits in the PCN should denote the number of filaments.</p>
4.	Luster	XX	<p>The next 2 digits in the PCN should denote luster which may be bright, dull etc.</p> <p>a. Bright: "BR"</p> <p>b. Semi dull: "SD"</p> <p>c. Full Dull: 'FD"</p> <p>d. Other than above: "OT" (please specify and give explanation/ justification separately)</p>
5.	Colour	XX	<p>Next two digits to show whether the product is grey or coloured.</p> <p>a. GR= Grey (raw white)</p> <p>b. DY (Coloured)</p> <p>c. UN= Unidentified</p> <p>d. Other than above: "OT" (please specify and give explanation/ justification separately)</p>
6.	Speciality Product	XX	<p>Next two digits to show whether the product is speciality product or not.</p> <p>a. Not a speciality product "NO"</p> <p>b. Speciality product "YS"</p>

## **D. SCOPE OF DOMESTIC INDUSTRY & STANDING**

### **D.1. Submissions of the domestic industry**

15. Following submissions have been made by the domestic industry with regard to product under consideration:
- a. The Applicants have neither imported the subject goods nor are related to any of the exporter or importer.
  - b. The following producers are engaged in the import of subject goods and therefore their production should not be included in the total Indian production:
    - i. M/s AYM Syntex,
    - ii. M/s PNP Polytex Private Limited,
    - iii. M/s Sarla Performance Fibres Limited,
    - iv. M/s Aglon Industries Private Limited and
    - v. M/s JCT Limited
    - vi. Shiven Yarn Private Limited
  - c. M/s Salasar Polytex Private Limited and M/s TodiRayons Private Limited have a related company named M/s Salasar Yarns Private Limited, which is also involved in the importation of the subject goods. Therefore, the production of the both the companies should also not be considered in the calculation of total Indian production.
  - d. JPB Fibres is related to M/s Eagle Fibres Private Limited and M/s Aglon Industries Private Limited, who are involved in importation of subject goods.
  - e. Contrary to arguments of the opposing parties, M/s Prafful Overseas Private Limited has provided complete costing information on 8<sup>th</sup> August, 2019.
  - f. A total of 13 other domestic producers have filed letters supporting the investigation post the initiation of investigation. Two other producers named Gujarat Synthetics Limited and Gujarat State Fertilizers & Chemical Limited have suspended their production and M/s J-Korin Spinning Private Limited has switched over their production to polyester. The current petition is supported by all operating producers in India.
  - g. The non-confidential version of the support letters was filed vide letter dated 5<sup>th</sup> August, 2019.
  - h. A number of producers are importing the subject goods because the subject imports are priced much below the cost of production in India.
  - i. The Applicants account for more than 30% of the total domestic production and more than 50% of the eligible Indian production and thus, constitute domestic industry.
  - j. If Prafful Overseas is included, the combined share of the producers is more than 40% of the total domestic production.
  - k. Since there is no opposition by any domestic producer, the Applicants accounted for more than 50% of the domestic production of that portion of domestic producers expressing either support or opposition.
  - l. As regards the argument that other domestic producers are not required to participate, it was submitted that domestic producers are interested parties under

Rule 2(c) of the Rules. Further, Trade Notice 11/2018 provides that if a party is registered as interested party within stipulated time, it shall be allowed to participate in the investigation, even if it does not file a questionnaire response.

- m. As noted by the WTO Panel report in case relating to Argentina – Definitive Anti-Dumping Duties on Poultry from Brazil, the domestic industry may be defined even in case of producers constituting less than 50% of the total domestic production.

## **D.2. Submissions of other interested parties**

- 16. The other interested parties have submitted as under:
  - a. The Applicants constitute merely 34.3% of the total domestic production and, therefore, do not constitute domestic industry.
  - b. Since the Applicants constitute less than 50% of the total domestic production, the requirements of Rule 2(b) and the minimum requirement for an application to be deemed to be on behalf of domestic industry under Rule 5(3) are not satisfied. The Applicants cannot unilaterally exclude 8 producers from the scope of domestic industry as exclusion of producers is at the discretion of the Authority.
  - c. Prafful Overseas has not filed details as required in terms of Trade Notice 13/2018 dated 27<sup>th</sup> September 2018.
  - d. The production of Applicants is \*\*\*MT, while the eligible production is \*\*\*MT, implying a total production of \*\*\*MT. Therefore, the Applicants constitute only 21.96% of the total production, which is less than the prescribed level of 25%.
  - e. 19 producers in India produce the subject goods, whereas only two have filed the petition.
  - f. The excluded domestic producers have neither filed their support letters, nor required information as mandated in Trade Notice 13/2018 dated 27<sup>th</sup> September, 2018.
  - g. As per Trade Notice 6/2018, support letters are required to be filed pre-initiation with the original petition. However, in the present case, they are being filed post initiation.
  - h. Aglon Industries Private Limited has claimed that their imports are only 2% of total imports, which is not correct.
  - i. Since the supporters have not filed the information prescribed as per the trade notice, they should not be allowed to participate in the oral hearing and further proceedings.
  - j. Since most of the producers are also importing the subject goods, they should have filed Importers' Questionnaire Response. In the absence of response, they should not be allowed to participate.

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

- 17. Rule 2(b) of the Rules defines domestic industry as under:

*“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term ‘domestic industry’ may be construed as referring to the rest of the producers”.*

18. The application has been filed jointly by M/s Century Enka Limited and M/s Gujarat Polyfilms Limited. Both the companies have neither imported the subject goods from the subject countries nor are they related to any importer/exporter of the subject product.
19. The following domestic producer have supported the petition filed by the Applicants.
  - i. Praful Overseas Private Limited
  - ii. Oriilon India Private Limited
  - iii. Garden Silks Mills Limited
  - iv. Kejriwal Synthetics Private Limited
  - v. Wellknown Polyester Private Limited
  - vi. PNP Polymers Private Limited
  - vii. JCT Limited
  - viii. Shiven Yarn Private Limited
  - ix. JPB Fibres
  - x. Salasar Polytex Private Limited
  - xi. TodiRayons Private Limited
  - xii. Aglon Industries Private Limited
  - xiii. AYM Syntex Limited
  - xiv. Sarla Performance Fibers Limited
20. The Applicants had identified following domestic producer companies as an importers of the product under consideration or related to importer who are importing the PUC. The Authority notes that following domestic producers are importing the subject goods or related to the importers.
  - i. PNP Polymers Private Limited
  - ii. JCT Limited
  - iii. Shiven Yarn Private Limited
  - iv. JPB Fibres
  - v. Salasar Polytex Private Limited
  - vi. TodiRayons Private Limited
  - vii. Aglon Industries Private Limited
  - viii. AYM Syntex Limited
  - ix. Sarla Performance Fibers Limited

21. M/s Prafful Overseas Private Limited (“Prafful Overseas”), a supporter of the Application, has submitted injury information as well.

22. The information in respect of all domestic producers including Applicants, supporters and importer of the PUC is summarized below

SN	Particulars		Total production (MT)	Eligible production (MT)	Share in total production	Share in eligible production
<b>A</b>	<b>Applicants Production</b>		***	***	***	***
1	Gujarat Polyfilms Limited		***	***	***	***
2	Century Enka Limited		***	***	***	***
<b>B</b>	<b>Supporters</b>		***	***	***	***
3	Prafful Overseas Private Limited		***	***	***	***
4	Orilon India Private Limited		***	***	***	***
5	Garden Silks Mills Limited		***	***	***	***
6	Kejriwal Synthetics Private Limited		***	***	***	***
7	Wellknown Polyester Private Limited		***	***	***	***
8	PNP Polymers Private Limited	Importer	***	***	***	***
9	JCT Limited	Importer	***	***	***	***
10	Shiven Yarn Private Limited	Importer	***	***	***	***
11	JPB Fibres	Related to Eagle Fibres	***	***	***	***
12	Salasar Polytex Private Limited	Related to Salasar Yarns Private Limited	***	***	***	***
13	Todi Rayons Private Limited	Related to Salasar Yarns Private Limited	***	***	***	***
14	Aglon Industries Private Limited	Importer	***	***	***	***

15	AYM Syntex Limited	Importer	***	***	***	***
16	Sarla Performance Fibers Limited	Importer	***	***	***	***
<b>D</b>	<b>Other Eligible Producers</b>		***	***	***	***
17	J-Korin Spinning Private Limited		***	***	***	***
18	Gupta Synthetics Limited *		***	***	***	***
19	GSFC Ltd*		***	***	***	***
<b>E</b>	<b>Total production</b>		<b>1,18,758</b>	<b>66,087</b>	<b>100%</b>	<b>100%</b>
<b>F</b>	<b>Petitioner + Eligible Supporter</b>			***	***	***

\* Plant of both the companies were under shut down in the POI.

23. Some interested parties have contended that the Applicants cannot unilaterally exclude 8 producers from the scope of domestic industry as exclusion of importing producers is at the discretion of the Authority. The Authority notes that it has considered all the information available on record in respect of all the producers and after examining the same has excluded those domestic producer from the purview of domestic industry who have either imported or are related to importers.
24. As regards the contention that M/s Prafful Overseas has not filed details as required in terms of Trade Notice 13/2018 dated 27th September 2018, the Authority notes they have filed information as per the said Trade Notice and have also filed injury information.
25. In so far compliance with Trade Notice 6/2018 by supporters is concerned, it is noted that Trade Notice 6/2018 pertains to importer's questionnaire and not is not relevant for supporters of the Application.
26. The Applicants constitute 60% share in total eligible domestic production and along with supporter it is 98.49%. Hence, Century Enka Limited and M/s Gujarat Polyfilms Limited, constitutes a major proportion and constitute domestic industry within the meaning of Rule 2(b) and Rule 5(3) of the Rules.

## **E. CONFIDENTIALITY**

### **E.1. Submissions of the domestic industry**

27. The domestic industry has submitted as under:
  - a. Liheng and Highsun have claimed certain information as confidential, in complete contravention of the requirements of the Trade Notice 10/2018 dated 7<sup>th</sup> September, 2018, without providing any reasons for the same. They have also

- failed to follow the requirements of trade notice 1/2013 dated 9<sup>th</sup> December, 2013.
- b. Xinsen, Jinjiang, Xinchuang and Jingfeng have failed to disclose the names of major raw materials used in product under consideration.
  - c. Inco and Shinhan have failed to provide information in indexed form as is required by the trade notice.
  - d. Jinjiang and Jingfeng have failed to furnish an appropriate and meaningful non-confidential summary of their performance parameters.
  - e. The exporters have even claimed publicly available information as confidential.
  - f. Taekwang has gone to the extent of claiming even regulations governing drawback as confidential.
  - g. Other critical information such as channel of distribution for sales, adjustments to normal value and export price, and whether the producer is captively producing inputs or sourcing from a related party have been claimed confidential.
  - h. Hyosung has even claimed the names of products that it wants excluded from scope of product under consideration as confidential.
  - i. Contrary to the arguments of the interested parties, the domestic industry has submitted a justification table for its claims of confidentiality both with the non-confidential version of the petition and the updated data. Further, the domestic industry has submitted a table showing its compliance with the trade notice.
  - j. Format A to K contain costing and price information, which cannot be disclosed.
  - k. All the injury parameters of the domestic industry have been provided in the indexed form and in line with the requirements of the trade notice.

## **E.2. Submissions of the other interested parties**

28. The other interested parties have made following submissions:
- a. The non-confidential version of the petition does not allow the interested parties to sufficiently defend their rights. The Applicants have not provided the justification table as required in trade notice and have not complied with the requirements of Rule 7 or the Trade Notices.
  - b. The Applicants have not provided any information in Section – VI of the petition and nothing has been provided in Formats A to K.

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

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

*“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific*

*authorization of the party providing such information.*

*(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.*

*(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”*

30. With regard to the contention that Xinsen, Jinjiang, Xinchuang and Jingfeng have failed to disclose the names of major raw materials and that Inco, Shinhan, Jinjiang and Jingfeng have failed to provide information in indexed form, the Authority notes that normal value has been constructed in terms of para 7 of Annexure-I of the Rules, not on the basis of questionnaire response and, therefore, no prejudice has been caused to any party on this account due to non-disclosure of the said information.
31. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. 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. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential versions of the evidences submitted by various interested parties in the form of public file.

## **F. MISCELLANEOUS**

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

32. The miscellaneous submissions made by the interested parties are recorded below:
- a. Indian Nylon Spinners have imported due to the shortage of nylon filament yarn in the country and requirement of good quality and dyeing guarantee.
  - b. The Indian Nylon Spinners have imported more than one third of the total imports of the subject goods despite domestic industry running at optimum capacity utilization.
  - c. The fact that the exports are 1% of the sales of the petitioner also shows that the production of the Indian producers is not up to international standards.
  - d. Many spinners in India, such as Century Enka Limited have converted their old polyester lines to nylon spinning lines, thereby compromising on its quality.
  - e. There is shortage of high-quality nylon chips and as a result of which 90% of the

- nylon chips are being imported into India. Out of the total imports of nylon chips and nylon yarns, nylon chips account for 89%.
- f. The users have had to return the goods purchased from JCT Limited, Aglon Industries Private Limited and Todi Rayons Private Limited on account of poor quality.
  - g. The users have imported 151 MT of the subject goods from Changle High sun Synthetic Fiber Technologies Co., Ltd and have faced no issues with quality.
  - h. The domestic industry is not able to supply the goods in time.
  - i. An anti-dumping investigation can only be initiated where the Applicants provide sufficient evidence of dumping, material injury and causal link, which was not furnished in the present case.
  - j. The Applicants have not brought forth any substantive evidence to establish the conditions of initiation of investigation and the initiation of investigation is totally baseless.
  - k. In spite of the domestic producers operating at optimum capacity, they are unable to meet the demand in India as the users are growing at 20% per annum.
  - l. Century Enka Limited has mentioned in its annual report that the consumption of subject goods is growing at 19% on a year-on-year basis. The domestic industry cannot meet the increasing demand.
  - m. Anti-dumping duty will create imbalance of demand and supply leading to shortage of basic raw material for user industry which will further lead to price-rise, un-competitiveness, closure and unemployment for millions of people directly and indirectly connected with the user Industry.
  - n. In the entire nylon chain, there is no anti-dumping on any product from the basic raw material to the finished product, except nylon yarn.
  - o. While there are a handful of nylon spinners in India, there is a large user industry comprising of weavers, knitters, interlining etc.
  - p. Out of 5.5 lakh power looms in Surat, 1.1 lakh power looms have been scrapped in the past 1.5 years. The power looms industries in Surat consist of 6500 MSMEs, employ 1.5 lakh workers directly and indirectly and have a total net worth of Rs. 7,500 crores. There are 1.5 lakh looms using nylon filament yarn.
  - q. As per Textiles Time published by CITI, India is not competitive in production of nylon yarn, high tenacity yarn and functional yarn in terms of quality and price.
  - r. Imposition of duty will give the Indian Nylon Spinners an opportunity to cartelize and increase the prices.
  - s. While updating the data for the period of investigation, the data for the injury period itself has undergone a change in respect of export sales, number of employees and productivity.
  - t. It is unreasonable to impose anti-dumping duty within a period of only one year, following the expiry of the earlier duties.
  - u. A duty of 1\$ implies that the domestic producers would increase price by Rs. 70 per kg, which is an increase of 35%. Since a fabric is of 25-35 grams per meter and the price of fabric is about Rs.14 per meter, the duty would lead to an impact of 18%. Since nylon fabric is sold at an average of Rs. 300 to 400 per kg, the impact

of duty of 1\$ would be 20%.

**F.2. Submissions of the domestic industry**

33. The domestic industry has made following submissions;
- a. Since Element Knitts, Unique Fur N Fabrics Private Limited and Sainath Knitex Pvt. Ltd. were not registered as interested parties within the prescribed time and their submissions should not be considered, in line with Trade Notice 11/2018.
  - b. With regard to quality, it is submitted that the quality of goods produced by Indian producer is at par, or even better than the imported goods.
  - c. The exporters have themselves admitted that they are exporting non-prime or off-grade goods to India, which demonstrates that the allegations as to poor quality of domestically produced goods are baseless.
  - d. The quality of domestic goods is evident from the fact that the domestic producers have historically accounted for 80-90% of the Indian market.
  - e. The domestic producers are using imported machines and raw materials, have automatic winders and standard spools. Further, the domestic producers have set up cells for redressal of customer grievances, whereas there is no such redressal mechanism in case of imports.
  - f. As regards the allegation that no dyeing guarantee is given, it is submitted that the producers are giving guarantees for yarns. However, no guarantee can be given at fabric stage as it is difficult to trace the yarn to the supplier of fabric.
  - g. Responding to the allegation of returns of goods produced domestically, it is submitted that this itself shows that the domestic industry is accommodating to give the desired product to the customers.
  - h. As regards the contention regarding conversion of polyester lines it is submitted that the producers in the subject countries are themselves using machinery which is 20- 25 years old. This is evident from the fact that except for China, there has not been any fresh investment in any country.
  - i. The domestic industry has no objection to any quality check of the goods supplied by it.
  - j. The other domestic producers are importing the subject goods only because of cheap import prices.
  - k. The present investigation has been initiated by the Authority after being prima facie satisfied regarding the adequacy and accuracy of evidence.
  - l. The capacity in India is more than the demand in the country and there is no demand-supply gap. In any case, anti-dumping duty can be imposed even in cases where there is a demand-supply gap.
  - m. There would be no adverse impact of the anti-dumping duty on the end user, as the impact would be less than 2% as shown in the table below. Further, since nylon products constitute merely 3% of the total textile consumption, the impact of duty would be less than 0.06% on the total textiles sector.

Segment	Estimated Consumption MT/Annum	Average Retail Price Rs. per unit	Consumption of yarn in gm / unit	Unit	Impact of Duty of Rs60/kg on sale price per unit	Impact of Duty on sale price %
Saree	54,000	160	60	SqMeter	3.60	2%
Dupatta/ Stolls	30,000	70	35	SqMeter	2.10	3%
Dress material	27,000	90	70	SqMeter	4.20	5%
Swim Wear, Lingerie	1,200	900	80	Pcs	4.80	1%
Suiting and Shirting	300	140	120	Sq Meter	7.20	5%
<b>ACTIVE WEAR</b>					-	
Socks/ Bottoms	1,500	60	20	Pcs	1.20	2%
T shirts / Tops	500	600	100	Pcs	6.00	1%
Sweaters	500	800	60	pcs	3.60	0%
<b>INDUSTRIAL</b>					-	
Elastics / Tapes	11,000	4	6	SqMeter	0.36	9%
Crochet / Labels/ Velcro/ Laces	7,000	70	20	SqMeter	1.20	2%
Rugs, Carpets, Packaging	2,000	400	250	Pcs	15.00	4%
Threads, Cosmetics, Fish Nets	2,400	350	70	Meter	4.20	1%
<b>AUTOMOTIVE</b>					-	
Automotive Backing, Gloves	1,800	600	40	Pcs	2.40	0%
Bolting, Filters	800	70	65	Meter	3.90	6%
<b>Total</b>	<b>1,40,000</b>	<b>131</b>			<b>3.18</b>	<b>2%</b>

- n. The impact of duty should not be seen on the prices of the immediate user, but on the prices of the end consumer. When the users pass-through the increase or decrease in raw material prices to the final consumers, the contention that impact of duty cannot be passed on is not tenable.
- o. The fact that the downstream consumption grew at a rate of more than 20% itself indicates that the anti-dumping duties levied earlier did not impact the downstream industry.
- p. The argument that there is no duty on other product in the nylon chain is of no relevance.
- q. No weaving and knitting units were forced to close down due to duties in force

- earlier.
- r. It is submitted that it is in the interest of all concerned that conditions of fair competition be established, in order to ensure a vibrant and growing Indian industry for the subject goods. However, the viability of the users can hardly be dependent upon unfettered access to dumped and unfair priced goods.
  - s. Regarding the contention that 1.5 lakh looms were scrapped in last 1.5 years, it is submitted that there was no anti-dumping duty in force during this period.
  - t. The imposition of duty is necessary to ensure a level playing field to the domestic producers.
  - u. The imposition of duty would not allow the domestic producers to create cartels as inter-se competition shall continue. Further, in case of cartelization, the users would have recourse to Competition Commission of India.

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

- 34. The interested parties have raised concerns regarding poor quality of goods produced by domestic industry. The domestic industry on the other hand, has pointed out that the exporters have admitted exporting off-grade goods to India. The Authority notes that the Indian industry accounts for about 85% of the domestic demand over the injury period, which indicates that the Indian industry has been substantially meeting the demand for the product in the country. In any case, the imposition of duties shall not restrict the availability of imports, and the imports would continue to be available at fair prices.
- 35. Similarly, the continued availability of imports at fair / un-dumped prices means that the imposition of duty shall not lead to any cartelization. The quantum of duty shall only offset the trade distortion caused by unfair priced imports and shall not act as deterrent on imports. In any case, considering the number of producers and capacities in the country, there shall be sufficient inter-se fair competition between the domestic producers, which shall ensure that the subject goods are available at competitive prices to users.
- 36. As regards appropriateness of the initiation, it is clarified that the investigation was initiated only after Findings sufficient prima facie evidence of dumping, injury and causal link.
- 37. With regard to demand-supply gap, the Authority notes that the capacity of the domestic industry, as evidenced by the information in support letters filed, is sufficient to cater to the demand in India. As against domestic consumption of 1,36,995 MT in period of investigation, the installed capacities in India for the product during POI is 1,62,291 MT.

38. As regards the impact on downstream users, the domestic industry has submitted evidence showing that the impact of the duty on the final consumers would be minimal. Other interested parties have, however, contended that the impact on their operations would be significant. The Authority notes that the imposition of anti-dumping duties may marginally affect the price levels of the product in India. However, fair competition in the Indian market is not reduced by the imposition of anti-dumping measures. On the contrary, the purpose of anti-dumping duties is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of the anti-dumping measures does not restrict imports from the subject countries in any way, and therefore, would not affect the availability of the product to the consumers.
39. Insofar as changes in data of the domestic industry are concerned, the Authority notes that it has considered verified data for the purpose of its assessment.

## **G. DUMPING AND DUMPING MARGIN**

### **G.1. Submissions of the domestic industry**

40. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:
- a. There is a history of dumping from the subject countries since 2006.
  - b. Dumping margin calculated for the subject countries is positive and significant.
  - c. None of the producers from China PR have claimed market economy status.
  - d. Considering the large number of producers /exporters of the subject goods and the number of product types, there is a need for sampling.
  - e. A number of producers have used related or unrelated traders for exporting the product and hence the establishment of value chain becomes quite necessary for correct establishment of normal value and export price.
  - f. None of the exporters have denied the fact of dumping.
  - g. Brazil has also imposed anti-dumping duty against the imports of subject goods. The amount of duty is as high as 3224 USD/MT and has been in place since 2013.
  - h. The responding exporters have claimed inappropriate adjustments to normal value and export price.
  - i. Hyosung TNC Corporation has claimed both ocean freight and inland freight for domestic sales.
  - j. Inco International Co. Ltd. and Shinhan Trading Co have not claimed freight as an adjustment.
  - k. Fujian Jinjiang, Fujian Xinchuang and Fujian Jingfeng have related parties engaged in production of subject goods, which have not been disclosed in the response. Similarly, Highsun and Liheng have suppressed the details of related parties engaged in the production of subject goods.

- l. The related trading company of Fujian Jinjiang Fujian Xinchuang and Fujian Jingfeng, named Fujian Jinjiang Hongsheng Trading Co, has not participated in the investigation.
- m. Taekwang and Fujian Xinsen have exported to India through some trading entities, which have not participated in the investigation.
- n. The response filed by Fujian Xinsen is incomplete as it has failed to provide information of related parties, whether or not involved in export of product under consideration. Investigating authorities in other jurisdictions have been known to reject responses on this ground itself.
- o. It should be examined that inputs or services procured from related parties are considered at arms' length price.
- p. There are certain aberrations in the trends of the cost, sales and profit reported, which indicate the need for examining the correctness of data provided by the exporters. As regards the request for price undertaking, the domestic industry expressed no objection to the same if the Authority found that such an undertaking can be monitored effectively and the exporter would not be able to abuse the same.
- q. As regards the contention that China PR should be treated as a market economy, it is submitted that the provisions of Article 15(a)(i) of the Accession Protocol continue to remain in force, which implies that Chinese prices or costs can be used only if the producers under investigation can clearly show that market economy conditions prevail in the industry.

## **G.2. Submissions of other interested parties**

41. The submissions made by the interested parties with regard to normal value, export price and dumping margin are as follows:
  - i. With regard to determination of normal value, export price and dumping margin, China Chamber of Commerce for Imports and Exports of Textiles has claimed that the exporters in China PR should be considered as operating under market economy conditions as Section 15(a)(ii) of the Protocol on the Accession of the People's Republic of China expired on 11th December, 2016.
  - ii. Hyosung requested that it may be allowed to give a price undertaking under Rule 15 of the Rules.

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

42. The Authority advised the producers/ exporters in China to respond to the notice of initiation and provide information relevant to determination of their market economy status and sent copies of the supplementary questionnaire to all the known producers/ exporters. The Authority also requested Government of China PR to advise the producers/exporters in China to provide the relevant information.

43. While the China Chamber of Commerce for Imports and Exports of Textiles has claimed the exporters should be treated as operating under market economy conditions, no such claim has been made by individual Chinese producers/exporters.
44. Responses to Exporters' Questionnaire have been filed by the following producers/exporters:
- a. Fujian Xinsen Synthetic Fiber Technology Co. Ltd., China PR
  - b. Fujian Jinjiang Technology Co. Ltd., China PR
  - c. Fujian Jingfeng Technology Co. Ltd., China PR
  - d. Fujian Xinchuang Nylon Industry Co. Ltd., China PR
  - e. Fujian Kaibang Polyamide Technology Co. Ltd., China PR
  - f. Changle Highsun Synthetic Fiber Technologies Co. Ltd., China PR
  - g. Liheng (Changle) Polyamide technology Co. Ltd., China PR
  - h. Fujian Kaibang Polyamide Technology Co., Ltd., China PR
  - i. Taekwang Industrial Co. Ltd, Korea RP
  - j. Hyosung TNC Co., Korea RP
  - k. Inco International Co. Ltd., Korea RP
  - l. Shinhan Trading Co. Ltd., Korea RP

## H. **DETERMINATION OF NORMAL VALUE**

### H.1. **Normal value for China PR**

45. The Authority notes that though China Chamber of Commerce for Imports and Exports of Textiles made a claim for market economy treatment but none of the Chinese producers have claimed market economy status. Since none of the exporters from China PR has claimed market economy treatment, the normal value was constructed in terms of Para 7 of Annexure-I of Rules. The Authority accordingly explored the option of construction of normal value as per the hierarchy laid down in Para 7 of Annexure-I of Rules which provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin.
46. The Authority notes that none of interested parties including domestic industry have provided information with regard to price or constructed value in a market economy third country, or the price from such a third country to other countries, including India. Further, there is a PCN wise information required for determination of normal value and information must be available separately for each PCN involved. Since, there is no information on record with regard to cost or price in market economy third country, or the price from such a third country to other countries, including India, normal value could not be determined on the basis of the same. Accordingly, the normal value has been determined on the basis of price paid or payable in India in term of para 7 of

Annexure–I, The Authority has therefore, determined normal value on the basis of best estimates of cost of production of the subject goods in India, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin @ 5%. The normal value so constructed is mentioned under dumping margin table.

### **Normal value for all non-cooperative producers/exporters from China PR**

47. Normal Value for non-cooperative producer/exporter of China PR has been taken based on the highest normal value among the cooperative exporters in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table.

### **H.2. Normal value for Korea RP**

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

- i) *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- ii) *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*
  - (a) *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
  - (b) *the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

*Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped 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.*

### **Normal value for M/s Taekwang Industrial Co. Ltd.**

49. M/s Taekwang Industrial Co. Ltd. has provided information pertaining to their domestic sales in the exporter's questionnaire. It is noted from the response that during the POI the company has sold \*\*\* MT in domestic market to various unrelated parties. In order to determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. The Authority found that profitable sales are less than 80%, thus, the Authority considered only profitable sales for determination of normal value. The company has claimed adjustments on account of credit cost, which has been allowed. Accordingly, normal value for M/s Taekwang Industrial Co. Ltd, Korea RP is mentioned in the dumping margin table.

**Normal value for M/s Hyosung TNC Co., M/s Inco International Co. Ltd. and M/s Shinhan Trading Co. Ltd.**

50. It is noted from the response filed that they have given information pertaining to their domestic sales in the exporter's questionnaire response. It is also noted from the response that during the POI the company has sold \*\*\* MT in domestic market to various unrelated parties. In order to determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. The Authority found that profitable sales are less than 80%, thus, the Authority considered only profitable sales for determination of normal value. The company has claimed adjustments on account of credit cost, which has been allowed. Accordingly, normal value for M/s Hyosung TNC Co is mentioned in the dumping margin table.

**Normal value for all non-cooperative producers/exporters from Korea RP**

51. Normal Value for non-cooperative producer/exporter of Korea RP has been taken based on the highest normal value among the cooperative exporters in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table.

**H.3. Normal value for Taiwan**

52. None of the producers / exporters from Taiwan have participated in the investigation. Accordingly, the normal value has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The Authority has determined normal value on the basis of best estimates of cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin @ 5%. The normal value so determined is mentioned in the dumping margin table.

**H.4. Normal value for Thailand**

53. None of the producers / exporters from Thailand have participated in the investigation. Accordingly, the normal value has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The Authority has determined normal value on the basis of best estimates of cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin @ 5%. The normal value so determined is mentioned in the dumping margin table.

## **I. DETERMINATION OF EXPORT PRICE**

### **I.1. Export price for China PR**

#### **Export price for M/s Fujian Xinsen Synthetic Fiber Technology Co., Ltd.**

54. M/s Fujian Xinsen Synthetic Fiber Technology Co., Ltd has sold \*\*\*MT directly to India and sold \*\*\* MT through unrelated company. No response has been received from unrelated company. Accordingly Export price for \*\*\* MT is determined based on data provided by the company. The exporter has claimed adjustment on account of ocean freight, insurance, transportation port and other expenses credit cost and bank charges. The Authority has allowed the adjustments as claimed and determined the ex-factory export price in respect of the producer/exporter. For the non-co-operative traders for \*\*\* MT ex-factory export price has been determined based on data of non-cooperative exporter. Accordingly, weighted average ex-factory export price has been determined for \*\*\* MT. The ex-factory export price so determined is mentioned in the dumping margin table.

#### **Export price for M/s Fujian Jinjiang Technology Co., Ltd., M/s Fujian Xinchuang Nylon Industry Co., Ltd. and M/s Fujian Jingfeng Technology Co., Ltd.**

55. M/s Fujian Jinjiang Technology Co., Ltd has sold \*\*\* MT directly to India and has sold \*\*\* MT to India through its related Company M/s Fujian Jingfeng Technology Co., Ltd. The exporter has claimed adjustment on account of inland transportation Port and other related expenses, Fumigation fee, Customs reporting fee, freight and clearance & handling charges. The Authority has allowed the adjustments as claimed and determined the ex-factory export price in respect of the producer/exporter. The ex-factory export price so determined is mentioned in the dumping margin table.

#### **Export price for M/s Liheng (Changle) Polyamide Technology Co., Ltd. and M/s Changle Highsun Synthetic Fiber Technologies Co., Ltd.**

56. M/s Liheng (Changle) Polyamide Technology Co., Ltd. and M/s Changle Highsun Synthetic Fiber Technologies Co., Ltd. are related companies engaged in production and export of subject goods. Goods produced by each company is exported directly to Indian unrelated customer. The volume of export are M/s Liheng (Changle) Polyamide Technology Co., Ltd \*\*\* MT and M/s Changle Highsun Synthetic Fiber Technologies Co., Ltd \*\*\* MT. The total volume of export by Changle group is \*\*\* MT. Changle group claimed deduction on account of post factory expenses such as ocean freight, ocean insurance, inland transportation, documentation fee, port and custom charges, credit cost and bank charges. The Authority has allowed the adjustments as claimed and determined the ex-factory export price in respect of the producer/exporter. The ex-factory export price so determined is mentioned in the dumping margin table.

### **Export price for M/s Fujian Kaibang Polyamide Technology Co., Ltd.**

57. M/s Fujian Kaibang Polyamide Technology Co., Ltd. is engaged in production and export of subject goods. Goods produced by the company are exported directly to Indian unrelated customer. The volume of export by M/s Fujian Kaibang Polyamide Technology Co., Ltd. is \*\*\* MT. The company claimed deduction on account of post factory expenses such as ocean freight, ocean insurance, inland transportation, documentation fee, port and custom charges, credit cost and bank charges. The Authority has allowed the adjustments as claimed and determined the ex-factory export price in respect of the producer/exporter. The ex-factory export price so determined is mentioned in the dumping margin table.

### **Export price for all non-cooperative producers/exporters from China PR**

58. The export price for other non-cooperative producers / exporters from China PR has been taken as the lowest export price among the cooperating exporters in terms of Rule 6(8) of the Rules.

## **I.2. Export price for Korea RP**

### **Export price for M/s Taekwang Industrial Co. Ltd.**

59. M/s Taekwang Industrial Co. Ltd has sold \*\*\* MT directly to India. The exporter has claimed adjustment on account of ocean freight, insurance, inland transportation, port handling charges, credit cost, brokerage, bank charges and duty drawback. The Authority has allowed the adjustments as claimed and determined the ex-factory export price in respect of the producer/exporter. The ex-factory export price so determined is mentioned in the dumping margin table.

### **Export price for M/s Hyosung TNC Co., M/s Inco International Co. Ltd. and M/s Shinhan Trading Co. Ltd.**

60. M/s Hyosung TNC Corporation has sold \*\*\* MT directly to India and \*\*\* MT through unrelated traders. The exporter has claimed adjustment on account of ocean freight, insurance, inland transportation, Port handling and other charges, credit cost Brokerage, bank charges. The Authority has allowed the adjustments as claimed and determined the ex-factory export price in respect of the producer/exporter. The ex-factory export price so determine is mentioned in the dumping margin table.

### **Export price for all non-cooperative producers/exporters from Korea RP**

61. The export price for other non-cooperative producers / exporters from Korea RP has been taken as the lowest export price among the cooperating exporters in terms of Rule 6(8) of the Rules.

### **I.3. Export price for Taiwan**

62. None of the producers / exporters from Taiwan have participated in the investigation. Accordingly, the export price has been determined on the basis of facts available. For the purpose, information provided by the DGCI&S has been considered. Further, price adjustments have been carried out on account of ocean freight, marine insurance, inland freight, bank charges, port expenses and commission on the basis of facts available.

### **I.4. Export price for Thailand**

63. None of the producers / exporters from Thailand have participated in the investigation. Accordingly, the export price has been determined on the basis of facts available. For this purpose, information provided by the DGCI&S has been considered. Further, price adjustments have been carried out on account of ocean freight, marine insurance, inland freight, bank charges, port expenses and commission on the basis of facts available.

### **J. Normal Value, Ex-factory Export Price and Dumping Margin.**

64. The Normal Value, Ex-factory Export Price and dumping margin determined in the present investigation for all the subject countries are as follows: -

SN	Country	Normal Value	Export Price	Dumping Margin	Dumping Margin	Dumping Margin
		(USD/MT)	(USD/MT)	(USD/MT)	(%)	(Range in %)
<b>A</b>	<b>China PR</b>					
<b>1</b>	Fujian Xinsen Synthetic Fiber Technology Co., Ltd.	***	***	***	***	20-40
<b>2</b>	Fujian Jinjiang Technology Co., Ltd., Fujian Xinchuang Nylon Industry Co., Ltd. and Fujian Jingfeng Technology Co., Ltd.	***	***	***	***	10-30
<b>3</b>	Liheng (Changle) Polyamide Technology Co., Ltd. and Changle Highsun Synthetic Fiber Technologies Co., Ltd	***	***	***	***	10-30
<b>4</b>	Fujian Kaibang Polyamide Technology Co., Ltd.	***	***	***	***	20-40
<b>5</b>	Non-cooperative/Residual of China PR	***	***	***	***	40-60
<b>B</b>	<b>Korea RP</b>	***	***	***	***	

1	Taekwang Industrial Co. Ltd.	***	***	***	***	10-30
2	Hyosung TNC Co., Inco International Co. Ltd. and Shinhan Trading Co. Ltd.	***	***	***	***	90-110
3	Non-cooperative/Residual of Korea RP	***	***	***	***	110-130
C	<b>Taiwan</b>	***	***	***	***	20-40
D	<b>Thailand</b>	***	***	***	***	10-30

## **K. EXAMINATION OF INJURY AND CAUSAL LINK**

### **K.1. Submissions of the domestic industry**

65. Following submissions have been made by the domestic industry with regard to injury and causal link:
- a. The imports from the subject countries have increased drastically during the period of investigation.
  - b. While the demand increased by only 24%, subject imports have increased by around 144%.
  - c. Contrary to argument of other parties, increase in imports should be seen only in respect of subject imports, and not total imports.
  - d. The ratio of imports to production, consumption and total imports has doubled during the period of investigation in comparison to the previous year.
  - e. The producers in China are making significant capacity additions, without a commensurate increase in demand in China PR.
  - f. The response filed by the Korean exporters shows that their domestic sales have declined and exports to India have increased. Further, exports to India have increased at a faster rate as compared to export to other countries.
  - g. A number of exporters from China PR have started exporting the subject goods to India only in the period of investigation or the preceding year.
  - h. Regarding the contention that imports are increasing to substitute imports from European Union and Vietnam, it is submitted that if dumped imports from one country substitute the dumped imports from other countries, then it should be given the same treatment.
  - i. The share held by Korea is not insignificant.
  - j. There is significant increase in imports post-period of investigation, wherein the subject imports have increased by 80% as compared to the period of investigation and by 340% as compared to the level in 2017-18, when duties had been in force.
  - k. Post expiry of duty the proportion of exports to India in total exports from China has risen from usual 1-5% to high of 20-30%, making India the largest importer of subject goods.
  - l. The mark-up of import price over raw material cost has reduced.

- m. The dumped imports are significantly undercutting the prices of the domestic industry.
- n. 75% of the imports are priced below the selling price of the domestic industry.
- o. The imports from subject country have been entering the domestic market much below the cost of production of the domestic industry.
- p. The price underselling is positive and significant. Even in previous investigations, the Authority had found price underselling in excess of 10%.
- q. The domestic industry has been forced to sell at losses and has not been able to increase its selling price in line with the cost. The imports have prevented price increases, which otherwise would have occurred.
- r. It is impossible for the domestic industry to reach break-even level at present prices. The domestic industry would need to increase its prices significantly, which will be possible only if the landed price of subject goods is at un-dumped and non-injurious level.
- s. Production and sales of the domestic industry have increased only because the domestic industry sold at losses to maintain its market share.
- t. A number of producers in India have resorted to imports, despite holding under-utilized capacities.
- u. The inventories of the domestic industry are piling up. The domestic industry is incurring losses and is in cash losses and its return on investment has become negative.
- v. While the number of employees has increased due to increase in capacity, the employment generated per MT has reduced.
- w. The domestic industry has been able to achieve positive growth in respect of production, sales, capacity and market share and consequently its position has deteriorated with regard to profitability, cash profits and return on investment.
- x. The fact that the domestic industry is earning negative returns shows that its ability to raise capital investment is impaired.
- y. Gujarat State Fertilizers & Chemicals Limited has been forced to suspend production.
- z. The situation has reversed as compared to the earlier Findings of the Authority, as the imports have increased dramatically, and the domestic industry is suffering losses. Further, the scope of product under consideration in the earlier sunset review included mono filament yarn, where the domestic industry was not suffering injury.
- aa. As regards the contention that data for post-period of investigation is not relevant, it is submitted that such data has been considered by the Authority in several cases, where needed. The examination of such data would allow an evaluation of how the imports have increased after expiry of duty.
- bb. Responding to the reference to annual report of Century Enka Limited, it is submitted that the increased in profits were due to favorable performance in other products, and that the same annual report also indicated that imports of subject goods from China, post removal of duty, were causing pressure on margins.

- cc. The reliance of interested parties on ICRA rating of Prafful is misplaced as the same related to 2017-18, when the producer had relatively higher profits.
- dd. The injury to the domestic industry has not been caused by any other factor.
- ee. There is a clear causal link between the dumping of the subject goods and injury to the domestic industry.
- ff. As regards the contention that injury to the domestic industry was caused by unjustified increase in capacities, it is submitted that the domestic industry has demonstrated that its processing cost reduced as a result of the increase in capacities. However, as a result of reduced mark-up of import prices over raw material prices, it was unable to benefit from the reduced processing costs.
- gg. The domestic industry has suffered injury continuously due to dumping from different countries at different times. Had the earlier duties been continued, while duties were imposed against European Union and Vietnam, the domestic industry would have earned adequate profits.
- hh. As the demand for the subject goods has increased, despite macroeconomic reforms, the injury to the domestic industry is not on account of such reforms.

## **K.2. Submissions of other interested parties**

- 66. Following submissions have been made by the other interested parties with regard to injury and causal link:
  - a. The Applicants are enjoying protection in the form of anti-dumping duty for the past 12 years. The Authority had itself held that the duty has served its purpose and is not further required to be recommended considering the overall performance of the domestic industry.
  - b. The Applicants have exaggerated the increased imports and deliberately invented injury.
  - c. The volume of imports has increased with increase in demand.
  - d. Marginal increase in imports can be attributed to the imposition of duty on imports from European Union and Vietnam. The total imports have declined over the years.
  - e. The imports constitute merely 15% of the total domestic production.
  - f. There is no surge in imports and the total imports into the country have remained stagnant
  - g. Korea accounts for only 14.16% of the subject imports, which is not significant.
  - h. The share of subject imports in total imports declined from 30% to 22% in the first three years and thereafter, temporarily increased to 50%.
  - i. Data for post period of investigation has no relevance as the investigation relates only to the period of investigation.
  - j. The market share of the domestic industry has increased over the period, while the market share of subject imports has remained the same as compared to the base year.
  - k. While imports have increased in period of investigation as compared to 2017-18, the increase is less than the growth in domestic sales of Applicants.

- l. There is no impact of the imported volumes on the preference of the users for the products produced by Applicants.
- m. The capacity and production of the domestic industry have increased significantly.
- n. The landed price of imports has increased consistently over the period.
- o. The price of imports has increased steadily, and the prices of the domestic industry have shown a commensurate increase.
- p. The selling prices of the Applicants continued to increase during the injury period, while the import prices fluctuated. Price undercutting is negative.
- q. The selling price of the domestic industry has increased in line with the cost.
- r. The losses of the domestic industry have reduced, and the cash profits improved. Therefore, the injury to the domestic industry was on account of other factors.
- s. The Annual Report of Century Enka Limited itself shows that the production, sales and profits of the company have improved over the period and that its profits were impacted due to inventory losses as a result of sudden drop in raw material prices.
- t. As per Brickworks rating, the profits of M/s Gujarat Polyfilms Limited have declined due to price of raw material, Caprolactam.
- u. As per credit rating report issued by ICRA, the revenue of Prafful Overseas has declined due to decline in sale of fabrics and the profit of nylon yarn segment have increased.
- v. There is a contradiction between the data presented in the petition and that available based on the annual reports of the companies and reports of Credit Rating Agencies.
- w. The number of employees has increased over the period.
- x. The injury to the domestic industry has been caused by other factors such as its inability to cater to the demand.
- y. Injury to the domestic industry is caused due to unjustified increase in capacities, since the domestic industry is not able to stabilize its capacities which results into higher capital employed, negative return on capital employed and huge losses.
- z. The domestic industry has suffered injury due to the fluctuations in raw material prices, which increased by 33% over the injury period.
- aa. The domestic industry has suffered injury due to use of obsolete technology.
- bb. The domestic industry has suffered injury due to macroeconomic factors such as demonetization and GST, which created a grim situation for the entire textile industry
- cc. Injury to the domestic industry has been caused by unavailability of raw material as it relies on imported raw material.
- dd. The statement that 10,000 employees would be affected is misleading and exaggerated.
- ee. Off grade material exported by Taekwang should be compared to the other off grade products sold by the domestic industry.
- ff. Only off-grade products are being sold at a conversion cost of 15 cents, and most goods are entering the market allowing a reasonable conversion cost.

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

67. The Authority has examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

#### **a. Cumulative assessment**

68. Article 3.3 of WTO agreement and para (iii) of Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determines that:

- a. The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article, and
- b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

69. The Authority notes that :

- a. The subject goods are being dumped into India from the subject countries. The margins of dumping from each of the subject countries are more than the *de minimis* limits prescribed under the Rules.
- b. The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
- c. Cumulative assessment of the effects of import is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.

70. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the subject goods from China PR, Korea RP, Taiwan and Thailand on the domestic industry.

71. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the

dumped imports on prices, it is essential to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as sales, profits, output, market share, productivity, return on investments, utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; cash flow, inventories, employment, wages, growth, ability to raise capital investments etc. have been considered in accordance with Annexure II of the Rules.

72. The Authority has taken note of various submissions of the domestic industry and the exporters/importers/traders/users on injury to the domestic industry and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.

**b. Assessment of demand**

73. For the purpose of assessment of the domestic consumption/demand of the subject goods, the sales volume of the domestic industry and other Indian producers have been added to the total imports into India and the same have been summarized below.

Particular	Unit	2015-16	2016-17	2017-18	2018-19
Sale of domestic industry	MT	***	***	***	***
Trend	Indexed	100	126	149	183
Sale of other producers	MT	***	***	***	***
Trend	Indexed	100	109	118	159
Subject countries imports	MT	8,135	7,852	5,080	12,411
Other imports	MT	17,072	19,547	16,315	8,614
Total Demand	MT	94,897	1,07,117	1,10,256	1,36,995

74. It is noted that the demand for the subject goods has increased consistently over the injury period.

**I. Volume effect of dumped imports**

75. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the import data procured from DGCI&S. The volume of imports of the subject goods from the subject countries have been analyzed as under –

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
China PR	MT	989	1,108	1,708	7,024
Korea RP	MT	732	753	379	1,924
Taiwan	MT	5,827	5,356	2,294	2,683
Thailand	MT	586	634	698	779
Subject countries	MT	8,135	7,852	5,080	12,411
Imports from other countries attracting duty	MT	11,947	16,576	14,566	7,032
Other imports	MT	5,125	2,971	1,748	1,582
Total imports	MT	25,207	27,399	21,394	21,025
<b>Imports in relation to</b>					
Domestic production	%	***	***	***	***
Consumption	%	8.57%	7.33%	4.61%	9.06%
Total Imports	%	32.27%	28.66%	23.74%	59.03%

76. It is seen that:

- a. Imports had been declining upto 2017-18 from subject countries, when the anti-dumping duty was in force, and have increased significantly thereafter by 144% after cessation of duty.
- b. Imports from subject countries were declining upto 2017-18 in relation to domestic production, consumption and total imports, but these have increased sharply in the period of investigation after cessation of duty.
- c. The imports from other countries registered declined during the POI.

## **II. Price effect of dumped imports**

77. With regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like products in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

The impact on the prices of the domestic industry on account of the dumped imports from the subject countries has been examined with reference to the price undercutting, price underselling, price suppression/ price depression, if any. For the purpose of this analysis, the cost of production, net sales realization and non-injurious price of the domestic industry have been compared with the landed cost of imports from the subject countries.

### **a. Price undercutting**

78. Price undercutting has been worked out by comparing the landed price of imports with the net sales realization of the domestic industry for the POI.

Particulars	Unit	China PR	Korea RP	Taiwan	Thailand
Net sales realization	Rs./MT	***	***	***	***
Landed price	Rs./MT	215,778	200,063	209,492	219,350
Price undercutting	Rs./MT	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range in %	0-10	10-20	10-20%	0-10

79. It is seen that the price undercutting is positive.

**b. Price suppression/depression**

80. In order to determine whether the dumped imports are 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 as compared to the landed price of imports.

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
Selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	96	100	115
Cost of sales	Rs./MT	***	***	***	***
Trend	Indexed	100	94	103	113
Landed price	Rs./MT	181,236	165,389	190,730	212,206
Trend	Indexed	100	91	105	117

81. It is seen that while both cost of sales and selling price of the domestic industry have increased, the domestic industry is nevertheless forced to sell below the cost of production, as the imports are priced significantly below the cost of production.

**c. Price underselling**

82. The Authority has also examined the price underselling suffered by the domestic industry on account of dumped imports from the subject counties. For this purpose, the non-injurious price determined for the domestic industry has been compared with the landed price of imports on a PCN-wise basis.

Particulars	Unit	China PR	Korea RP	Taiwan	Thailand
Non-Injurious Price	Rs./MT	***	***	***	***
Landed price	Rs./MT	215,778	200,063	209,492	219,350
Price underselling	Rs./MT	***	***	***	***
Price underselling	%	***	***	***	***
Price underselling	Range	10-20%	20-30%	20-30%	10-20%

83. It is seen that the landed price of the subject goods from the subject countries were lower than the non-injurious price determined for the domestic industry. The price underselling is positive and significant.

### III. Economic parameters of the domestic industry

84. Annexure II to the Rules 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. The various injury parameters relating to the domestic industry are discussed below.

#### a. Capacity, production, capacity utilization and sale

85. The capacity, production, capacity utilization and sales of the domestic industry are shown below:

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
Capacity – Plant	MT	***	***	***	***
Trend	Indexed	100	114	141	164
Production – Plant	MT	***	***	***	***
Trend	Indexed	100	118	135	167
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	104	96	102
Production – PUC	MT	***	***	***	***
Trend	Indexed	100	125	146	182
Domestic sales-PUC	MT	***	***	***	***
Trend	Indexed	100	126	149	183

86. It is seen that:
- The capacity and the production of the domestic industry has increased throughout the injury period.
  - The capacity utilization of the domestic industry dipped in 2017-18, and has increased again in 2018-19.
  - The domestic sales of the domestic industry have increased over the period.

**b. Market share**

87. The market share of the domestic industry and other Indian producers is as under:

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
Subject imports	%	8.57%	7.33%	4.61%	9.06%
Other imports	%	17.99%	18.25%	14.80%	6.29%
Domestic industry sales	%	***	***	***	***
Trend	Indexed	100	112	128	127
Other producers sales	%	***	***	***	***
Trend	Indexed	100	97	102	110

88. It is seen that the market share of the domestic industry and other producer slightly increased, However, market share of subject imports increased more than that of the domestic industry.

**c. Inventories**

89. The data relating to inventories of the subject goods is as follows:

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
Opening inventory	MT	***	***	***	***
Closing inventory	MT	***	***	***	***
Average inventory	MT	***	***	***	***
Trend	Indexed	100	135	159	187

90. The Authority notes that the inventories of the domestic industry have increased over the period, indicating accumulation of inventories with the domestic industry.

**d. Profits, cash profits and return on capital employed**

91. The profitability position of the domestic industry in terms of profit or loss, cash profits and return on capital employed was as under:

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
Profit / (loss)	Rs. Lacs	(***)	(***)	(***)	(***)
Trend	Indexed	(100)	(40)	(280)	(120)
Cash profits	Rs. Lacs	(***)	***	(***)	(***)
Trend	Indexed	(100)	265	(1,058)	(158)
Return on capital employed	%	***	***	(***)	(***)
Trend	Indexed	(100)	35	(447)	(140)

92. It is seen that

- a. The domestic industry suffered losses throughout the injury period.
- b. While the cash profits and return on capital employed of the domestic industry have improved as compared to the previous year yet the domestic industry is in cash losses and its return on capital employed is negative. Further, the extent of losses, cash losses and return on capital employed were adverse as compared to the base year.

**e. Employment, wages and productivity**

93. The Authority has examined the information relating to employment, wages and productivity, as given below.

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
No. of Employees	Nos	***	***	***	***
Trend	Indexed	100	115	121	125
No. of working Days	No.	***	***	***	***
Man days available	No.	***	***	***	***
Productivity per man-day	MT/Day	***	***	***	***
Trend	Indexed	100	109	120	146
Wages	₹ Lacs	***	***	***	***
Trend	Indexed	100	115	160	189

94. It is seen that the number of employees, wages and productivity of the domestic industry have increased over the period.

**f. Growth**

95. The trends of volume and profit parameters of the domestic industry are as under:

Particulars	Unit	2015-16	2016-17	2017-18	2018-19
Production	%	-	25%	17%	25%
Domestic sales	%	-	26%	18%	23%

Profit per unit	%	-	68%	-494%	65%
Cash profit	%	-	365%	-499%	85%
Return on capital employed	%	-	135%	-1386%	69%

96. The volume and price parameters of the domestic industry have shown growth. However, the domestic industry continues to be in losses and is unable to earn return on its capital employed.

**g. Ability to raise capital investment**

97. The domestic industry is in losses and facing negative returns over its current investments. This shows that the ability of the domestic industry to raise capital investments has been severely impacted by the subject imports.

**h. Factors affecting prices**

98. The subject imports are undercutting the selling price of the domestic industry and are priced much below the cost of production. The subject imports are preventing the domestic industry from increasing the prices.

**i. Magnitude of dumping**

99. It is noted that not only is the dumping margin positive and significant, but also there is a history of dumping from the subject countries.

**IV. Overall assessment of injury**

100. The examination of the imports of the subject product and performance of domestic industry clearly shows that

- a. The imports have increased in absolute terms as well as in relation to production and consumption post expiry of duty,
- b. The imports are undercutting the prices of the domestic industry,
- c. Imports have prevented price increases which otherwise would have occurred
- d. The capacity, production, sales and capacity utilization of the domestic industry have increased over the period.

- e. The market share of the domestic industry has increased. However, market share of subject imports have increase more than the market share of domestic industry.
- f. The domestic industry is suffering continued financial losses, cash losses, and negative return on investment.
- g. The imports are below the cost of production and non-injurious price of the domestic industry and are affecting the prices of the domestic industry.
- h. The dumping margin is positive and significant.

**V. Other known factors and causal link**

101. Having examined the existence of injury, volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting; the Authority has examined whether injury to the domestic industry can be attributed to any factor, other than the dumped imports, as listed under the Rules.

**a. Volume and prices of imports from third countries**

102. Besides the subject countries, Vietnam and European Union have a significant share in the imports. However, they are already attracting the anti-dumping duty. Since the volume of imports from other countries is negligible, the Authority finds that the domestic industry has not suffered injury as a result of other imports.

**b. Contraction in demand**

103. Since the demand for the product under consideration has increased by 43% over the injury period, the domestic industry has not suffered injury on this account.

**c. Changes in the pattern of consumption**

104. The interested parties have not identified any possible changes in pattern of consumption, which could have caused injury to the domestic industry.

**d. Trade restrictive practices of and competition between the foreign and domestic producers**

105. The Authority notes that there is no trade restrictive practice and competition between the foreign and domestic producers brought by any interested party, which could have contributed to the injury to the domestic industry.

**e. Developments in technology**

106. The Authority notes that the investigation has not shown any material change in technology for production of the product, which could have cause injury to the domestic industry.

**f. Export performance**

107. The exports made by the domestic industry are negligible and can, therefore not be construed as a cause of injury. In any case, the performance of the domestic industry has been segregated for domestic and export market, to the extent possible.

**VI. Conclusions on causal link**

108. While known factors listed under the rules do not appear to have caused injury to the domestic industry, the following parameters show that injury to the domestic industry is caused by the dumped imports.

- a. The anti-dumping imposed earlier expired in January, 2018 and the subject imports has increased significantly, thereafter.
- b. The imports increased substantially in a very short period of time and have gained significant market share.
- c. The subject imports are undercutting the prices of the domestic industry and priced below cost of production of the domestic industry. have prevented the industry from increasing its prices
- d. The domestic industry is incurring financial losses, cash losses and its return on investment is negative.

**L. MAGNITUDE OF INJURY MARGIN**

109. 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 Rules has been compared with the landed value of the exports from the subject countries for determination of injury margin during the period of investigation and the injury margin so worked out is as under:

SN	Country	Landed Value	NIP	Injury Margin	Injury Margin	Injury Margin
		(USD/MT)	(USD/MT)	(USD/MT)	(%)	(Range in %)
A	China PR					
1	Fujian Xinsen Synthetic Fiber Technology Co., Ltd.	***	***	***	***	20-40
2	Fujian Jinjiang Technology Co., Ltd., Fujian Xinchuang Nylon Industry Co., Ltd. and Fujian Jingfeng Technology Co., Ltd.	***	***	***	***	10-30

3	Liheng (Changle) Polyamide Technology Co., Ltd. and Changle Highsun Synthetic Fiber Technologies Co., Ltd	***	***	***	***	10-30
4	Fujian Kaibang Polyamide Technology Co., Ltd.	***	***	***	***	20-40
5	Non-cooperative/Residual of China PR	***	***	***	***	20-40
<b>B</b>	<b>Korea RP</b>		***	***	***	
1	Taekwang Industrial Co. Ltd.	***	***	***	***	40-60
2	Hyosung TNC Co., Inco International Co. Ltd. and Shinhan Trading Co. Ltd.	***	***	***	***	10-30
3	Non-cooperative/Residual of Korea RP	***	***	***	***	40-60
<b>C</b>	<b>Taiwan</b>	***	***	***	***	10-30
<b>D</b>	<b>Thailand</b>	***	***	***	***	10-30

## M. POST-DISCLOSURE SUBMISSIONS

110. The post disclosure submissions have been received from some interested parties. A majority of the issues raised therein have already been raised earlier during the investigation and also addressed appropriately by the Authority in this Findings. Additional submissions have been analysed below.

### M.1. Submissions of the domestic industry

111. The domestic industry reiterated its submissions regarding exclusion of low melting yarn, rejection of responses, determination of normal value and public interest related issues. Other submissions made by the domestic industry are as follows:

- a. Exclusion of low melting yarns from the scope of product under consideration may lead to large-scale evasion of the duty.
- b. The normal value calculation for China PR, Taiwan and Thailand, and export price for Taiwan and Thailand should be disclosed to the domestic industry.
- c. The exporters' questionnaire responses have been accepted despite exporters from China PR having failed to provide proper responses.

- d. The normal value for China PR should be determined based on the weighted average cost of the domestic industry.
- e. Since the exporters from Taiwan and Thailand have refused to cooperate in the investigation, the normal value should be calculated based on the highest cost of production of the domestic industry instead of the lowest cost of production.
- f. The issue of Taekwang Industrial Co., Ltd and Hyosung TNC Corporation procuring inputs from related parties has not been examined in the disclosure statement.
- g. The major opposition has been made by the traders of the subject goods and not by the users. The main concern of such traders is decline of profitability and not the welfare of downstream users.
- h. The apprehension that there will be undue hike in the prices after imposition of anti-dumping duty is without merit as inter-se competition between domestic producers as well competition with fair imports would continue to act as a check. Even when the anti-dumping duty had been in force earlier, the profits of domestic industry were always low.
- i. Users cannot claim right to inputs at dumped prices, at the cost of demolishing fair competition in India. The government should not disregard the interest of the domestic producers in examining public interest.
- j. The fact that users are able to pass on increase in price of raw materials to the consumers shows that they would be able to pass on the duties to consumers. The impact of duty on the final consumers will be less than 2%.
- k. Despite claims of other interested parties, there is no concrete evidence to suggest that units have been shut down due to the levy of anti-dumping duty. On the contrary, many downstream user industries have faced closure primarily due to obsolescence of technology, poor market condition and cheap imports of their downstream products.

## **M.2. Submissions of other interested parties**

112. Additional submissions made by other interested parties are as under:

- a. Price of nylon 66 yarn is almost twice as that of nylon 6 yarn. Man Made Textiles Research Association (MANTRA) certified that both Nylon 6 and Nylon 66 are different due to their different chemical structure and also both have different applications and end-uses and in no-way they can be considered as like products.
- b. Nylon 66 yarns should be excluded from scope of product under consideration as it is used for applications requiring high mechanical strength, rigidity and good stability under heat and chemical resistance.
- c. Mother yarn should be excluded from scope of product under consideration as it has completely different characteristics and has no independent existence except for manufacture of mono filament yarn.
- d. MANTRA has certified that mother yarn is primarily used to manufacture nylon mono filament yarn.

- e. Delicate denier yarns, micro filament yarns, yarns with S&Z twists and recycled yarns should not be included in scope of product under consideration merely on the basis of sales invoices as such invoices do not constitute sufficient evidence for proving commercial production and sale. Such yarns are not being produced by the petitioners. Their monthly price lists also do not refer to such yarns.
- f. Separate PCN should be prescribed for off-grade products as nylon makers deliberately import off-grade yarns to distort the average pricing and mislead the Authority to impose higher dumping margin.
- g. Off-grade yarn cannot be included, as it cannot be interchangeably used with the prime grade yarn.
- h. Producers with new plants, such as PNP Polymers, have opted not to file an application but have supported the petition orally as they are showing remarkable growth in all parameters.
- i. Producers have set up new plants and have doubled and tripled their capacities, which shows that there is no shortage of capital or funding available to the domestic producers.
- j. Any increase in imports from Korea is a natural increase in volume of imports, due to removal of anti-dumping duty.
- k. The price effect of dumped imports must be examined on PCN-wise.
- l. The injury to the domestic industry is on account of fluctuations in price of raw materials.
- m. When 85% of the market share is held by the petitioners, how can the imports holding 15% control the price?
- n. The volume of imports from Thailand is less than 3% and therefore, it should be excluded.
- o. The annual reports of the petitioners show consistent increase in profits and revenue.
- p. 80% of the production by Praful Overseas depends on nylon chips. Chips are produced from benzene, which is subject to wide variations in price fluctuations..
- q. Imposition of anti-dumping duty would restrict imports of innovative products from the subject countries.
- r. 1.5 lakh power looms have been scrapped between November, 2016 to December, 2018.
- s. The multiple users form a much larger domestic industry as compared to a handful of petitioners.
- t. The imposition of anti-dumping duty on key raw materials leads to an inverted duty structure and closes the option of global sourcing for users.
- u. The anti-dumping duty against PTA has been withdrawn as it is a key input for textile fibers and yarns.

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

113. As regards the requests for change in scope of product under consideration, the same have already been addressed by the Authority in Para C.3. With regard to the specific submissions made post disclosure, the Authority notes as under.
114. The domestic industry has requested for inclusion low melting yarn within the scope of product under consideration on the basis that non-inclusion would defeat the duty levied by allowing evasion of duty. The Authority finds no basis for the apprehension that exclusion of melting yarn would lead to evasion of duty. As noted in the Findings, the price of low melting yarns is significantly higher than that of other yarns, by about 3 times. Further,

such yarns are undeniably different from other yarns in terms of their production process and application. Therefore, in the absence of any production of like article in the country, the same cannot be included in the scope of product under consideration.

115. Some interested parties have argued that nylon 66 yarns cannot be included merely on the basis of the earlier findings given. It is noted that no new facts have been brought on record, nor any material has been provided justifying the need for reconsideration/re-examination of the previous determination and taking a view to the contrary. While the other interested parties have argued that the price of nylon 66 yarns are twice of the price of nylon 6 yarns, it is noted that the import data shows that the prices of the two are within the same range. In fact, the import transaction data shows that nylon 66 yarns have been imported at prices lower than nylon 6 yarns even in some cases. In so far as the opinion given by Man Made Textiles Research Association is concerned, the Authority notes that it primarily refers to differences in production process. Mere difference in production process does not imply that the goods produced by the domestic industry are not like article to the imported product. It is noted that this issue had been examined in depth in earlier investigations concerning this product and each time it was held the Authority that nylon 6 and nylon 66 are like articles. Both these items are also technically and commercially substitutable and, therefore, there is no reason to deviate from the earlier determinations on this issue. However, nylon 66 yarns, used for other than textile applications, have been excluded from the scope of product under consideration.
116. As regards request for exclusion of mother yarn from the purview of PUC by some interested parties, it is noted that mother yarn is multi-filament yarn. Multi-filament yarn clearly falls within the scope of PUC. Mother yarn is claimed to be used in manufacture of mono filament yarn. This clearly establishes that Mother yarn is not the mono-filament yarn itself but only an input for manufacture of mono filament yarn. Therefore, exclusion granted to mono filament yarn does not extend to its input/ raw material. The argument advanced by these interested parties, thus, is flawed. Accordingly, the Authority does not consider it appropriate to exclude mother yarn from the scope of the product under consideration.
117. Regarding the delicate denier yarns, recycled yarns, yarns with S&Z twists, the Authority finds no merit in the argument that invoices furnished by the domestic industry do not establish that they have produced and sold such yarns.
118. With regard to the request for separate PCN (product control number) for off-grade products and exclusion of such products from the scope of PUC, it is noted that both off-grade and prime grade products are produced from the same raw material and through the same production process. As a result, there is no difference in cost of production of off-grade and prime grade products. Accordingly, no separate PCN has been developed for the off-grade products. It is further noted that this has been a consistent practice of the Authority not to develop separate PCN for off-grade products on account of the reasons stated above. Besides, the exclusion of off-grade products may eventually lead to prime grade products being exported to India under the garb of off-grade products.

119. As regards the contention regarding non-participation of other producers, the Authority notes that the petitioners account for a major proportion in the eligible domestic production. The share of the petitioners is significant enough to ensure that the data of the domestic industry is representative of the domestic producers as a whole. The Authority notes that while some interested parties have claimed that the profits of Prafful Overseas have witnessed increase, it is noted that the data filed by the producer, on the contrary, shows decline in its profitability. Some interested parties have raised the issue that producer like PNP Polymers Limited having new plant and machinery has purposely been chosen only to support the petition and not be one of the petitioners. The Authority notes that petitioners in any trade remedy investigation cannot force every domestic producer to be a co-petitioner. It is noted that this company has supported the application. It is further noted that PNP Polymers Limited has also undertaken import of subject goods from subject countries, which would have led to its disqualification as a petitioner in the normal course. Claims have also been made by some interested parties that profits or revenue of some domestic producers show an increase. In this regard, it is noted that these interested parties have relied upon the performance of producer such as AYM Syntex, Aglon Industries Private Limited, Century Enka Limited, PNP Polymers Limited, Prafful Overseas Private Limited, etc. and that such producers are either multi-product companies or are involved in trading of the PUC or engaged in production and sale of other products as well. Therefore, profit of the company as a whole for such producers is not indicative of the performance of these producers in respect of the product under consideration.
120. The other interested parties have also argued that imports have increased as a consequence of expiry of earlier duties. The Authority notes that post expiry of duties, the imports have increased, which shows the need for re-imposition of duties.
121. Some interested parties have contended that the domestic industry has suffered injury due to fluctuations in raw material prices. The Authority notes that the evidence on record shows that the import prices are consistently below the cost of production of the domestic industry. Therefore, the imports have prevented the domestic industry from increasing its prices, and the losses cannot be attributed to the fluctuations in raw material prices.
122. Some interested parties have requested for a PCN-wise analysis of price effect of imports. It is clarified that the price undercutting and underselling determined are actually weighted average of price undercutting and underselling calculated PCN -wise.
123. Some interested parties have questioned as to how the imports holding 15% market share control the price in the domestic market when 85% of the market share is held by the petitioners. It is noted that the price of subject imports rather than the share of subject import in consumption is more relevant in impacting the domestic price. In the present case, subject imports are priced below even the cost of production of the domestic industry and the volume of imports has increased during POI, in absolute terms as also in relation to production and consumption in India.

124. It has been contended that the imports from Thailand is less than 3%. In this regard, it is noted that as per DGCI&S data, the share of imports from Thailand in total imports is more than 3% and, therefore, above *de-minimis*.
125. It has also been contended that the annual reports of the petitioners show a consistent increase in profits and revenue. In this regard, it is noted that the performance of domestic industry is required to be seen only in respect of PUC and not in respect of company as a whole. The profit relating to other products is irrelevant for this investigation. The Authority notes that the domestic industry has suffered losses throughout the injury period in so far as the product under consideration is concerned. This fact has been highlighted above in the relevant para of this findings.
126. With regard to the contention that imposition of anti-dumping duty would restrict imports of subject goods from the subject countries and adversely affect the consumers, the Authority notes that the investigation has shown that the domestic industry has been in consistent losses due to dumping from different sources. If no anti-dumping duty is imposed, the viability of the operations of the domestic producers for the product under consideration may be adversely impacted. Therefore, the imposition of duties is necessary to ensure the viability of the domestic industry. The demand for the subject goods has continued to grow over the period, even when anti-dumping duties were in force against the subject imports. The Authority notes that the impact of the proposed measures on the eventual end product may not be significant. The Authority also notes that the anti-dumping duty is a corrective measure, for remedying the injurious effects of unfair trade by the foreign producers/ exporters. Therefore, imposition of anti-dumping duty to offset the injurious effect of dumping to the industry cannot be construed as a move unfair to the users, or any other segment of the economy. The Authority notes that it is imperative that fair conditions of competition are established to ensure level playing field for the domestic producers vis-à-vis foreign producers/ exporters.
127. As regard the contention that the imposition of anti-dumping duty on key raw materials leads to an inverted duty structure and closes the option of global sourcing for users, the Authority notes that customs duty on fabrics is higher than that on yarn.

## **N. CONCLUSION**

128. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in the above findings and on the basis of the above analysis of dumping and consequent injury, the Authority concludes that:
- i. The product under consideration has been exported from the subject countries at dumped prices.
  - ii. The domestic industry has suffered material injury due to dumping of the product under consideration.
  - iii. The material injury has been caused by the dumped imports of the subject goods originating in or exported from the subject countries.

## O. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

129. The Authority recognizes that the imposition of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. The purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping duties, therefore, would not affect the availability of the product to the consumers. The Authority notes that the imposition of the anti-dumping measures would not restrict imports from the subject countries in any way, and therefore, would not affect the availability of the product to the consumers.

## P. RECOMMENDATION

130. The Authority notes that the investigation was initiated and it was notified to all the interested parties. Adequate opportunity was given to the exporters, importers and other interested parties to provide information on the aspects of dumping, injury and causal link. Having initiated and conducted an investigation into dumping, injury and the causal link thereof in terms of the Rules and having established positive dumping margin as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of anti-dumping duty is necessary to offset dumping and injury.

131. Having regard to the lesser duty rule, the Authority recommends imposition of definitive antidumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to the amount indicated in Column 7 of the duty table below is recommended to be imposed for a period of five (5) years from the date of notification to be issued in this regard by the Central Government, on all the imports of the subject goods, originating in or exported from the subject countries.

### Duty Table

S. NO	HS code	Description of goods	Country of origin	Country of export	Producer	Duty amount	Unit	Currency
1	5402	Nylon Multi Filament Yarn*	China PR	Any country including China PR	M/s Fujian Xinsen Synthetic Fiber Technology Co., Ltd	771.34	MT	USD

2	5402	Nylon Multi Filament Yarn*	China PR	Any country including China PR	M/s Fujian Jinjiang Technology Co., Ltd. M/s Fujian Xinchuang Nylon Industry Co., Ltd. M/s Fujian Jingfeng Technology Co., Ltd.	448.95	MT	USD
3	5402	Nylon Multi Filament Yarn*	China PR	Any country including China PR	M/s Liheng (Changle) Polyamide Technology Co., Ltd M/s Changle Highsun Synthetic Fiber Technologies Co., Ltd	491.23	MT	USD
4	5402	Nylon Multi Filament Yarn*	China PR	Any country including China PR	M/s Fujian Kaibang Polyamide Technology Co., Ltd.	653.77	MT	USD
5	5402	Nylon Multi Filament Yarn*	China PR	Any country including China PR	Any producers other than mentioned above	1086.73	MT	USD
6	5402	Nylon Multi Filament Yarn*	Any country other than China ;PR, Korea RP, Thailand and Taiwan	China PR	Any	1086.73	MT	USD
7	5402	Nylon Multi Filament Yarn*	Korea RP	Any country including Korea RP	M/s Taekwang Industrial Co. Ltd	407.15	MT	USD
8	5402	Nylon Multi Filament Yarn*	Korea RP	Any country including Korea RP	M/s Hyosung TNC Co.	648.40	MT	USD

9	5402	Nylon Multi Filament Yarn*	Korea RP	Any country including Korea RP	Any producers other than mentioned above	1,148.22	MT	USD
10	5402	Nylon Multi Filament Yarn*	Any country other than China PR, Korea RP, Thailand and Taiwan	Korea RP	Any	1,148.22	MT	USD
11	5402	Nylon Multi Filament Yarn*	Thailand	Any country including Thailand	Any Producer	629.54	MT	USD
12	5402	Nylon Multi Filament Yarn*	Any country other than China PR, Korea RP, Thailand and Taiwan	Thailand	Any	629.54	MT	USD
13	5402	Nylon Multi Filament Yarn*	Taiwan	Any country including Taiwan	Any producer	490.34	MT	USD
14	5402	Nylon Multi Filament Yarn*	Any country other than China PR, Korea RP, Thailand and Taiwan	Taiwan	Any	490.34	MT	USD

\*The product under consideration includes all kinds and variants of synthetic multi filament yarns of Nylon or Polyamides, such as flat/ textured/ twisted/ untwisted, bright/ semi-dull/ full-dull (or variants thereof), grey/ colored/ dyed (or variants thereof), single/ double/ multiple/ folded/ cabled (or variants thereof), whether or not sized.

These include 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. Mother yarn, being multi-filament yarn, is also included in the scope of product under consideration. The product under consideration includes only Multi-filament yarn. Following yarns are excluded from the scope of the product under consideration:

- (i) Mono filament yarns (ii) High tenacity yarn of nylon (iii) All manmade filament yarns not having nylon or polyamides (iv) Low Melting Yarn (v) Nylon 66 yarn used for non-textile applications.

**Q. FURTHER PROCEDURE**

132. 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.

**(Bhupinder S. Bhalla)**  
**Additional Secretary & Designated Authority**