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**F. No. 6/44/2020-DGTR
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF TRADE REMEDIES)
JEEVAN TARA BUILDING, 4TH FLOOR
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Dated: 28th September, 2021

NOTIFICATION

(FINAL FINDINGS)

Case No. (ADD-OI -37/2020)

Subject: Anti-Dumping investigation concerning imports of “Elastomeric Filament Yarn” originating in or exported from Singapore -reg.

06/44/2020-DGTR: Having regards to the Customs Tariff Act 1975, as amended from time to time and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time thereof:

A. BACKGROUND OF THE CASE

2. M/s Indorama Industries Ltd (hereinafter also referred to as the “applicant” or the “domestic industry”) had filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of the domestic industry, in accordance with 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” or “AD Rules”), for initiation of an anti-dumping investigation on the imports of “Elastomeric Filament Yarn” (hereinafter also referred as the “subject goods” or the “product under consideration” or the “PUC”) originating in or exported from Singapore (hereinafter also referred to as the “subject country”).
3. The applicant filed an application seeking imposition of antidumping duty contending that the producers in Singapore are dumping the product and the same is causing injury to the domestic industry. The Authority, on the basis of a duly documented petition and after sufficient prima-facie examination of the evidence submitted by the applicant, issued a public notice vide Notification No. 6/44/2020 -DGTR dated 30.09.2020, published in the Gazette of India, initiating investigation in accordance with Rule 5 of the Rules to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from Singapore 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

4. The procedure described herein below has been followed by the Authority with regard to the subject investigation:
 - a. The Authority notified the Embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
 - b. The Authority issued a Public Notice No. 6/44/2020 -DGTR dated 30.09.2020, published in the Gazette of India Extraordinary, initiating the anti-dumping investigation concerning imports of the subject goods from the subject country.
 - c. The Embassy of the subject country in India was informed about the initiation of the investigation in accordance with Rule 6(2) of the Rules. The Authority sent a copy of the initiation notification to the government of the subject country, through its Embassy in India, known producers/exporters from the subject country, known importers/users and the domestic industry as well as other domestic producers as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limit.
 - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Government of the subject country, through its Embassy in India in accordance with Rule 6(3) of the Rules supra.
 - e. Also, a list of all interested parties was uploaded on DGTR's website. All parties were also requested to email the non-confidential version of their submissions to all other interested parties since the public file was not accessible physically due to restrictions on physical movements owing to the ongoing global Covid-19 pandemic.
 - f. The Authority also forwarded copy of the notice to known producers/exporters from the subject country, known importers/users in India, other Indian producers and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within 30 days of the initiation notification.
 - g. The Embassy of the subject country in India was also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.

- h. The Authority sent exporter's questionnaire to M/s Investa Singapore, known producer/exporter in Singapore in accordance with Rule 6(4) of the Rules.
- i. No response to the exporter's questionnaire has been filed by any exporter/producer from the subject country.
- j. The Authority sent Importer's Questionnaire to the following known importers/users /associations of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules:
 - i. Auro Spinning Mills
 - ii. Aarvee Denims and Exports Ltd.
 - iii. Aggarwal Metal Industries
 - iv. Alok Industries Ltd.
 - v. BST Textile Mills Pvt Ltd.
 - vi. Blaumann Industries Pvt Ltd.
 - vii. Name: Bombay Rayon Fashions Ltd.
 - viii. Name: Deepak Impex Pvt. Ltd.
 - ix. Confederation of Indian Textile Industry (C I T I)
 - x. Indian Spinners Association (I S A)
 - xi. Indian Woollen Mills Federation
 - xii. Federation of Indian Art Silk Weaving Industry
- k. No questionnaire response has been filed by any importer / user. Further, no response has been received from any Association as well.
- l. Only Vardhman Textiles Ltd submitted legal submissions.
- m. The Authority had kept a non-confidential version of the petition filed by the applicant.
- n. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of subject goods for the past three years, and the period of investigation, which was received by the Authority. The Authority has relied upon the DGCI&S data for computation of the volume of imports and its analysis after due examination of the transactions.
- o. The Non-Injurious Price (NIP) has been determined based on the cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- p. Desk verification of the information provided by the 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 this disclosure statement.

- q. The period of investigation (POI) for the present investigation is 1st April, 2019 to 31st March, 2020 (12 months). The injury period under investigation will, however, cover the periods April, 2016 to March, 2017, April, 2017 to March, 2018, April, 2018 to March, 2019 and the period of investigation (POI).
- r. In accordance with Rule 6(6) of the Rules, the Authority also provided an opportunity to all the interested parties to present their views orally in a hearing held on 02.06.2021. Only the domestic industry attended the oral hearing. The domestic industry was requested to file written submissions, followed by rejoinders, if any.
- s. The information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis.
- t. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and examined the matter on the basis of the facts available.
- u. A disclosure statement containing the essential facts in this investigation which would have been formed the basis of the final findings was issued to the interested parties on 26.08.2021 and the interested parties were requested to offer comment on the same. The comments on the disclosure statement received from the interested parties have been considered, to the extent found relevant, in this final findings notification.
- v. ‘***’ in the final findings represents information furnished by an interested party/any other party on a confidential basis and so considered by the Authority under the Rules.
- w. The exchange rate adopted by the Authority for the subject investigation is US\$1 = ₹71.63.

C. PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE

5. At the stage of initiation, the product under consideration was defined as:

“The product under consideration in the present application is “Elastomeric Filament Yarn of all deniers”. These filament yarns are also commonly referred to as Spandex or

Elastane. The subject goods are described in terms of the deniers and are sold generally in the range of 10 to 1680 deniers. The domestic industry has the capability to produce the entire range of these deniers.

Following products are excluded from the scope of the product under consideration:

- a) Coloured Elastomeric Yarns;*
- b) Elastomeric yarns on Beam;*
- c) Subject goods having brand name as “Lycra®” as the same is a specialized and fine quality product manufactured under process control conditions, which are patent protected. Even commercially, the price of Lycra is high as compared to the other brands of elastomeric filament yarns available in the market.*
- d) Elastomeric Filament Yarn meant for hygiene requirements such as diapers are also excluded from the product under consideration.*

C.1. Submissions made by the domestic industry

6. The submissions made by the domestic industry with regard to the product under consideration and like article and considered relevant by the Authority are as follows:
 - a. The product under consideration in the present application is “Elastomeric Filament Yarn of all deniers”. These filament yarns are also commonly referred to as Spandex or Elastane. The subject goods are described in terms of the deniers and are sold generally in the range of 10 to 1680 deniers. The domestic industry has the capability to produce the entire range of these deniers. Following products are excluded from the scope of the product under consideration:
 - a) Colored Elastomeric Yarns;
 - b) Elastomeric yarns on Beam;
Subject goods having brand name as “Lycra®” as the same is a specialized and fine quality product manufactured under process control conditions, which are patent protected. Even commercially, the price of Lycra is high as compared to the other brands of elastomeric filament yarns available in the market.
 - c) Elastomeric Filament Yarn meant for hygiene requirements such as diapers are also excluded from the product under consideration.
 - b. The subject products are classified under Chapter Heading 54 “Man-made filaments; strips and the like of man-made textile materials” of the Customs Tariff Act. The classification at the 8-digit level is 54041100 even though the same are being classified and imported under various sub-headings like 5402, 5403 and 5404 of the Customs Tariff Act, 1975. The custom classification is indicative only and in no way, it is binding upon the product scope and the product description prevails in circumstances of conflict.
 - c. The basic custom duty on imports of PUC is NIL for the subject country for the complete injury investigation period.

- d. The subject goods produced by the applicant and the subject goods imported from the subject country are like articles. There is no known difference between the subject goods exported from the subject country and that produced by the petitioner. The Subject goods produced by the domestic industry and imported from the subject country are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules.

C.2. Submissions made by producers/exporters/importers/other interested parties

7. No submission has been made by the producers/exporters or any other party with regard to the scope of the product under consideration and the like article except that Vardhman Textiles has submitted that since the subject goods having brand name as "Lycra®" are excluded from the scope of the PUC in the initiation notification and they being the importer of "Lycra®" brand, they request that "Lycra®" brand should remain excluded.

C.3. Examination by the Authority

8. The Authority confirms the scope of the product under consideration as defined in the initiation notification, which is reproduced below.

"2. The product under consideration in the present application is "Elastomeric Filament Yam of all deniers". The subject goods are described in terms of the deniers and are sold generally in the range of 10 to 1680 deniers.

3. Following products are excluded from the scope of the product under consideration:

a. Coloured Elastomeric Yams;

b. Elastomeric yams on Beam;

c. Subject goods having brand name as "Lycra@" as the same is a specialized and fine quality product manufactured under process confitol conditions, which are patent protected.

d. Elastomeric Filament Yam meant for hygiene requirements such as diapers are also excluded from the product under consideration.

4. The subject products are classified under Chapter Heading 54 of the Customs Tariff Act. The classification at the S-digit level is 54024400 and 54041100 of the Customs Tariff Act, 1975. The custom classification is indicative only and not binding upon the product scope.

9. Further, in terms of Rule 2 (d) of the Rules, the Authority on the basis of the information on record, holds that there is no known difference in the product under consideration exported from Singapore and the product produced by the Indian domestic industry. The product under consideration produced by the Indian domestic industry is comparable to the imported subject product in terms of characteristics such as physical & chemical characteristics, functions & uses, product specifications, distribution & marketing and tariff

classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.

10. Thus, the Authority holds that the product produced by the domestic industry is like article to the subject product under consideration imported from Singapore in accordance with the Rules.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1. Submissions made by the domestic industry

11. The submissions made by the domestic industry during the course of the investigation with regard to the scope of the domestic industry & the standing are as follows:
 - a. The application has been filed by M/s Indorama Industries Ltd. The production by the applicant constitutes a major proportion of total Indian production. Further, the petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party.
 - b. There is only one more producer of the subject goods in India, namely HYOSUNG India Private Limited (HIPL).
 - c. They further submitted that as per the information available with the domestic industry, HIPL has just started their operations in the last quarter of the calendar year 2019.

D.2. Submissions made by the other interested parties

12. No submission has been made by other interested parties with regard to the scope of the domestic industry & the standing.

D.3. Examination by the Authority

13. 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”.

14. The application has been filed by M/s Indorama Industries Ltd. There is only one more producer of the subject goods in India, namely, HYOSUNG India Private Limited (HIPL).
15. As per evidence available on record, the Authority notes that the applicant commands a major proportion in the total production of the subject goods in India as can be seen in the table below.

Indian producer	UoM	2016-17	2017-18	2018-19	2019-20
Indorama Industries Limited	MT	***	***	***	***
Trend	Indexed	100	131	150	172
HIPL	MT	-	-	-	***
Trend	Indexed	-	-	-	100
Total Production	MT	***	***	***	***
Trend	Indexed	100	131	150	322
Share in Total Production					
Indorama Industries Limited:	%	***	***	***	***
HIPL	%	***	***	***	***

16. As per the records, the applicant is neither related to an importer in India nor any exporter from Singapore. The Authority further notes that the applicant has not imported the subject goods during the period of investigation.
17. In view of the above, the Authority considers the applicant as eligible domestic industry within the meaning of Rule 2(b) and Rule 5(3) of the Rules.

E. ASSESSMENT OF DUMPING – METHODOLOGY AND PARAMETERS

Normal Value, Export Price & Determination of Dumping Margin

18. As per section 9A(1)(c) of the Act, the normal value in relation to an article means:

(i) the comparable price, in the ordinary course of trade, for the like article when destined 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 to 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 (b):

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

E.1. Submissions by the domestic industry

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

- a. The domestic industry has provided ample evidence to support their claim of normal value and export price in their application for the purpose of the initiation.
- b. No reliable information in relation to the prevailing prices in the subject country could be obtained from the publicly available sources. Further, information on imports of the subject goods into subject country or exports to other countries also was neither available in the public domain for the POI nor was provided by the producers/exporters from the subject country. In such a scenario, the normal value information should be determined on the basis of 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.
- c. The domestic industry has claimed export price based on the transaction-wise DGCI&S import data. Further, the domestic industry has deducted ocean freight, marine insurance, inland transportation, port handling and clearance charges, bank charges, commission, credit cost. Moreover, the dumping margin calculated is significant.

E.2. Submissions made by the other interested parties

20. No submission has been made by other interested parties with regard to normal value, export price or dumping margin.

E.3. Examination by the Authority

21. Under Section 9A(1)(c), the Normal Value in relation to an article means:

(i) the comparable price, in the ordinary course of trade, for the like article when destined 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 to 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 (b): Provided that in the case of import of the article from a country other

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

22. The Authority had sent questionnaires to the known exporters from the subject country advising them to provide information in the form and manner prescribed. However, none of the exporters or any other interested parties have cooperated in this investigation by filing their Questionnaire's responses.

NORMAL VALUE

23. In the absence of cooperation from the producers/exporters in the subject country, the Authority determines the normal value, on the basis of the cost of production of the product under consideration in the country of origin based on the best facts available. Accordingly, the constructed normal value for the subject goods in the subject country is as shown in the dumping margin table below.

EXPORT PRICE

24. No producer/exporter from Singapore has cooperated in the present investigation. In view of non-cooperation, the Authority determines the export price for all producers/exporters based on the transaction-wise DGCI&S import data, after considering adjustments on account of ocean freight, marine insurance, inland transportation, port handling and clearance charges, bank charges, commission, credit cost. Accordingly, the ex-factory export price for the subject goods in the subject country is as shown in the dumping margin table below.

DUMPING MARGIN

25. Considering the normal value and export price as above, the dumping margins for all producers/exporters of the subject goods from the subject country is as below.

Dumping Margin Table

Particulars	Normal Value (US\$/MT)	Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin (%)	Range
All Producers/Exporters from Singapore	***	***	(***)	(***)	(1-10)

26. The Authority notes that the dumping margin from Singapore is negative.

F. ASSESSMENT OF INJURY AND CAUSAL LINK

F.1. Submissions by the domestic industry

27. The submissions of the domestic industry with regard to injury and causal link are reproduced below:

- a. In order to remain afloat in the market and in order to reduce its fixed cost which is approximately 30% of the total cost of sales of the subject goods, the domestic industry has no option but to produce at the high utilization rate and sell the subject goods in the market at the import parity prices, in order to reduce inventory cost.
- b. The domestic industry is not recovering its full cost despite its best efforts. The low import prices from the subject country have created significant price pressure on the domestic industry. It is further submitted by the domestic industry that exporters are giving post sales discount.
- c. There is significant difference between cost of sales and the selling price, which could not be filled due to aggressive pricing by the exporters of the subject goods from Singapore.
- d. This situation clearly depicts the price pressure on the domestic industry wherein if they don't produce the subject goods their fixed costs will increase substantially and their losses would also increase.

F.2. Submissions made by the other interested parties

28. No other interested party has participated in the investigation and filed any submission with regard to injury alleged to be suffered by the domestic industry and the causal link.

F.3. Examination by the Authority

29. Rule 11 of the Rules read with its Annexure – II thereto 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*”.

30. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure II of the Rules states as under-

“(iv) The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including natural 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.”

31. Article 3.1 of the WTO Agreement and Annexure-II of the Rules provide for an objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any.
32. In the absence of information provided by any of the producers/exporters or any other interested party, the Authority has taken note of the data provided by the domestic industry and the information available on record with regard to injury to the domestic industry. The Authority has taken note of the submissions of 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 all the concerns raised.

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

i. Assessment of Demand/ Apparent Consumption

33. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the import data procured from the DGCI&S.
34. Demand has been determined as the sum of domestic sales of all the domestic producers and the imports from all the countries. The apparent demand/consumption of the subject goods shows a positive trend throughout the injury period as can be seen from the table below:

Particulars	UoM	2016-17	2017-18	2018-19	2019-20 (POI)
Imports from Singapore	MT	539	918	292	801
Trend	Indexed	100	170	54	149
Imports from Other Countries	MT	14449	15794	19460	18098

Trend	Indexed	100	109	135	125
Total Imports	MT	14988	16711	19753	18898
Trend	Indexed	100	111	132	126
Total Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	115	135	162
Total Demand	MT	***	***	***	***
Trend	Indexed	100	112	133	134

35. The Authority notes that the demand of the subject goods has increased from *** MT in the base year to *** MT in the POI. It may be seen that the domestic production has increased substantially over the years. It is the claim of the applicant that this is primarily on account of the fact that the imposition of anti-dumping duties from certain sources has helped the applicant to increase its production and performance and, at the same time, the restoration of fair competition in the market has led to the establishment of another producer in the country.

ii. Import Volume and Market Share from Singapore

36. The below-mentioned table provides details of the volume of imports and share of the subject country in the total imports and demand in India.

Year	UoM	2016-2017	2017-2018	2018-2019	POI
Imports from Singapore	MT	539	918	292	801
Trend	Indexed	100	170	54	149
Imports from Other countries	MT	14449	15794	19460	18098
Trend	Indexed	100	109	135	125
Total Imports	MT	14988	16711	19753	18898
Trend	Indexed	100	111	132	126
% Share of Imports					
Subject country	%	3.60%	5.49%	1.48%	4.24%
Trend	Indexed	100	153	41	118
Other Countries	%	96.40%	94.51%	98.52%	95.76%
Trend	Indexed	100	98	102	99
Total Demand (MT)	MT	***	***	***	***
Trend	Indexed	100	112	133	134
% Share in Demand					
Subject country	%	***	***	***	***
Trend	Indexed	100	151	41	111
Other Countries	%	***	***	***	***
Trend	Indexed	100	97	102	93

37. It is noted that the volume of imports from the subject country has shown increase in absolute terms in the POI as compared to the base year and the preceding years. It is noted that share of subject imports in consumption/demand in India also increased in the POI as compared to the base year and the preceding year.

iii. Imports in relation to production

38. The share of imports from the subject country in the production has increased from 4.9% in the year 2018-19 to 12.9% in the POI.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Imports from subject country	MT	***	***	***	***
Trend	Indexed	100	170	54	149
Domestic production	MT	***	***	***	***
Trend	Indexed	100	131	150	171
% Share of subject country in production	%	***	***	***	***
Trend	Indexed	100	129	36	87

39. From the above, it is noted that the imports have increased in absolute terms.

F.3.2. Price effect of the dumped imports on the domestic industry

40. In terms of Annexure II (ii) of the Rules, the Designated 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 of imports on the prices of the domestic industry has been examined with reference to the price undercutting, price suppression and price depression, if any.

i. Price Undercutting

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

Particulars	UoM	2016-17	2017-18	2018-19	POI
Landed value from Subject Country	Rs/MT	382826	358516	418865	388606
Trend	Indexed	100	94	109	102
Domestic selling price	Rs/MT	***	***	***	***
Trend	Indexed	100	104	105	104
Price Undercutting	Rs/MT	(***)	(***)	(***)	(***)
Price Undercutting	%	(***)	(***)	(***)	(***)
Price Undercutting	Range	(20) - (10)	(10) - 0	(20) - (10)	(20) - (10)

42. The Authority notes that the landed value from Singapore is above the selling price of the domestic industry in the POI and thus the price undercutting by imports from Singapore was found to be negative in the POI. However, the imports are not at dumped prices.

ii. Price suppression/depression

43. In order to determine whether the dumped imports are depressing the domestic prices or whether the effect of such imports is to suppress prices to a significant degree and prevent price increases which otherwise would have occurred, the Authority considered the changes in the costs and prices and landed value over the injury period.

Particulars	2016-17	2017-18	2018-19	POI
Landed value from Subject Country Rs/MT	382827	358516	364530	388606
Trend	100	94	95	87
Domestic selling price Rs/MT	***	***	***	***
Trend	100	104	105	104
Cost Rs/MT	***	***	***	***
Trend	100	109	116	102

44. As can be seen from the Table above, the landed value from Singapore has dropped in the POI. As regards the domestic industry, both costs and prices have gone up in comparison to the base year. The declining prices from Singapore are also lower as compared to the prices from other sources. The prices of the domestic industry are suppressed / depressed on account of the low-priced imports from the subject country. However, the imports from Singapore are not at dumped prices.

F.3.3. Economic parameters relating to the domestic industry

45. Annexure II to the Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.

46. Accordingly, various economic parameters of the domestic industry are discussed herein under:

i. Production, sales & capacity utilization

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

Particulars	UoM	2016-17	2017-18	2018-19	POI
Capacity (MT)	MT	***	***	***	***
Trend	Indexed	100	140	220	220
Total Production (MT)	MT	***	***	***	***
Trend	Indexed	100	131	150	171
Capacity utilization (MT)	%	***	***	***	***
Trend	Indexed	100	94	68	78
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	115	135	162

48. The Authority noted that the capacity, production and capacity utilization of the domestic industry has increased in the POI as compared to the preceding year.

ii. Market share of imports

49. Market share of alleged dumped imports and domestic industry have been examined as below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Total Demand	MT	***	***	***	***
Trend	Indexed	100	112	133	134
Total Domestic Sales	%	***	***	***	***
Trend	Indexed	100	103	102	121
Singapore	%	***	***	***	***
Trend	Indexed	100	151	41	111
Other Countries	%	***	***	***	***
Trend	Indexed	100	97	102	93

50. It is noted from the above that the apparent consumption for the product under consideration has increased over the injury period. The imports from Singapore in comparison to the total demand in India have also increased in the POI as compared to the preceding year.

iii. Profits, Return on Investment and Cash Profit

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

Particulars	UoM	2016-17	2017-18	2018-19	POI
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Sales	MT	***	***	***	***
Trend	Indexed	100	115	135	162
Sales value (Rs. Lacs)	Rs. Lacs	***	***	***	***
Trend	Indexed	100	120	142	168
Selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	104	105	104
Cost	Rs. Lacs	***	***	***	***
Trend	Indexed	100	138	155	167
Cost	Rs./MT	***	***	***	***
Trend	Indexed	100	120	115	103
Profit/loss per unit	Rs./MT	(***)	(***)	(***)	(***)
Trend	Indexed	100	786	519	92
Capital employed	Rs. Lacs	***	***	***	***
Trend	Indexed	100	116	118	124
ROCE	%	(***)	(***)	(***)	(***)
Trend	Indexed	100	782	591	120
Cash Profit	Rs. Lacs	***	(***)	(***)	***
Trend	Indexed	100	(62)	(5)	144
Cash Profit	Rs. /MT	***	(***)	(***)	***
Trend	Indexed	100	(54)	(4)	89

52. It is noted that the losses of the domestic industry have come down in the POI. It is claimed by the domestic industry that the high losses in the year 2018-2019 were on account of the high raw material prices which the industry could not pass on to their customers in view of the fact that the import prices from Singapore and other countries prevented them from increasing their prices in tandem with the increase in raw material prices.

iv. Inventories

53. Inventories with the domestic industry is as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Inventories	MT	***	***	***	***
Trend	Indexed	100	258	186	263

54. It is noted that the inventory available with the domestic industry increased substantially during the POI.

v. Employment and Productivity

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

Year	Unit	2016-17	2017-18	2018-19	POI
Production	MT	***	***	***	***
Trend	Indexed	100	131	150	171
Employees	Nos	***	***	***	***
Trend	Indexed	100	112	117	120
Production/employee	MT/Nos	***	***	***	***
Trend	Indexed	100	117	129	143
Wages	Rs. Lacs	***	***	***	***
Trend	Indexed	100	110	121	143
Production/employee	Rs/Nos	***	***	***	***
Trend	Indexed	100	98	104	119

56. It is noted that:

- i. Productivity has increased in the POI as compared to the preceding years.
- ii. The number of employees engaged by the domestic industry has increased throughout the injury investigation period.

vi. Magnitude of dumping

57. Magnitude of dumping is an indicator of the extent to which the imports are being dumped in India and are consequently causing injury to the domestic industry. It is noted that the dumping margin from the subject country is negative.

vii. Growth

58. It is noted that the parameters such as profits, profit before interest, return on capital employed, market share were adverse even in absolute numbers. Despite the growth in terms of production and domestic sales, the domestic industry continues to incur losses.

Injury Margin

59. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing accountant for the period of investigation. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For

determining the non-injurious price, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production.

60. Since none of the producer / exporters have participated, landed price for Singapore has been determined from the DGCI&S data for the purpose of injury margin determination. Applicable customs duties have been added to determine landed price of imports.
61. Based on the landed price and NIP determined as above, the injury margin for producers/exporters calculated by the Authority is provided in the table below:

Injury Margin Table

Particulars	Non-Injurious Price (US\$/MT)	Landed Value (US\$/MT)	Injury Margin US\$/MT	Injury Margin (%)	Injury Margin % (Range)
All Producers/Exporters from Singapore	***	5,425.19	***	***	0-10

Analysis on Injury

62. It is noted that the examination of the imports of the subject product from the subject country shows that though the imports are undercutting the prices of the domestic industry; imports are also suppressing the prices of the domestic industry and the domestic industry has suffered losses but this is not on account of the dumped imports.

G. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

63. Having examined the existence of material injury, volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting, underselling and price suppression, and depression effects, other indicative parameters listed under the Rules have been examined by the Authority to see whether any other factor, other than the dumped imports, could have contributed to injury to the domestic industry.
64. The Authority has noted other factors listed under the Rules, which could have contributed to injury to the domestic industry, for examination of causal link between dumping and material injury to the domestic industry as under:
65. The listed known factors have not caused injury, as is seen from the following:
- a) The imports of subject goods from sources other than the subject country are below de-minimis or are subject to anti-dumping duties.
 - b) There is no contraction in demand for the products under consideration in India.

- c) The pattern of consumption with regard to the product under consideration has not undergone any change. Therefore, changes in the pattern of consumption cannot be considered to have caused injury to the domestic industry.
- d) There is no trade restrictive practice, which could have contributed to the injury to the domestic industry.
- e) Technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor of causing injury to the domestic injury.
- f) Productivity of the domestic industry has increased in the period of investigation as compared to the base year. Therefore, productivity is not a cause of injury to the domestic industry.
- g) The domestic industry is not exporting the subject goods. Therefore, injury caused is only because of domestic operations.
- h) The Authority has considered data for the domestic operations only for the injury analysis. Therefore, the export performance is not the cause for the injury to the domestic industry.

Conclusion on Causal Link

66. As per the assessment of all the information available on record, it is noted that:

- a) The imports are undercutting the prices of the domestic industry but not due to dumped imports. The dumping margin is negative.
- b) The growth of the domestic industry became negative in terms of number of price related economic parameters like profit, return on capital employed and cash profits, etc. but not as a direct result of the dumped imports. The dumping margin is negative.

H. POST DISCLOSURE STATEMENT

67. The domestic industry is the only one which has filed the petition and participated in the investigation. Vardhman Textiles is the only other interested party which has submitted that since the subject goods having brand name as “Lycra®” are excluded from the scope of the PUC in the disclosure statement, it should be confirmed in the final findings. The domestic industry has commented on the disclosure statement issued by the Authority. Most of these comments are repetitive and have already been addressed by the Authority. However, for the sake of clarity, their submissions have been summarised and again addressed as below:

- a) It is submitted that the disclosure statement issued by the Authority cannot be said to be issued in terms of Rule 16 of the AD Rules.
- b) It is submitted that the detailed NIP workings along with linked files have not been provided to the domestic industry. This has severely prejudiced the

interests of the domestic industry and the same is also against the principles of natural justice.

- c) The Authority has not provided any reason for using different production numbers as submitted by the domestic industry. The Authority has wrongly regrouped / reclassified finished goods WIP, stocked at trolley in plant (shown as part of FG inventory) as raw material. The Authority has not provided any opportunity or reason for non-consideration of the same. Since it has direct impact on the computation of NIP and CNV, we humbly request the Hon'ble Authority to kindly correct the same.
- d) The Authority has considered the installed capacity of the company as *** MT per annum despite extensive evidence submitted by them that the actual installed capacity is *** MT only. The capacity of *** MT is on the assumption that the company produces only one variant of the PUC i.e., 70 Deniers. The Authority's proposal to take *** MT as the annual capacity essentially implies that the capacity of the plant should be determined on the assumption that they can and should produce only one Denier or variant. Such an approach will lead to an absurd situation.
- e) It is submitted that the current practice of calculating constructed normal value would be rewarding for non-cooperative exporters as it is being assumed that all the producers in Singapore during POI are operating at best capacity utilisation and best raw material and utility consumption norms.

H.1 Examination by the Authority

68. The Authority has examined the post disclosure submissions made by the interested parties and notes that some of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and considered relevant by the Authority are examined below.
69. As regards the various submissions made by the domestic industry on the insufficient disclosure of NIP and argument on the modification of the capacity, production, regrouping/disallowance of certain expenses while computing the NIP, the Authority notes that each element of the cost in the NIP along-with the capacity considered for optimization has been disclosed vide email dated 27th August, 2021. As regards the capacity, the domestic industry has provided the certificate dated 11.10.2018 of installed capacity issued by the Department of Industries, Government of Himachal Pradesh and approval of the Board of Directors of the domestic industry dated 05.09.2016. On the website of Indorama Industries (<https://www.indorama.com/affiliated-companies/indorama-industries-limited>) also, the installed capacity of *** MT has been mentioned. Therefore, the capacity of *** MT per annum has been considered in the NIP workings. However, the domestic industry has submitted that the Authority need not consider these aforesaid documents as its increased installed capacity is based on different assumption and its real installed capacity is different. The domestic industry has also submitted subsequent Board resolution

dated 10th August, 2021, which stated the achievable and the practical capacity of*** MT. However, it is the practice of the Authority to consider the installed capacity and not the achievable and the practical capacity. The domestic industry was requested several times to provide supporting documents like internal project report, capacity evidence submitted to any other authority, 3rd party project report submitted to any bank, technical evidence for different assumptions and other documents to substantiate its claim. However, the domestic industry could not provide any evidence. Accordingly, the capacities mentioned in the certificate issued by the Department of Industries (Government of Himachal Pradesh) and also supported by the domestic industry's own Board of Directors approval has been considered for working out the NIP on the basis of the best available facts and in terms of Rule 6(8) of the ADD Rules.

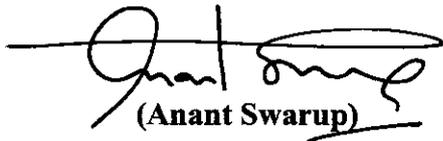
70. As regards the argument raised by the domestic industry regarding the computation of the constructed normal value, the Authority notes that the normal value has been constructed as per the consistent practice of the Authority. The Authority has normalised the actual cost incurred by the domestic industry due to inefficient utilisation of raw materials, utilities and capacity to arrive at cost of production for the purpose of normal value calculation. Further, a reasonable amount of profit is also added to determine the constructed normal value as per the consistent practice followed by the Authority.

I. CONCLUSION AND RECOMMENDATION

71. After examining the submissions made by the interested parties and the issues raised therein and considering the facts available on record, the Authority concludes and recommends that the dumping margin from Singapore is negative. The Authority, therefore, terminates the present investigation in terms of Rule 14(c) of the Anti-Dumping Rules.

J. FURTHER PROCEDURE

72. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the appropriate forum.


(Anant Swarup)
Designated Authority