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F. No.6/12/2017-DGAD

Government of India

Ministry of Commerce & Industry

Department of Commerce

(Directorate General of Anti-Dumping & Allied Duties)

4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi 110001

Dated: 24th May, 2018

FINAL FINDINGS

(Case No. OI 19/2017)

Sub: Anti-dumping investigation concerning imports of “High Tenacity Polyester Yarns” originating in or exported from China PR.

No.6/12/2017-DGAD: - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter 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 thereof, as amended from time to time (hereinafter referred to as the “AD rules”), thereof;

A. Background of the Case

2. M/s. SRF Limited and M/s Reliance Industries Limited (hereinafter referred to as the “Applicants” or “Petitioners” or “Domestic Industry”) have jointly filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Act and the AD Rules, for initiation of anti-dumping investigation concerning imports of “**High Tenacity Polyester Yarn**” (hereinafter also referred to as the “PUC” or “subject goods”), originating in or exported from China PR (hereinafter also referred to as the “subject country”), and requested for initiation of an investigation for levy of anti-dumping duties on the subject goods.
3. The Authority on the basis of sufficient *prima facie* evidence submitted by the applicant issued a public notice in accordance with Rule 6(1) of the Rules vide Notification No.6/12/2017-DGAD dated 15th June, 2017 published in the Gazette of India, Extraordinary, initiating an anti-dumping investigation concerning imports of the subject goods, originating in or exported from the subject country, in accordance with Rule 5 of the AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which, if levied would be adequate to remove the injury to the domestic industry.

4. In the initiation notice, the PUC was inadvertently identified as “*High tenacity polyester yarn*” without any exclusions, although the Petition itself had excluded some products. Accordingly, the Authority issued a corrigendum vide Notification F.No.6/12/2017-DGAD dated 22 September, 2017 to the initiation notice dated 15 June, 2017, whereby the Authority identified the PUC as “*High Tenacity Polyester Yarn, excluding yarn below 1000 denier, coloured yarn and twisted yarn*”. The revised petition with the determined PUC and POI was filed by the Petitioners on 13th October, 2018.

B. Procedure

5. The procedure described below has been followed:
 - a. The Authority under the AD Rules, received a written application from the petitioners on behalf of domestic industry of subject goods, alleging dumping of subject goods originating in or exported from subject country and resultant injury to the domestic industry and requesting recommendation for imposition of antidumping duty on imports of the subject goods from the subject country.
 - b. The Authority notified the Embassy of China PR in India about the receipt of application before proceeding to initiate the investigation in accordance with Rule 5(5) of the AD Rules.
 - c. The Authority sent copy of initiation notification to the Embassy of China PR in India, known producers/ exporters from the subject country and known importers/ users/ associations of the subject goods as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification in accordance with Rule 6(2) of the AD Rules.
 - d. The Authority forwarded copy of the non-confidential version of the application to the Embassy of China PR in India, known producers/exporters from the subject country and known importers of the subject goods, in accordance with the AD Rules. A copy of the application was also provided to other interested parties, wherever requested.
 - e. The Embassy of China PR in India was also requested to advise the producers/exporters from their country to file their responses within the prescribed time limits.
 - f. The Authority sent the exporter’s questionnaires to elicit relevant information to the following known exporters in the subject country in accordance with Rule 6(4) of the AD Rules:
 1. Zhejiang Guxiandao New Materials Co. Ltd.
 2. Zhejiang Unifull Industrial Fibre Co. Ltd.
 3. Jiang Su Heng Li Chemical Fibre Co. Ltd.

4. Hangzhou Huachun Chemical Fibre Dyeing and Weaving Co. Ltd.
 5. Oriental Industries (Suzhou) Ltd.
 6. Hyosung Chemical Fiber (Jiaying) Co. Ltd.
 7. Zhejiang Hailide New Material Co. Ltd.
- g. The following producers / exporters filed a response to the Exporter's Questionnaire in the prescribed format:
1. Zhejiang Guxiandao Industrial Fibre Co. Ltd.;
 2. Zhejiang Guxiandao Polyester Dope Dyed Co. Ltd.;
 3. Hyosung Chemical Fiber (Jiaying) Co., Ltd.;
 4. Hyosung Corporation, Korea RP;
 5. Jiangsu Hengli Chemical Fibre Co. Ltd.;
 6. Jiangsu Taiji New Materials Co. Ltd.;
 7. Zhejiang Unifull Industrial Fibre Co. Ltd. and
 8. Huzhou Unifull Industrial Fibre Ltd.
 9. Oriental Industries (Suzhou) Limited
 10. Oriental Textile (Holding) Limited
- h. Except for M/s Hyosung Chemical Fiber (Jiaying) Co., Ltd., China PR alongwith its trader, M/s Hyosung Corporation, Korea RP and M/s. Jiangsu Taiji Industry New Materials Co., Ltd., China PR none of the producers/ exporters from China PR have responded to the Market Economy Treatment (MET) Questionnaire. Hence, the other, cooperating exporters have been given non-market economy treatment in the present investigation. M/s Hyosung Chemical Fiber (Jiaying) Co., Ltd., China PR along with their trader, M/s Hyosung Corporation, Korea RP and M/s. Jiangsu Taiji Industry New Materials Co., Ltd., China PR claimed market economy treatment and have submitted Market Economy Treatment (MET) questionnaire response.
- i. Questionnaires were sent to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:
1. Shakti Cord
 2. Tuffropes
 3. India Nets
 4. Ferreterro India Pvt. Ltd.
 5. Garware Wall Ropes Ltd.
 6. Autoliv India Pvt. Ltd.
 7. Maccaferri Environment Solutions Pvt. Ltd.
 8. Poly Hose India
 9. Strata Geosystems (India) Pvt. Ltd.
 10. Maruti Rub Plast
 11. Axiom Ropes
 12. Khosla Profil
 13. Techfab India Industries Ltd.

- j. The following importers/users filed a response to the Importer's Questionnaire in the prescribed format:
1. Shakti Cords
 2. Garware Wall Ropes Ltd.
 3. Strata Geosystems (India) Pvt. Ltd.
 4. Techfab India Industries Ltd.
 5. Autoliv India Pvt. Ltd.
 6. Madhuram Fabrics Pvt. Ltd.
 7. Madura Coats Pvt. Ltd.
 8. Mehler Engineered Products India Pvt. Ltd.
 9. Vardhman Yarns and Threads Ltd.
- k. Submissions were also made from time to time by the parties who filed Questionnaire Responses. Other than such parties, comments were also received from the following parties, and have also been considered:
1. China Chamber of Commerce for Import and Export of Textiles;
 2. Zhejiang Hailide New Material Co. Ltd.;
 3. Sanrhea Technical Textiles Ltd.
- l. Letters filed from time to time have also been considered, including comments on PUC issues, PCN comments, claims for product exclusions, etc. made by various parties over the course of the present investigation.
- m. The Authority made available non-confidential version of the evidence presented by the domestic industry, producers / exporters and the importers in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties have been taken into account in the present disclosure statement.
- n. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- o. Further information was sought from the applicants and other interested parties to the extent deemed necessary.
- p. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings on the basis of the facts available.

- q. The Non-Injurious Price (hereinafter referred to as 'NIP') is based on the 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) and Annexure III to the Anti-Dumping Rules. It has been worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- r. Verification of the information provided by the applicant domestic industry was carried out by the Authority during 29-31 January 2018 to the extent deemed necessary. Similarly, during 02-07 April 2018 the Authority verified, on-site in China PR and Korea RP, the data and information provided by some of the exporters. Only such verified information with necessary rectification, wherever applicable, has been relied upon.
- s. Investigation was carried out for the period starting from 1st April 2016 to 31st March 2017 (12 months) (hereinafter referred to as the 'period of investigation' or the 'POI'). The examination of trends, in the context of injury analysis covered the period from 2013-14, 2014-15, 2015-16 and the POI.
- t. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, and the period of investigation, and the said information was obtained from the DGCI&S and has been adopted for the purpose of the present investigation.
- u. Arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority.
- v. Based on the suggestions put forward by the Petitioners, and comments received thereon, the Authority constructed the PCN classification and circulated the same on 20th March, 2018. Revised Questionnaire responses based on the PCN classification were received from the Exporters on 27th March, 2018.
- w. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a hearing held on 13 March, 2018. All the parties attending the oral hearing were requested to file written submissions of the views expressed orally by 20th March, 2018. The parties were advised to collect copies of the views expressed by the opposing parties and were requested to submit their rejoinders by 26th March, 2018.

- x. The arguments made in the written submissions and rejoinders submissions as well as letters received from time to time from the interested parties have been considered in the present findings.
- y. In accordance with the Rules, the Authority also disclosed the essential facts of the present investigation to all interested parties vide a disclosure statement issued on 4th May, 2018, and advised them to file the comments on the disclosure statement by 14th May, 2018. The comments received from the domestic industry and other interested parties have been addressed in this findings to the extent considered relevant.
- z. Exchange rate prevailing during the POI for conversion of US\$ to INR is considered as INR 67.95=US\$1 and has been adopted by the Authority.
- aa. In this notification, *** represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

C. Product Under Consideration and Like Article

Views of the producers/exporters, importers and other interested parties

- 6. The following submissions were put forward by exporters/importers/other interested parties with regard to scope of the product under consideration and like article:
 - a. The PUC should be revised to exclude certain products, such as Adhesive Activated Yarns, Yarns having denier greater than 6000 and High Modulus Low Shrinkage (HMLS) Yarns.
 - b. With respect to yarns having denier more than 6000, the interested parties submitted that the Domestic Industry does not produce such goods. Therefore, the same should be excluded from the PUC.
 - c. With respect to adhesive activated yarns, it was submitted that the Domestic Industry was unable to supply HTPY Adhesive Activated having denier more than 1000D.
 - d. The Petitioners do not have stable production of Adhesive Activated yarns in the full range. If duties are imposed on these goods, it would make the producers of RFL dipped Fabrics unnecessarily uncompetitive.
 - e. The Petitioners do not produce twisted yarns and therefore the same also should be excluded.
 - f. With respect to HMLS yarn, it was submitted that HMLS yarns are unique in their characteristics. It was claimed that the Domestic Industry does not supply the same. In this regard, the interested parties pointed out that the

Petitioner RIL had admitted during the Oral Hearing that it launched its HMLS facilities only recently. Therefore, during the POI, the Petitioner RIL was not producing or supplying HMLS yarns. Moreover, the other Petitioner-SRF- appears to captively consume the entirety of its HMLS yarn production and therefore, even SRF does not supply the HMLS yarn to the domestic market.

- g. One of the producers namely Reliance Industries Ltd admittedly does not have even the capacity to produce HMLS and SRF Ltd did not supply the same citing reason that they can only produce it against order with complete specification to be provided by the user. Effectively, the domestic industry did not supply HMLS in the POI and this should lead to the exclusion of HMLS from the scope of PUC and the interested parties have prayed for the same.
- h. The producers should supply HMLS yarn sample which would be tested by the user and further fine-tuned as per the user's requirement. It involves detailed analysis of behavior in plant and consistency of the product. Thereafter, the process of customer approvals starts. This takes at least 2 years to complete. The long period of approvals is well accepted by the petitioners in the written submission and oral hearing.
- i. There is no case for the inclusion in the PUC of products having denier more than 6000, Adhesive Activated yarns having denier more than 1000 and yarns having HMLS properties.

Views of the domestic industry

- 7. The submissions made by the domestic industry with regard to product under consideration and like article and considered relevant by the Authority are as follows:
 - a. The PUC is High Tenacity Polyester Yarns excluding yarns having denier below 1000, twisted yarns and coloured yarns.
 - b. With respect to the claim for exclusion of HMLS yarns, it was submitted that it is not necessary for each constituent of the domestic industry to produce the like article. During the POI, SRF has both produced and sold HMLS yarns. The said product is not being used solely for captive consumption. SRF has also offered to sell such yarns to M/s Shakti Cords, one of the interested parties, and therefore, argument that such yarns are not being produced or sold have no merit.
 - c. Even RIL has the capacity to produce and sell HMLS yarns. However, owing to lack of approvals and specifications of the product, the same have not been supplied. Despite offering the product to M/s Shakti Cords, the

sales did not materialize because M/s Shakti Cords was unable to provide a sample yarn for ascertaining the exact specifications of the product.

- d. The evidence on record shows that HMLS yarn was produced and supplied by the domestic industry during the POI.
- e. Regarding the clubbing of HMLS yarns in the “others” category, it is submitted that detailed PCN wise categorization has been proposed by the Authority and therefore, this issue is invalid.
- f. Moreover, the law under Rule 2(b) does not require the subject domestic industry to be engaged in supply of the like article during the POI. Rather, read with Rule 2(d), it is clear that the domestic industry is required to be engaged in the manufacture of the like article.
- g. With respect to the request for exclusion of Adhesive Activated yarns having denier more than 1000, it is submitted that it is not necessary for each constituent of the domestic industry to produce the like article. In the present case, during the period of investigation, SRF has produced and sold adhesive activated yarn of more than 1000 deniers.
- h. Non-production or low production volumes of certain varieties of the yarn was more due to the disinterest of the domestic consumers to buy from the DI rather than an inability of the DI from producing the same. The main reason for the domestic consumers preferring to import their requirements was the dumped prices rather than due to quality issues or inability of the DI to supply the required volumes.
- i. Requests have been made for exclusion of yarns having denier more than 6000. However, no reasons have been provided for such claims. The Authority has held in past cases that for claiming an exclusion, there should have been either imports of the product type for which exclusions are sought or the domestic industry should have failed to supply the said product. Where no such case has been made out, the claim for exclusion from the PUC is unjustified.

Examination of the Authority

- 8. In the initiation notice, the product under consideration in the present investigation has been taken as “*High Tenacity Polyester Yarn, excluding yarn below 1000 denier, coloured yarn and twisted yarn*” also known as polyester industrial yarn (PIY) or industrial yarn (IDY) in market parlance. High tenacity Industrial Grade yarn has various grades depending on end application requirement such as Regular Adhesive Activated (AA), Regular Adhesive Non-activated (NAA), High Modulus Low Shrinkage Adhesive Activated (HMLSAA), High Modulus Low Shrinkage Non-Adhesive Activated (HMLS

NAA), Low Shrinkage (LS), Super Low Shrinkage (SLS), Ultra Low Shrinkage (ULS), Dope Dyed Yarn.

9. The subject goods are used for manufacture of wide variety of products like - tyre cord fabric, seat belt webbing, Geo grids, geo strips, slings, ropes, single cord, coated fabric, conveyor belt fabric, rubberized hose, fire hose, automotive hose, etc. PUC is classified under Chapter 54 of the Customs Tariff Act, 1975, under customs sub-heading 5402.2090. The Customs classification is indicative only and in no way binding upon the product scope.
10. With regard to like article, Rule 2(d) of the AD Rules provides as follows: -*“like article” means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation.*
11. The interested parties have sought exclusion of a number of product types from the scope of PUC on the grounds that the domestic industry does not produce and/or regularly supply the product in the desired product type, or, the quality of the product produced and supplied by the domestic industry is not up to the satisfaction of the users. The arguments of interested parties have been examined by undertaking on the spot verification at the premises of the petitioning companies and calling for relevant information from the interested parties.
12. The Petitioners had submitted PCN classification in their Petition and accordingly, data was received from the interested parties. Thereafter, the PCN was clarified by the Petitioners vide their communication dated 12 March, 2018. The Authority circulated the same to the interested parties and sought comments regarding the same. Comments were received from various interested parties pertaining to the classification and the testing criterion for each of the classification adopted in the PCN classification. Accordingly, and post-discussions with the domestic industry as well, the Authority issued the PCN classification on 20th March, 2018 and revised questionnaire responses were required to be filed by 27th March, 2018. Accordingly, the revised data was also sought from the domestic industry and received.
13. The Authority notes that based on the submissions of the interested parties, the following four claims for exclusion of certain types of yarns need to be examined:
 - a. Twisted Yarns;
 - b. Yarns having denier more than 6000;
 - c. Yarns having Adhesive Activated coating having denier more than 1000; and
 - d. Yarns with High Modulus Low Shrinkage (HMLS) properties.
14. Before examining the claims for exclusion, the Authority would like to point out that based on information provided by both sides it is clear that the PUC is a

technical yarn. A variety of technically specified fabrics/ goods are being produced using these yarns. It therefore, cannot be denied that the purchase decision for a large proportion of these yarns would include the verification/ascertainment of some level of technical specificity or performance requirement. The purchase decision cannot be price-based alone. While the Authority cannot go into the reason behind why every individual offer to supply was accepted or rejected, it is confident that any decision based on the actual production/ sales performance is fair to both the sides.

15. With respect to the claim for exclusion of Twisted Yarns, the Authority notes that the scope of PUC in any case does not include twisted yarns. Thus, any HTPY Twisted Yarn is beyond the scope of present investigation. The Domestic Industry has excluded the following types of yarns from PUC at the stage of filing the petition itself:

- a. Yarns having denier below 1000;
- b. Twisted Yarns; and
- c. Coloured Yarns.

16. Thus, the claim for exclusion of twisted yarns is unwarranted.

17. With respect to the claims for exclusion of yarns having Adhesive Activated coating and of denier more than 1000 and HMLS Yarn, the Authority notes as below:

	Unit	AA Yarns Denier > 1000		HMLS Yarns	
		SRF	RIL	SRF	RIL
Production	MT	***	NIL	***	NIL
Merchant Sales	MT	***	NIL	***	NIL
Merchant Sales as % of Production	%	0.78%	NIL	1.74%	NIL

18. The above table shows that the Domestic Industry has production and sales of Adhesive Activated yarns having denier up to 2000. However, it is noted that the Domestic Industry has negligible sales of Adhesive Activated Yarn having denier more than 1000 and up to 2000 in the merchant market. In light of the same, there is merit in the claim of the interested parties that the petitioners do not supply Adhesive Activated yarns “in the full range”. The Authority also notes that even though SRF has produced Adhesive Activated Yarns having Denier more than 1000 during the POI, it has only commercially sold less than 1% of its production of the same. Thus, inclusion of AA yarns having denier more than 1000 within the scope of PUC and the current investigation is inappropriate. Accordingly, the Authority has excluded Adhesive Activated yarns having denier more than 1000 from the scope of PUC for the present investigation.

19. Regarding the claim for the exclusion of yarns having HMLS properties, it is noted that HMLS yarn is a yarn having dimensional stability without elongation

or stretching under pressure and without shrinking despite heat application. We note that the testing criterion for HMLS yarn, in terms of the PCN classification issued, was determined to be its “dimensional stability index” below 10. The Dimensional Stability Index is measured as the sum of elongation at 4Cn/dtex (tested as per ASTM D885) and hot air shrinkage at 177°C for 2 minutes at 0.05Cn/dtex end load (tested as per ASTM D4974). HMLS yarn is used in products such as tire cords (as reinforcement inside tyres used in passenger cars and light commercial vehicles.), conveyors and v-belts for the mechanical rubber goods industry.

20. Upon receipt of PCN wise information from the exporters and the domestic industry, it was observed that RIL has not produced the HMLS yarn during the POI. Even though SRF has produced HMLS yarn during the POI, it has only commercially sold less than 2% of its HMLS yarn production. Thus, inclusion of HMLS yarn within the scope of PUC and the current investigation would not be appropriate. Accordingly, the Authority has excluded yarns having HMLS properties from the scope of PUC for the present investigation.
21. In the disclosure statement, the Authority had not considered the exclusion for yarns having denier more than 6000, on the understanding that such yarns are actually twisted yarns. Since twisted yarns were already excluded from the scope of the PUC, it was not considered necessary to grant a separate exclusion to yarns having denier more than 6000. In the post disclosure comments, interested parties have brought evidence to the notice of the Authority regarding imports of flat/untwisted yarns having denier more than 6000. In light of the same, the Authority finds that there is a legitimate claim for exclusion of HT yarns having denier more than 6000. Based on information available with the Authority, it is also observed that the Petitioners have no production or sales of high tenacity polyester yarn having denier more than 6000 and therefore, there is no domestic supply or competition with respect to the same. Accordingly, the claim of the interested parties for exclusion of yarns having denier more than 6000 is accepted.
22. Based on the foregoing, the Authority has considered the PUC as High Tenacity Polyester Yarns excluding:
 - a. Yarns having denier below 1000;
 - b. Yarns having denier above 6000;
 - c. Twisted yarns;
 - d. Coloured yarns;
 - e. Adhesive Activated yarns with denier higher than 1000; and
 - f. Yarns with HMLS properties.

D. Domestic Industry and Standing

Views of the producers/exporters, importers and other interested parties

23. The submissions made by the exporters/importers/other interested parties during the course of the investigation with regard to scope of domestic industry and standing are as follows:
- a. The Petitioners have not divulged details of their production capacity even though such information is available in the public domain on their own websites. Production capacity for the Petitioners should be considered on the basis of dedicated capacity for high tenacity polyester yarn rather than the entire industrial yarns segment. Petitioners are manufacturers of multiple products, and only the dedicated capacity to produce subject goods should be considered.
 - b. One of the Petitioners, SRF, is a ‘manufacturer of the subject goods for captive consumption’ and sells only a marginal portion of its production in the domestic market. Therefore, such producer cannot be considered as a constituent of the domestic industry as its costs are incomparable with a ‘manufacturer for domestic sales’. In this regard, the interested parties cited the Authority’s finding and CESTAT decision in *Low Ash Metallurgical Coke from Australia and China PR (2016)*.
 - c. The domestic industry has not provided the details of captive production by SRF Ltd. Rather, it has assumed, without providing any relevant evidence on record, that it is a part of the domestic industry and that there is no need for any examination of captive production to determine SRF’s inclusion or exclusion in the current investigation.
 - d. One of the Petitioners, SRF, is an importer of the subject goods from the subject country and therefore, may be excluded in terms of Rule 2(b) of the AD Rules.
 - e. SRF’s imports are about 714.82 MT from China PR in the POI out of total imports of 15524 MT and work out to about 4.64% share in total imports which is a substantial share.
 - f. The domestic industry has not provided any quantitative details of the imports made by SRF Ltd. in their application. It may be seen that the Authority in the recently concluded SSR AD investigation concerning imports of *Melamine from EU, Iran, Indonesia and Japan (2018)* did not allow the domestic industry to claim confidentiality over the imports made by the domestic industry.
 - g. Since one of the Petitioners is an importer itself, even if it is to supplement a different line of products, there is apprehension that in case of imposition

of anti-dumping duties, the Petitioner would resort to increased captive consumption which is at present being met by importation of subject goods.

- h. Admittedly, there is a third producer in India- M/s Fairdeal Jumbo Packaging Pvt. Ltd. Moreover, it is functioning well in the market, and is not suffering any injury.
- i. The constructed normal value of producers/ exporters in the present case cannot be constructed on the basis of the Petitioners' captive costs and neither can the NIP of the Petitioners be based predominantly on this captive price of the Petitioners.

Views of the domestic industry

- 24. The submissions made by the domestic industry with regard to scope of domestic industry and standing, considered relevant by the Authority, are as follows:
 - a. The Petitioners account for substantial percentage of domestic production and therefore, they have the requisite standing to file the present petition. Even assuming that some part of the production is done by another producer in the domestic industry, the Petitioners still have substantial percentage of production and therefore, have standing for the purposes of the present petition.
 - b. The Petitioners have provided details of only dedicated capacity of the subject goods. The data in this regard has already been verified by the Designated Authority for adequacy and accuracy.
 - c. Captive consumption does not mean that the producer is ineligible to be treated as domestic industry. SRF has utilized 56% of its production captively, which establishes that it was not producing for "self-consumption". Rather, though the captive consumption was lower in the beginning of the period of injury, SRF was able to increase captive consumption with increase in demand but was unable to commensurately increase its domestic sales owing to dumped imports. Thus, the ratio of captive consumption to production increased over the period.
 - d. The Authority has, in the past, considered captive producers of subject goods as part of eligible domestic industry. Reliance was placed on the Final Findings in *Vitamin E from China PR (2003)*.
 - e. The facts and circumstances in the case of *Low Ash Metallurgical Coke from China PR and Australia (2016)* are distinguishable from the present facts as the domestic sales in that case were negligible while SRF has significant merchant sales.

- f. The Authority may consider the standing of the Petitioners after excluding the production meant for captive consumption.
- g. The mere fact of importation does not lead to a foregone conclusion regarding the exclusion of the said importer from the Domestic Industry, rather, there exists discretion with the Authority in this regard.
- h. The claim pertaining to increased captive consumption to replace importation in case of imposition of duty is entirely baseless. M/s SRF Limited has been importing the subject goods under advance license to produce downstream products for export. Such practice can be easily continued even after imposition of duties.
- i. Submissions by Shakti Cords pertaining to SRF's importation are inaccurate. The data filed by the domestic industry clearly shows that SRF imported merely 50.4 MT of the subject goods from the subject country. Therefore, the imports made by M/s SRF Limited constitute only 0.3% of the imports from the subject country, which is insignificant. Even if the imports had been amounting to 4% as claimed by Shakti Cords, it would still not qualify as a significant share, particularly when the imports were made under advance license for the purpose of exportation.
- j. M/s Fairdeal Jumbo Packaging Pvt. Ltd. has opted not to participate in the present investigation and therefore, the Domestic Industry is unable to comment on the veracity of claims regarding its functioning and lack of injury. The interested parties have merely made statements regarding the same without supplying any evidence in this regard. During the hearing, one of the interested parties had clarified that the production of M/s Fairdeal Jumbo Packaging Pvt. Ltd. is insignificant and of poor quality, indicating that the producer is not performing well.

Examination of the Authority

25. Rule 2 (b) of the AD rules defines the 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”

26. The application has been filed by two producers, RIL and SRF, claiming that their production put together is more than 90% of Indian production. It is an admitted position that there is a third producer, M/s Fairdeal Jumbo Packaging Pvt. Ltd.

However, the said producer has not come forward and none of the parties to the investigation have supplied any evidence regarding its production capacities. The Authority finds that in view of the lack of any information brought on record by any of the parties to the investigation and the non-participation of M/s Fairdeal Jumbo Packaging Pvt. Ltd., the said producer cannot be considered for the purposes of injury determination. Therefore, the Authority has considered SRF and RIL as the constituents of the domestic industry.

27. Further, claims have been made by various interested parties that SRF may not be considered as part of the eligible domestic industry owing to its captive consumption and the fact of importation from China PR. The Authority has examined whether SRF can be considered a captive producer by verifying the quantum of production consumed captively and the quantum sold in the merchant market. It is observed that SRF's production is evenly distributed between self-consumption and merchant sales. In light of the same, it would be inappropriate to consider SRF as a captive producer and disregard its production going into merchant market. Moreover, inclusion of SRF as part of the domestic industry allows for a more holistic understanding of the injury parameters. Therefore, the claims made by the interested parties are not pertinent in the facts of the present case.
28. Moreover, with respect to the importation of the subject goods, the Authority retains the discretion to determine whether a producer may be considered eligible to constitute domestic industry despite its importation of the subject goods from the subject country. In the present case, it is noted that marginal volumes, amounting to less than 0.5% of imports are attributable to the Petitioner-SRF. Thus, to conclude that the main business activity of SRF is importation of the subject goods would be inappropriate. In light of submissions made at the post-disclosure stage, the Authority also notes that such marginal importation by the Petitioner SRF could not have, and did not, contribute to the injury suffered by them or the Petitioners considered together.
29. Therefore, the Authority holds that the Petitioners command a major proportion of the production of the subject goods in India. For the purpose of this investigation the Petitioners satisfy the standing requirement in terms of Rule 5(3) and constitute the domestic industry in terms of Rule 2(b) of the AD Rules.

E. Excessive Confidentiality

Views of the producers/exporters, importers and other interested parties

30. The submissions made by the exporters/importers/other interested parties during the course of the investigation with regard to excessive confidentiality and considered relevant by the Authority are as follows:

- a. The Petitioners have failed to disclose critical and basic information in the Petition and over the course of the investigation. Such data is normally revealed by the Authority at the time of disclosure and / or Final Findings, and therefore, there is no reason for keeping the same confidential and denying the Respondent herein an opportunity to address the factual situation. Various cases were cited in this regard.
- b. Excessive confidentiality has been claimed by the Petitioners with respect to basic parameters such as capacity, captive consumption of the Petitioners, Indian Demand, Production volume of the domestic industry, Total Indian production, Sales volume of the domestic industry, Export volume of the domestic industry, Capacity Utilization, Domestic Market Share of Petitioners, other Indian producers, Imports from the subject country and Imports from Countries not subject to investigation.
- c. Moreover, certain Parameters prescribed in Proforma IV(A) have been kept confidential and not provided at all, not even in indexed form. Such parameters include Captive Consumption Value, volume related figures of sales without captive consumption as well as including captive consumption, volume related figures of demand without captive consumption and as well as including captive consumption Total Sales Value, Inventories (Volume)-Opening Stock and Closing Stock, Sales figures pertaining to Export Sales, Profit and Loss figures pertaining to Export Sales, Interest, Depreciation, Capital investment for expansion, Net Fixed Assets and Working Capital. Even the percentage figures of profit/ loss & ROCE as well as the export volumes have been kept as confidential.
- d. The domestic industry has not provided the details of company-wise production of the applicants and also of the other domestic producer or share in total domestic production of Indian producers. The domestic industry has not provided the details of captive production by SRF Ltd.
- e. The Petitioners are multi product companies and therefore, are required to provide product-specific financial statements.
- f. Certain data claimed as confidential was revealed by the Petitioners at the time of oral hearing, invalidating any confidentiality claims put forward by them.
- g. Excessive confidentiality has been claimed by the Petitioners in order to prevent a clear understanding of the extent of captive consumption which is high; the level of capacity utilization which is optimum; and that the imports are entering to cater to the growth in demand (42%) which is beyond the optimum capacity of the Petitioner.

- h. The Petitioners have failed to declare their imports and relationship with the importers and exporters of the subject goods.
- i. The Petitioners have not enclosed the costing formats as part of the Petition. Even the names of the raw materials and other relevant details which are helpful in understanding the details of the production process as well as other relevant information have been claimed as confidential.
- j. The sole purpose of Petitioners' claim of excessive confidentiality is to prevent a clear understanding that the extent of captive consumption is very high, the level of capacity utilization is optimum, and that the imports are entering to cater to growth in demand which is beyond optimum capacity of petitioners.

Views of the domestic industry

- 31. The submissions made by the domestic industry with regard to excessive confidentiality, considered relevant by the Authority, are as follows:
 - a. The Petitioners have put forward the claim that Exporters/ Producers have abused confidentiality provisions. In this regard, the Petitioners have claimed that certain critical information, such as list of related parties involved in the PUC production / sales, specifications of the PUC, PCN used by the producers/ exporters, list of documents provided to substantiate domestic and export sales, volume and value of domestic sales, list of key raw materials, etc. have not been disclosed in the non-confidential version of the Questionnaire responses filed by the producers/ exporters.
 - b. With respect to the costing information, all relevant data has been supplied to the Authority in the required application formats. Moreover, all the injury parameters have been provided in the indexed form sufficient to allow the parties to argue the case on merits.
 - c. The claims for provision of product specific data are beyond what is contemplated in the law. As per the AD Rules, where separate identification of data for a particular product is not possible, then the narrowest range of products should be considered. Besides, neither SRF nor RIL maintains product-specific Balance Sheet or statement of profit and loss.
 - d. By contrast, the producers and exporters have abused the provisions with regard to confidentiality and have claimed even such information, the disclosure of which could hardly be prejudicial to their interests, as confidential. Furthermore, no trends or indexed data has been provided, and in most cases, an appropriate non-confidential summary of the data has not been provided.

- e. Disclosing data pertaining to captive consumption would be tantamount to disclosing actual details of captive consumption of SRF, which would be prejudicial to it.
- f. The claim that Petitioners have exercised excessive confidentiality to mislead parties and the Authority regarding the fact that Petitioners are performing at optimum capacity is baseless. Even assuming such facts, even such imports cannot be dumped into India and cause injury to the domestic industry, which is the case here.
- g. Details of capacity have been claimed as confidential as it pertains to the dedicated capacity for the production of product under consideration rather than its capacity to produce industrial yarn as a whole, which is the data available in the public domain.
- h. As regards the claim that Petitioners should have declared their imports and relationship with the importers and exporters of the subject goods, it is noted that the prescribed formats of the Authority require no such mandate. In any case, all relevant information has been provided.
- i. There is no requirement to provide the details of or share in production for each constituent of the domestic industry, even in the indexed form. The injury parameters are required to be provided for domestic industry as a whole, and the same has been duly provided, subject to the requirements to maintain confidentiality of business sensitive information.

Examination of the Authority

- 32. With regard to the confidentiality of information, the Authority notes that the information provided by the domestic industry on confidential basis was examined with regard to sufficiency of the confidentiality claim in accordance with Rule 7 of the AD Rules. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not kept open in public file. The Authority has also considered the confidentiality claims of other interested parties in accordance with the aforesaid rule and its consistent practice.
- 33. As regards the argument on the deficient information provided by the petitioners, the Authority notes that the information provided by the petitioners in the application was as per the proforma prescribed and only upon satisfaction of the merit of the case, the Authority initiated the present investigation.

F. Miscellaneous Issues

Views of the producers/exporters, importers and other interested parties

34. Certain other submissions were also put forward by the exporters/ importers/ other interested parties pertaining to miscellaneous issues:

- a. The initiation notice issued by the Authority is illegal and travels beyond the mandate of the Indian AD Rules and the WTO ADA, and therefore, the subject investigation merits termination. The basis of the claim is that issue of corrigendum is belated and cannot substitute the improper initiation in the present case.
- b. The Petitioners filed the non-confidential version (NCV) of the petition on 21 June, 2017. Thereafter, on 18 July, 2017 another NCV was filed changing PUC and complete data citing certain inadvertent errors in the previous NCV version. Upon the Authority's corrigendum, another version of the Petition was filed. The changing versions warrant termination of the Petition.
- c. The Petitioners have only provided updated data and have not filed complete petition. Moreover, the Petitioners' data has undergone massive changes in the process of updation, even for prior years, which needs to be justified.
- d. The Authorization letter and certificate of correctness pre-date the end of period of investigation.
- e. The Petitioners have not provided the transaction-wise import data obtained from IBIS as well as DGCI&S in the current investigation.
- f. The PCN proposed by the DI in its post initiation submission are not appropriate and fails to account for specific products like HMLS.

Views of the domestic industry

35. Certain other submissions were also put forward by the exporters/importers/other interested parties pertaining to miscellaneous issues:

- a. M/s Autoliv India Pvt. Ltd. and M/s Garware Wall Ropes Ltd. have not filed a response to the Importers Questionnaire. These parties have chosen not to co-operate with the Authority.
- b. The Petition has undergone change owing to discussions with the Authority and agreement to exclude certain products from the PUC and owing to the revision of the POI. The allegations being made are clearly intended to

unnecessarily undermine the credibility of the petitioning domestic industry.

- c. The Petitioners had filed duly documented petition for the PUC at the time of initiation of the investigation. Thereafter, when the POI was modified by the Authority at the time of initiation, the updated data for the POI was duly filed on 13 October, 2017. In terms of Rules 5 and 6 of the AD Rules, the Petitioner could not have filed a fresh application post initiation of the investigation.
- d. The petitions were duly accompanied by the certificate of correctness and the authorization letter at the time that they were filed, i.e., 17th March, 2017 (CV) and 21st June, 2017 (NCV). In any case, since verification of the domestic industry has been conducted by the Authority, such claims are unfounded.
- e. With respect to provision of import transactions data, the same has been provided to the Authority. There is no requirement to make the same available in excel version to the interested parties.
- f. The Authority has issued the PCN methodology to be used in the present investigation, pursuant to comments and detailed discussions with all interested parties.

Examination by the Authority

- 36. The various submissions made by the interested parties and the Petitioners with regard to miscellaneous issues as recorded above have been examined and addressed below:
 - a. The Authority sees no illegality in the issuance of corrigendum to the initiation notice. Moreover, it is unclear how the exclusion of products, as was done by the Corrigendum issued by the Authority, has been prejudicial to the interested parties. Further, it is noted that the Authority, post-initiation of the investigation came to the conclusion that certain products merit exclusion and therefore, the same was notified to the parties.
 - b. It is noted that the changing petitions in the present case are inconvenient and contrary to the time-bound proceedings as in an anti-dumping investigation. However, given the facts and circumstances of the present case, where the Authority modified the PUC and the POI, it is found that the Petitioners were fully justified in the revision of the data as was required.
 - c. The petitioners are obliged to provide all relevant information for the updated POI, which has been done.

- d. The claims of the interested parties pertaining to re-filing of Authorizations and certificates by the Petitioners in line with the updated POI are without merit in the facts of the present case. The Authority has verified and scrutinized the data of both the petitioners and therefore, the absence of such authorization and certificates have not vitiated the proceedings in any manner nor caused any prejudice to the interested parties.
- e. The issue regarding PCN has been considered under the PUC issues. However, it is observed that the submissions recorded herein were made prior to finalization of the PCN and therefore, are meritless. The Authority has concluded the PCN based on comments from the interested parties as well as the domestic industry. In fact, the PCN followed in the present case has addressed the claims of the interested parties.
- f. With regard to the request for provision of import data the Authority would like to point out that Trade Notice No. 7/2018 dated 15 March 2018 provides that the Authority, on the basis of a written request would authorize the bona fide applicant to obtain the Transaction-wise import data from DGCIS. While the hard copy of the import data (processed/transformed data) submitted by the applicant/ petitioner industry to DGAD at the time of filing of the application can also be accessed by the interested parties, but only after providing a prescribed declaration/ undertaking. It is therefore for the interested party to seek authorization from the Authority for obtaining transaction wise data for analysis.
- g. The Petitioners' claim that M/s Autoliv and M/s Garware have not filed the importers' questionnaire response and are therefore, non-cooperative is entirely baseless. The Authority has received the responses of these parties and has made available the responses filed by these companies in the Public File.

G. Determination of Market Economy Treatment (MET), Normal Value, Export Price and Dumping Margin

Views of the producers/exporters, importers and other interested parties

- 37. The following submission was made by the producers/ exporters/ importers/ other interested parties with regard to market economy treatment, normal value, export price and dumping margin.
 - a. The construction of the Normal Value for the subject country is deeply flawed. The consumption norms used to calculate the normal value have not been provided. All elements considered in the Normal Value, such as raw materials cost, utility, conversion cost, selling, general and administrative costs, have been considered as per the Petitioners' costs in violation of the WTO AD Agreement and the Indian AD Rules.

- b. Construction of Normal Value on the basis of the price actually paid or payable in India may only be considered as a sound basis for construction of the normal value after the prior two options listed under para.7 of Annexure I of the AD Rules have been exhausted. Without exhausting such options, the usage of such a methodology is clearly in contravention of the requirements of paragraph 7 of Annexure I of the AD Rules.
- c. In case the Authority opts to rely upon a constructed normal value based on the experience of domestic producers in India, then the same must be based on only the most efficient domestic producer. This is the consistent practice of the Authority and should not be deviated from.
- d. Moreover, even when a producer/ exporter is not granted market economy treatment, the consumption norms of the producer/ exporter must be considered for determination of normal value.
- e. There is no evidence of adjustments made in export price such as ocean freight, marine insurance, port expenses, inland freight expenses, bank charges, commission, or the basis thereof has been provided in the petition.
- f. The adjustments claimed by the domestic industry from the export prices are on the higher side resulting in exaggerated claims of dumping in the current investigation. The present initiation was done on the basis of incorrect facts.
- g. The constructed normal value of the producers/ exporters cannot be constructed on the basis of the Petitioners' captive costs and neither can the NIP of the Petitioners be based predominantly on this captive price of the Petitioners.
- h. The Authority must consider Normal Value, Export Price and in turn, dumping margin on the basis of data provided by the producers / exporters and duly verified by the Authority.
- i. That in accordance with relevant provisions of the Protocol on China's accession to the WTO, the Normal Value for the producer / exporter should be based on its domestic sales and cost of the subject goods as the period of 15 years for NME treatment expired on 11 December, 2016.
- j. That in accordance with relevant provisions of the Protocol on China's accession to the WTO, the "surrogate country" practice in Anti-dumping actions should be lacking in multilateral legal basis since 11th Dec, 2016. Such practice is bound to expire from then on. We therefore request the Indian investigating authority not to use "surrogate country" methodology in calculating the normal value for this case, regard less whether treating China PR as a market economy country.

- k. “*Pacta sunt setvanda*” is a basic principle and obligation under International Law, which means that no party shall evade its obligations under international treaties for political considerations or in the excuse of domestic laws to treat Chinese enterprises with discriminatory actions which are unfair, unjust and unreasonable. Thus, India must fulfill its obligations under relevant agreements, to recognize China's full market economy status, and by amending relevant domestic regulations, to legally stop using the “surrogate country” approach in anti-dumping investigations against China PR. Section 15 of China’s Accession Protocol is the relevant provision which directs all member countries to stop using surrogate country approach.

Views of the domestic industry

38. The following submission was made by the domestic industry with regard to normal value, export price and dumping margin:
- a. The domestic industry submitted data, as reasonably available to it, at the time of filing the petition. The Authority was required to be satisfied with regard to accuracy and adequacy of the evidence for the purpose of initiation of investigations. In terms of *Automotive Tyre Manufacturer’s Association vs. Designated Authority (2011)*, such *prima facie* satisfaction may be determined on the basis of the cost of production of the petitioner at the time of initiation.
 - b. The interested parties have contended that the Petitioners should have relied on international raw material prices for estimation of normal value without providing any such evidence by themselves.
 - c. Moreover, even the participating producers and exporters have suppressed and misrepresented material information.
 - d. The interested parties have claimed that in case normal value is based on the cost of the domestic producers, it should be based on the cost of the most efficient domestic producer. There is no legal basis to such a claim. Moreover, efficiency of foreign producers cannot be presumed.
 - e. Further and without prejudice, the most efficient producer may not refer solely to the producer having the lowest cost of production. Rather, a number of factors may be involved in determining efficiency.
 - f. Adjustments to the export price claimed by the Petitioners is based on best estimates in the absence of any public information with regard to actual expense. Actual expenses are within the knowledge of the exporters alone. The adjustments to the export price, as claimed by the petitioners were reasonable estimates on the conservative side.

- g. The exporters have not contended that the amounts claimed by the petitioner are excessive or some adjustment has been claimed by the petitioner for an expense which was not incurred. Since the exporters have now participated in the investigation by filing responses to the Exporters Questionnaire, the export price can be computed on the basis of the information provided by them, if it is found complete in all respects, and on verification is found to be accurate and reliable.
- h. Further, in determining the export price, it should be ensured that the selling, general and administrative expenses and profit margin of each trader involved in selling the goods are appropriately captured and adjusted.
- i. It is also pointed out that the records are kept by the exporters in foreign languages and therefore in any case, not only that the information provided to the Authority is a derived information and must necessarily be verified, but also, the Authority should use services of a translator, as the Authority and the team may not be able to understand these languages.
- j. The Authority should make a meaningful disclosure pertaining to the information filed and claims made by the producers / exporters. In turn, the Authority should disclose the verification reports of the producers / exporters, communications with the exporter and replies filed by them, disclosure of actual dumping margin
- k. The investigation period considered by the Authority in the present case is April, 2016 to March, 2017 (12 months). The injury investigation period has been considered as the period 2013-14, 2014-15, 2015-16 and POI. Since much of the period of investigation falls prior to the expiry of the abovementioned provision, China PR cannot be treated as a market economy.
- l. Since normal value is constructed on the basis of the cost of production of the domestic industry, therefore details thereof could not have been provided in the NCV.
- m. It is relevant to note that though the methodology of construction of normal value has been questioned by the interested parties, the exporter has done nothing, which would assist in the investigation such as suggesting an appropriate third country and bringing forth information with regard to the domestic prices prevailing therein. The exporter is clearly trying to merely stir up trouble with the intention of misleading the Authority and hampering the present investigations.

Examination of the Authority

G.1 Determination of Normal Value for producers and exporters in China PR

39. As regards the computation of normal value for China PR, the Authority notes that the factum of dumping causing injury to the Domestic Industry is established based on investigation period, the conditions prevalent during the investigation period alone are relevant, appropriate and necessary for the purpose of present investigation. The Period of Investigation (POI) for the purpose of the present investigation is April, 2016 - March, 2017. Since the subparagraph of Article 15 was in existence during most of the period of investigation, the Authority may use a methodology that is not based on a strict comparison with domestic prices or costs in China PR if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.
40. It is also noted that in the past three years, China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules.
41. At the stage of initiation, the Authority proceeded with the presumption that China PR is a non-market economy country. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known producers/ exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China PR to advise the producers/ exporters in China PR to provide the relevant information.
42. The Authority notes that the known Chinese producers/ exporters and the Government of China PR have been adequately notified about the requirement of submission of information in the form and manner prescribed and adequate opportunity was also granted to them to make their submissions in this regard.
43. The Authority notes that consequent upon the initiation notice issued by the Authority in the present investigation, the following Chinese companies have filed exporter's questionnaire response:
- i. Zhejiang Guxiandao Industrial Fibre Co. Ltd.;
 - ii. Zhejiang Guxiandao Polyester Dope Dyed Co. Ltd.;
 - iii. Hyosung Chemical Fiber (Jiaxing) Co., Ltd.;
 - iv. Hyosung Corporation, Korea RP;
 - v. Jiangsu Hengli Chemical Fibre Co. Ltd.;
 - vi. Jiangsu Taiji New Materials Co. Ltd.;
 - vii. Zhejiang Unifull Industrial Fibre Co. Ltd.
 - viii. Huzhou Unifull Industrial Fibre Ltd.;
 - ix. Oriental Industries (Suzhou) Limited; and

- x. Oriental Textiles (Holding) Limited
44. The Authority notes that M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR along with its trader, M/s Hyosung Corporation, Korea RP and M/s. Jiangsu Taiji Industry New Materials Co., Ltd. have filed market economy treatment (MET) questionnaire as well, to rebut the non-market economy presumption.
45. The exporters questionnaire responses and the market economy treatment questionnaire responses of these responding producers and exporters were examined. On-the-spot verification of records relating to market economy claim was carried out in respect of all the producers/ exporters. The position on the market economy claim, arising out of the verifications, is summed up as below.
- (i) **Market Economy Treatment for M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR and M/s Hyosung Corporation, Korea RP**
46. On the spot verification of the information/data submitted by M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR (HCF) and its trader, M/s Hyosung Corporation, Korea RP (Hyosung - Korea) was conducted at the premises of the companies in China PR and Korea RP, respectively, and detailed verification reports were issued to them with an opportunity to offer comments thereon.
47. The Authority verified the records of HCF in great detail. It was noted that HCF operates under the complete control of Hyosung - Korea, which is based in Korea RP and which is the ultimate shareholder of HCF. The Board of Directors comprises entirely of Korean citizens and there are no Chinese (government or otherwise) citizens on the Board of Directors of HCF. The negotiations for sales conditions with the Indian customers are done by Hyosung - Korea directly and orders are placed through a transparent SAP system to HCF. For domestic sales, HCF is authorized by Hyosung - Korea to negotiate sales conditions with Chinese customers. Key Raw materials are procured from unrelated companies. It was also noted that HCF's purchase prices for raw materials reflect the prices on the international market. It was also ascertained that utility consumption is based on negotiated rates or determined by the suppliers universally for all users. Thus, there is no special or subsidized rate charged.
48. The Authority also examined whether or not there was any state intervention in the processes of HCF. It was found that the company, in line with the its Korean parent company's mandate, maintains Audit Reports in line with internationally accepted accounting principles, i.e., IFRS. This is done to ease consolidation of HCF's financial records into Hyosung's. The same were also scrutinized. The Authority also verified that the recruitment in HCF is done directly from the labour market or through internal referrals, within the framework of labor law in China PR.

49. HCF adopts commercial exchange rate as per the rates announced by the State Administration of Foreign Exchange on the first day of each month to transfer foreign currency transactions into reporting currency transactions. There are no restrictions on the use of HCF's export revenue.
50. The Authority also noted that HCF did not avail itself of any derogation or exemption under the Company Law, Labor Law, Accounting Law, Contract Law, Bankruptcy Law or Property Law of China PR. Finally, it was observed that the company is not subject to any restrictions on the distribution or repatriation of profits or capital invested.
51. Further, the Authority also verified the records of the trader, Hyosung - Korea.
52. Considering the above, the Authority holds that M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR and its trader, M/s Hyosung Corporation, Korea RP have provided information and sufficient evidence to prove that HCF is operating under market economy conditions and is, thus, entitled for Market Economy Treatment status.
- (ii) **Market Economy Treatment for M/s. Jiangsu Taiji Industry New Materials Co., Ltd., China PR (JTNM)**
53. During the verification visit to China PR, JTNM requested the Authority that the company would like to withdraw its MET claims. Accordingly, Authority has accepted the request of JTMN and allowed them to withdraw the same. Accordingly, the normal value has been determined in accordance with Para-7 of Annexure-I to the Rules as mentioned in following paragraphs.
- (iii) **Normal Value for M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR (HCF) and M/s Hyosung Corporation, Korea RP (Hyosung)**
54. This producer/ exporter was found to be operating under the market economy conditions as explained above.
55. From the response filed by HCF, the Authority notes that HCF has exported only one PCN to India during POI. Accordingly, Authority has determined the normal value for the same PCN. It was noted that during the POI, HCF has sold *** MT of the comparable PCN in the domestic market. All sales in the domestic market were made to non-affiliated parties during the POI. 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. It was noted that profitable transactions were less than 80%, accordingly, only profitable domestic sales have been taken into consideration for the determination of the normal value.

56. HCF has claimed adjustments on account of inland freight and credit expense from the domestic selling price. The Authority has allowed the adjustments for the same. Accordingly, weighted average normal value for HCF has been determined as ***US\$/MT.

(iv) Normal Value for producers/ exporters from China PR other than HCF

57. Since the MET status was finally claimed by only one producer in China PR (with M/s Jiangsu Taiji Industry New Materials Co. Ltd., China PR withdrawing their request for MET during the exporter verification visit of the investigating team), as discussed above, the Authority considers it appropriate to treat China PR as a non-market economy country in the present investigation with the exception as mentioned above and proceeds with Para-7 of Annexure-I to the Rules for determination of normal value in case of all other producers/ exporters from China PR.

58. As per Para 7 of Annexure I of the Anti-dumping Rules, normal value in China PR is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, if the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include reasonable profit margin.

59. In view of the above, the normal value for the subject products imported from China PR into India has been determined on “any other basis” by considering best available information with regard to cost of production and after reasonable additions for selling, general & administrative expenses and reasonable profit margin. Accordingly, the normal value comes as under for each PCN for the POI.

PCN	Weighted Avg. CNV \$/MT
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***	***
***	***
Average	***

G.2 Determination of Export Price for producers and exporters in China PR

(i) Export Price for M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR (HCF) and M/s Hyosung Corporation, Korea RP (Hyosung)

60. HCF has filed questionnaire response along with its related trader, Hyosung. HCF has exported *** MT of subject goods to India through its trader, Hyosung. HCF claimed adjustments on account of inland freight and port handling expense, ocean freight, ocean insurance, credit expense and bank charge. The same have been allowed, after due verification. The Authority has also verified the information provided by Hyosung and notes that the price at which Hyosung has sold the subject goods to India covers its SGA expenses and also gives a reasonable profit margin to Hyosung. It is noted that such expenses and profit margin were also deducted from the export price to arrive at ex-factory export price for the producer-exporter, in line with the Authority's consistent practice. Accordingly, the weighted average export price has been determined for HCF-Hyosung as *** US\$/MT.

(ii) Export Price for Zhejiang Guxiandao Industrial Fibre Co., Ltd., China PR (Guxiandao IF) and Zhejiang Guxiandao Polyester Dope Dyed Yarn Co., Ltd., China PR (Guxiandao PDD)

61. Guxiandao IF and Guxiandao PDD are both related producers of the subject goods and both have filed questionnaire responses. Guxiandao PDD was also involved in the job work processing of industrial yarns for Guxiandao IF during the POI. Adjustments were claimed on account of inland freight, port handling expense, ocean freight, ocean insurance, credit expense and bank charge. The same have been allowed, after due verification. Accordingly, the weighted average export price has been determined for Guxiandao IF- Guxiandao PDD as *** US\$/MT.

(iii) Export Price for M/s. Jiangsu Taiji Industry New Materials Co., Ltd., China PR (JTNM)

62. JTNM filed the exporters questionnaire response informing that they have directly exported only 'High Modulus Low Shrinkage' yarn to India during the POI. Adjustments were claimed on account of inland freight, ocean freight, ocean

insurance, credit expense and bank charge. However, with the decision of the Authority to exempt the HMLS yarn (of all deniers) from the scope of the PUC, the export price for JTNM has not been determined.

(iv) **Export Price for Jiangsu Hengli Chemical Fibre Co., Ltd., China PR (JHCF)**

63. From the response filed by JHCF, Authority notes that the company has exported the subject goods manufactured by itself to India directly. Adjustments were claimed on account of inland freight, ocean freight, ocean insurance, credit expense and bank charge. The same have been allowed, after due verification. Accordingly, the weighted average export price has been determined for JHCF as *** US\$/MT.

(v) **Export Price for Zhejiang Unifull Industrial Fibre Co., Ltd., China PR (ZUIF) and Huzhou Unifull Industrial Fibre Limited., China PR (HUIF)**

64. From the response filed by ZUIF and HUIF, Authority notes that the companies are related producers of the subject goods. ZUIF and HUIF have both exported the subject goods through ZUIF. Adjustments were claimed on account of inland freight, port handling expense, commission, ocean freight, ocean insurance, credit expense and bank charge. The same have been allowed, after due verification. Accordingly, the weighted average export price has been determined for ZUIF and HUIF as *** US\$/MT.

(vi) **Export Price for Oriental Industries (Suzhou) Limited (OTIZ) and M/s Oriental Textiles (Holding) Limited China PR (OTTI)**

65. From the response filed by OTIZ and OTTI, Authority notes OTIZ has exported the subject goods through OTTI. It was also noted by the Authority that OTIZ has exported some sample export shipments by Air. Authority has not taken into consideration these sample transactions for the purpose of calculation of export price. Adjustments were claimed on account of inland freight, port handling expense, ocean freight, ocean insurance and credit expense. The same have been allowed, after due verification. Accordingly, the weighted average export price has been determined for OTIZ through OTTI as *** US\$/MT.

66. In this regard, the Authority deems it appropriate to address the submission by Oriental Industries (Suzhou) Ltd. regarding its direct exports. The claim put forward by Oriental Industries (Suzhou) Ltd. is not correct. The Authority notes that Oriental Industries (Suzhou) Ltd. has one transaction which has been exported directly by it, rather than through the trade channel. However, the same is not a commercial sale but rather a case of supply of sample. The same has been clearly admitted by Oriental Industries (Suzhou) Ltd. in its response. As noted above, all transactions pertaining to supplies of sample have been excluded from

consideration, as these are not sales in the ordinary course of trade. Accordingly, we reject Oriental Industries (Suzhou) Ltd.'s request to consider it a producer cum exporter in the duty table.

(vii) **Export Price for all other producers/exporters from China PR**

67. The Authority notes that no other producer/exporter from China PR has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in China PR, the Authority has determined export price as *** US\$/MT based on the responses of the cooperative producers / exporters.

G.3 Determination of Dumping Margin for producers and exporters in China PR

68. The export price to India has been compared with the normal value to determine the dumping margin. The dumping margin analysis has been done PCN wise. The dumping margin during the POI for all the exporters/producers from the subject country has been determined as shown in the Dumping Margin Table below.

Dumping Margin Table

Country	Producer	Exporter	Normal Value US\$/ MT	Net Export Price US\$/ MT	Dumping Margin US\$/ MT	Dumping Margin %	Dumping Margin (Range %)
China PR	Hyosung Chemical Fiber (Jiaxing) Co., Ltd.	Hyosung Corporation	***	***	***	***	Negative
China PR	1. Zhejiang Guxiandao Industrial Fibre Co., Ltd. 2.Zhejiang Guxiandao Polyester Dope Dyed Yarn Co., Ltd.	Zhejiang Guxiandao Industrial Fibre Co., Ltd., China PR	***	***	***	***	15-25
China PR	Jiangsu Hengli Chemical Fibre Co., Ltd.	Jiangsu Hengli Chemical	***	***	***	***	20-30

Country	Producer	Exporter	Normal Value US\$/ MT	Net Export Price US\$/ MT	Dumping Margin US\$/ MT	Dumping Margin %	Dumping Margin (Range %)
		Fibre Co., Ltd.					
China PR	1. Huzhou Unifull Industrial Fibre Limited. 2. Zhejiang Unifull Industrial Fibre Co., Ltd.	Zhejiang Unifull Industrial Fibre Co., Ltd.	***	***	***	***	25-35
China PR	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	***	***	***	***	Negative
China PR	Any other combination.	Any other combination	***	***	***	***	45-55

69. It is seen that the dumping margins are significant and above the *de minimis* limits prescribed under the AD Rules in respect of the exports made by all the producers-exporters except Hyosung Chemical Fiber (Jiaxing) Co., Ltd and Oriental Industries (Suzhou) Limited of the product under consideration from the subject country.

H. Determination of Injury and Causal Link

70. Rule 11 of Antidumping 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 considered necessary 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.

71. 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 production,

capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the AD Rules.

Views of the producers/exporters, importers and other interested parties regarding the injury claims of domestic industry

72. The submissions made by the exporters/importers/other interested parties during the course of the investigation with regard to the injury claims of the domestic industry and considered relevant by the Authority are as follows:
- a. Failure on the part of the Petitioners to submit adequate evidence of injury and causation constitutes a violation of the requirements of Rule 5(3) of the Rules that the evidence presented be “sufficient” to justify the commencement of an investigation.
 - b. Economic parameters of the Petitioner, such as Capacity, Production, Capacity Utilization and Domestic Sales, have improved over the period of injury and in the POI.
 - c. The data shows declines in capacity during 2015-16 and 2016-17. The reason for such reduction in capacity when the capacity utilization was at the historically high level during the POI is not explained. It cannot be said that imports caused any reduction in capacity.
 - d. Capacity utilization was at the highest level during the POI thus there were no injuries on this account. Similar increases are seen in production also ruling out any adverse effect on this parameter as well.
 - e. The Petitioners have acknowledged in the application that the capacity of the domestic industry is stable throughout the investigation period and there is an 11% increase in the production and capacity utilization of the domestic industry over the injury investigation period.
 - f. It is evident from a comparison of the production and sales figures that the production and sales moved in tandem with each other. If anything, the sales figures increased much more than production figures.
 - g. The decline in total sales is not attributable to an inability to sell in the domestic market but rather reflects increased captive consumption. It is evident that the “decline” in indexed points with respect to total sales of domestic industry is reflective of the Petitioners’ significant increase in captive consumption and limited increase in production.
 - h. It appears that the Petitioners are performing at optimum capacity utilization and therefore, unable to increase sales to meet the expanding market demand which has increased by 42%. At the same time, the

Petitioners' capacity has remained stagnant and captive consumption has increased substantially. Imports from the subject country are simply filling in the gap between the DI's supply and the Indian market's demand.

- i. Since figures of sales including and excluding captive consumption has not been provided, it is observed on the basis of simple average of the index numbers of the sales without captive consumption and captive consumption, that there is an increase of 41% in the sales of the domestic industry over the injury investigation period.
- j. The domestic industry has also not provided the details of the demand including captive consumption. Therefore, as the sales have increased significantly by 41%, the market share of the domestic industry will also show increase and there would be no injury to the domestic industry with respect to market share as well.
- k. The decline in indexed points with respect to total sales of domestic industry is reflective of the Petitioners' poor export performance.
- l. The injury claimed by the Petitioners is owing to their increased captive consumption and poor export performance. The exports made by the applicant producers have declined significantly by more than 74% over the injury investigation period.
- m. The injury claimed by the Petitioners is owing to the inter-se competition between the domestic producers. In this regard, the Annual Reports of SRF were cited.
- n. The domestic industry is historically in losses and these losses cannot be attributed to subject imports. Rather, the same is attributable to the inter-se competition amongst domestic producers.
- o. Petitioners' increased Capital Employed and the resultant increase in depreciation and interest costs, without any increase in fixed assets has contributed to its declining profits.
- p. It is also submitted that any increase in capital employed which related to the capacity expansion being undertaken by the Petitioners, for future commissioning, cannot and must not form the basis of the NIP calculation. We request the Authority to ensure that the same is not factored into the NIP constructed for the Petitioners.
- q. The claims pertaining to price undercutting and price depression as a result of alleged imports from China PR are mere statements. It is common industry knowledge that the raw materials, i.e., PTA and MEG / Polyester Chips determine the price of the subject goods and therefore, the

fluctuations in the prices of the subject goods are because of raw material pricing. The raw material constitutes about 80-90% of the total production cost of HTPY. Thus, decline in the prices of the domestic industry is a result of the decline in raw material prices and not due to the alleged dumping from China PR.

- r. Mere existence of parallel pricing trends between subject imports and domestic prices per se does not constitute sufficient evidence to demonstrate the existence of price effect.
- s. The Petitioners have acknowledged in the application that there is an 11% increase in the productivity of the domestic industry over the injury investigation period.
- t. The domestic industry has cleverly provided the details of the average stock which in all fairness cannot provide any meaningful conclusion on injury as it is the closing stock that is to be examined as percentage of production and as well as sales of the domestic industry which will indicate that there is no injury to the domestic industry.
- u. The No. of employees of the domestic industry is stable throughout the investigation period and there is a 52% increase in the wages paid to the employees over the injury investigation period. Petitioners' wages have increased without any increase in number of employees or commensurate increase in productivity. This has led to high costs without any improvement in productivity which has led to injury, if any.
- v. While total imports increased over the base year, the same must be seen in the light of imports by SRF itself and also by considering the fact that the DI did not supply crucial grades like HMLS and the users were compelled to import.
- w. The reason for the increase of imports from subject countries from 2013 to 2017 is not dumping, but the growth of the Indian market demands following the development of downstream industry.
- x. The trend of per unit profit of the Petitioners moved erratically and the movement in profitability is not comparable to movement in price of imports. Thus, it is evident that there were certain intrinsic other factors driving the profits and cause of such losses are not import price.
- y. When the import price increased in the base year, the profitability of the DI drastically improved from negative levels to positive. Thereafter, there was a slight change in import price between 2015-16 and POI, however, the Petitioners' losses more than doubled. Thus, there is no causality between the two.

- z. The negative profitability has increased in view of the increase in wages cost and as well as increase in interest and depreciation cost as the capital employed of the domestic industry increased by 12% over the injury investigation period indicating that there is no impact on the profitability of the domestic industry due to alleged subject imports.
- aa. Both Petitioners are multi-product companies and the subject product for both of them constitutes a very small share of the total revenue for them. Thus, the ability to raise capital investments is not a meaningful factor in the current investigation.
- bb. There is an increase in production, capacity utilization, sales, market share, wages, productivity etc. It indicates that there is no impact on the growth of the domestic industry.
- cc. Imports from Korea and Taiwan are above the 3% threshold. The price as such from these countries appears to be on the higher side viz. subject country. However, the comparison with NIP still needs to be checked.
- dd. The petitioners have claimed a return of 30% on gross fixed assets. The Authority should adopt actual profit earned by the Domestic Industry during a period when dumping was not alleged and not 22% ROCE. Adoption of 22% gives undue protection to the domestic industry. Reference was made to the *Bridgestone* and *Hyosung Corporation* Case. EC practice in this regard was also referred to.
- ee. A fair reading of the injury parameters in the Proforma IV A shows that the DI did not suffer any injury on account of alleged dumping.

Views of the domestic industry

- 73. The following are the submissions with regard to injury related issues made by the domestic industry and considered relevant by the Authority:
 - a. The imports have increased both in absolute terms, as well as in relation to production and consumption in India.
 - b. The imports have had a suppressing and depressing effect on the prices of the petitioning domestic industry.
 - c. The imports are undercutting the selling price and underselling the non-injurious price of the petitioning domestic industry.
 - d. The market share of the petitioning domestic industry has reduced.
 - e. Much of the increase in Petitioners' production and capacity utilization is attributable to the increase in captive consumption by the domestic industry.

If the production meant for captive consumption is removed, it would show that the production has been reducing since 2014-15, and in fact has reduced by 15% in the last two years.

- f. Furthermore, it was highlighted that while the increase in demand led to an increase in the sales of the petitioning domestic industry, such increase is nowhere commensurate with the increase in demand. The domestic industry has, therefore, lost out on potential sales due to the dumping of the subject goods.
- g. The inventories of the petitioning domestic industry have built up over the period.
- h. The profitability of the petitioning domestic industry has deteriorated significantly, and it is incurring losses.
- i. The cash profits of the petitioning domestic industry have declined, and its return is negative.
- j. The growth of the petitioning domestic industry in all profitability parameters is negative.
- k. Assuming for the sake of argument that Petitioners are functioning at optimum capacity, dumped imports are still causing injury to the domestic industry. The Petitioners would have no grievance if imports were merely feeding increased demand without eating into its market share. However, in the present case there is decline in market share and Petitioners have been forced to reduce their prices in order to retain its customers.
- l. The argument that increase in captive consumption has led to decreased profits is baseless. However, factually, increase in production on account of increased captive consumption would have helped the Petitioners to achieve better cost efficiency and improved profits if not for the injurious effects of dumping.
- m. In any case, for the purpose of captive consumption, goods are valued at cost plus 10% in line with the requirements of excise law. However, prices for external sales have been made below cost.
- n. Moreover, parameters relating to profitability relate exclusively to merchant sales in the domestic market. Thus, captive consumption has no impact on the same.
- o. The petitioners have segregated the data for domestic and export operations, and have provided the data relating to profits, cash profits, return on investment and other relevant parameters insofar as they relate to domestic operations only. The profitability parameters of the domestic industry, that

is, profit / loss, cash profits and return on investment have shown a decline over the injury period.

- p. The claim that injury is caused due to inter-se competition is baseless. The imports account for the major share of the market to the tune of 60%. Thus, imports are the dominant market force in the market directing the price of the subject goods. It is inappropriate to attribute injury suffered by each constituent to the actions of the other.
- q. The reliance on SRF's Annual Report wherein it has been stated that the entry of a new player is likely to lead to squeezing of margins is without merit. Firstly, the sentence is merely an apprehension rather than a statement of fact.
- r. In any case, public statements in the Annual Report do not alter the conclusion that dumping has contributed injury to the domestic industry since the Annual Report highlight the profitability over one financial year while the investigation pertains to the trends over the injury period, the Annual Report pertains to company's overall operations and not just domestic operations and the Annual Report does not into reasons of dumping which the Authority is concerned with.
- s. The statement in the Annual report of the company is not with regard to product under consideration but the segment, that is, industrial yarn as a whole, whereas the current investigation is with regard to only certain types of industrial yarn.
- t. The depreciation and interest cost have reduced over the injury period. The depreciation and interest costs are affected by the ratio of allocation on the basis of domestic production, sales to export production, sales and show an increasing trend over the injury period. However, the cost per unit, based on Format CI, is not affected by such change in ratios and thus, better reflects trends of increase or decrease in total costs. The profit / loss per unit determined on the basis of such cost shows that the profitability of the domestic industry has declined and it has started earning losses.
- u. The claim of the interested parties regarding causal link between increasing imports and continued positive ROCE is baseless. There are several other factors, which would have an effect on the return earned by the domestic industry; including the price at which the imports have entered in the market, the share of imports in the market, whether the imports have eaten into the shares of the domestic industry, whether the imports have suppressed or depressed the prices of the domestic industry and so on.
- v. The market share of the petitioning domestic industry has fallen post 2014-15, and it has started incurring losses.

- w. The imports suppressed and depressed the prices of the domestic industry, owing to which the domestic industry has incurred significant losses in the period of investigation. It may be noted that while the price undercutting is 8%, the landed price of imports is actually 18% below the cost of production of the subject goods.
- x. The productivity of employees has increased over the period. From a productivity of 84 MT per employee, it has increased to 94 MT per employee. Similarly, the productivity per day has also shown an upward trend. Thus, the contention that there is no increase in productivity is incorrect.
- y. Insofar as the increase in wages is concerned, the increase is merely by 57% over a period of 4 years, which is not abnormal. In any case, wages comprise of only 4-5% of the cost of sales of the subject goods. Thus, the increase in wages would not have any material impact on the movement of cost or profits.
- z. The Petitioners agree with the argument of the interested parties in that the capital employed, insofar as it relates to capacity expansion should not be considered for determination of non-injurious price. However, data on record establishes that investment for capacity expansion is not included in the net fixed assets reported. The Authority has verified the same as well.
- aa. The decline in prices of the Petitioners is much beyond the decrease in cost on account of decline in price of raw materials and has clearly been caused by the dumped imports.
- bb. The imports have entered the Indian market at unduly low prices, forcing the Petitioners to slash its own prices and sell below cost. Despite the reduction in prices, the price undercutting is positive, which is presumably the reason why the market share of the petitioning domestic industry has reduced.
- cc. Regardless of whether market share is considered with or without including captive consumption, it would show that the market share of the petitioning domestic industry is lowest in the period of investigation, as compared to the rest of the injury period.
- dd. The ability of petitioning domestic industry to raise capital investments, insofar as the division producing the subject goods is concerned has been impaired.
- ee. As regard the claims for non-attribution analysis, none of the interested parties have brought forth any positive evidence, which would establish that the injury to the petitioning domestic industry is on account of any other

factor. Thus, there is no reason for the Designated Authority to do a non-attribution analysis.

- ff. The Petitioners are unable to comprehend how any historical loss could have caused injury to the petitioning domestic industry in the period of investigation. The data relating to profit / loss, cash profits and return on investment is based solely on the revenue earned and costs incurred during the period of investigation. None of these factors is in any manner affected by any loss made in the past. To the understanding of the petitioning domestic industry, historical losses are only relevant for analysis of trends, and cannot be the cause of injury suffered by the petitioning domestic industry in the period of investigation.
- gg. On one hand the exporter has underlined the increase in production of the petitioning domestic industry, on the other hand it has claimed that decline in exports would have caused an increase in fixed costs per unit. When the production has increased, quite obviously the fixed costs per unit must have declined. Such claims of the interested parties are baseless.
- hh. It is clarified that there has been no change in the total plant capacity of the Petitioners. However, as both product under consideration and other types of yarn are made at the same plant in case of M/s Reliance Industries Limited, the adjusted capacity, insofar as it relates to capacity of the subject goods has been provided. The accuracy and adequacy of the data in this regard has already been verified by the Authority.
- ii. With respect to the claim pertaining to imports from Korea RP and Taiwan, there is no such requirement in the law that the other countries must be selling above the non-injurious price of the domestic industry, or else the causal link would not be established. In the present case, the subject imports have a hold over 60% of the market. Clearly, the price of the subject imports is the driving force in the market. By contrast, the imports from other countries, namely, Korea RP and Taiwan hold only 5% and 3% of the market only. More importantly, it would be seen that the landed price of the subject goods is much higher than the net sales realization of the petitioning domestic industry, and thus, such imports can neither undercut the prices of the Petitioners, nor could have had a suppressing effect. In fact, the landed price of the imports from Korea RP and Taiwan is much higher than the cost of production of the Petitioners.
- jj. There is no way to foresee as to what would be the effect of imposition of duty on import of downstream products such as dipped cords or braided yarns. It may be that the foreign producers of downstream dipped cords and braiding yarns do not have surplus capacities of these goods, and thus, they have no intention of dumping them in the market. Or perhaps, even if such

goods are imported, they do not injure the domestic producers thereof. Thus, merely on the apprehension that the imports of dipped cords and braiding yarns may increase post imposition of anti-dumping duty is not enough to deny the petitioning domestic industry rightful protection from the dumped imports of product under consideration.

- kk. Claims that price undercutting is irrelevant when the performance of the domestic industry has improved are baseless. In the present case, in order to retain its customers, Petitioners reduced their selling price in order to compete with the cheap dumped imports. Thus, the imports have had a suppressing and depressing effect on the prices of the domestic industry. Resultantly, the domestic industry is incurring losses, and its return on capital employed is negative. However, despite the petitioning domestic industry slashing its prices, the imports have undercut such prices, due to which the petitioning domestic industry has lost its market share.
- ll. The Authority has been consistently allowing a rate of return at 22% on capital employed for determination of non-injurious price, there is no basis for deviation from such practice. No evidence has been brought on record to establish that 22% ROCE is unjustified in the present case.

Examination of the issues by the Authority

- 74. The Authority has taken note of the submissions made by various interested parties. The Authority has examined the injury to the domestic industry in accordance with the Anti-dumping Rules and considering the submissions made by the interested parties, including submissions made post-disclosure.
- 75. The AD Rules require the Authority to examine injury by examining both volume and price effect. A determination of injury involves an objective examination of both (a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for the like article and (b) the consequent impact of these imports on domestic industry. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. 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 like product 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.
- 76. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure II of Antidumping 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*

77. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration; while some may show improvement. The Designated Authority considers all injury parameters and thereafter concludes whether the domestic industry has suffered injury due to dumping or not.
78. The Authority has examined the injury parameters objectively taking into account the facts and arguments submitted by the interested parties in their submissions.

H.1 Volume Effect of Dumped Imports and Impact on Domestic Industry

Assessment of Demand

79. The demand of subject goods has been determined by adding the domestic sales of Indian producers of like product with the imports of the subject goods from all countries. For the purpose of present injury analysis, the Authority has relied on the import data procured from DGCI&S. The Authority notes that demand of subject goods increased over the injury period as can be seen in the table below:

Particulars	Unit	2013-14	2014-15	2015-16	POI (2016-17)
Imports from China PR	MT	5903	7087	9092	13412
Dumped Imports	MT	4939	5719	7784	12241
Undumped Imports	MT	964	1368	1308	1171
Imports from other countries	MT	3768	1928	2105	1950
Domestic Sales of Petitioners	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>121</i>	<i>120</i>	<i>128</i>
Domestic Sales of other producers	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>105</i>	<i>93</i>	<i>93</i>
Total demand	MT	16470	17072	19104	23716

Import Volumes and Share of Subject country

80. 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. The volume

of imports of the subject good from the subject country has been analyzed as under:

Particulars	Unit	2013-14	2014-15	2015-16	POI (2016-17)
Dumped Imports from China PR	MT	4939	5719	7784	12241
Total Demand	MT	16470	17072	19104	23716
Production of DI	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>114</i>	<i>105</i>	<i>112</i>
Dumped Chinese Imports relative to Indian consumption	%	30%	33%	41%	52%
Dumped Chinese Imports relative to DI production	%	36%	37%	54%	80%

81. Based on the foregoing data, the Authority notes as follows:

- a. Dumped Imports of the subject goods from subject country have increased in absolute terms from 4939 MT during 2013-14 to 12241 MT during POI.
- b. Dumped Imports from China PR in relation to domestic consumption / demand have increased, and are at a level of 52% during POI.
- c. Dumped Imports from China PR in relation to domestic production in India have increased and have reached a level of 80% during POI.

82. It is, thus, noted that the dumped imports of the PUC from the subject country have increased significantly, both in absolute terms and in relation to production and consumption in India.

H.2 Price Effect of the Imports on the Domestic Industry

83. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

"With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree."

84. It has been examined whether there has been a significant price undercutting by the dumped imports of the price of the like product 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 dumped imports on the prices of the domestic industry has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. Necessary adjustments have been made in the values to cater to the PUC considering the exclusions granted by the Authority.

Price Undercutting

85. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. In this regard, 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. The domestic prices and margin of undercutting is shown as per the table below:

Particulars	Unit	2013-14	2014-15	2015-16	POI (2016-17)
Landed Value	Rs./Kg	125.74	117.24	100.57	94.48
Domestic Selling Price	Rs./Kg	***	***	***	***
Price Undercutting	Rs./Kg	***	***	***	***
	% of LV	***	***	***	***
	Range	0-5%	0-5%	0-10%	5-15%

86. The Authority notes from the above table that price undercutting exists. It is also noted that the price undercutting has been significant in the last two years. The price undercutting has increased over the years and it is significantly higher in the POI when compared to the base year.

Price Underselling

87. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from subject countries. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports. Comparison of weighted average NIP of the domestic industry with weighted average landed price of imports shows as follows:

Particulars	Unit	POI (2016-17)
Landed Value	Rs./Kg	94.48
Non-Injurious Price (NIP)	Rs./Kg	***
Injury Margin	Rs./Kg	***
	USD/ MT	***
	%	***
	Range	10-20%

88. It is seen that the landed price of the subject goods from subject country were significantly lower than the NIP determined for the domestic industry.

Price Suppression/Depression

89. 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. The position is shown as per the table below:

Particulars	Unit	2013-14	2014-15	2015-16	POI
Cost of Sales	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	88	84	85
Domestic Selling Price	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	91	83	80
Landed Value	Rs./Kg	125.74	117.24	100.57	94.48
	<i>Indexed</i>	100	93	80	75

90. Based on the foregoing data, it is noted that the Petitioners’ cost of sales declined substantially over the period of injury and POI. However, in relation to the same, the Petitioners’ selling price declined more steeply and remained below the cost of sales in the POI. The Authority also notes that the Petitioners’ selling price follows closely with the trend of the Landed Value of the subject imports. Thus, it appears that the Petitioners faced price suppression/ depression owing to the pricing trend of landed value.
91. It has been argued before this Authority that the decline in selling price of the Petitioners is in response to the decline in cost of sales owing to declined raw material prices. However, this does not appear to be the case when the selling price of the Petitioners declines more steeply than own costs. Rather, it is observed that even when the cost of sales increased in the POI, the selling price continued to decline in line with declining landed values.

H.3 Economic Parameters of the Domestic Industry

92. Annexure II to the Anti-dumping Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. 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. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

H.4 Production, Capacity, Capacity Utilization and Sales

93. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization was as follows:

Particulars	Unit	2013-14	2014-15	2015-16	POI
Installed Capacity (PUC+NPUC)	MT	***	***	***	***
	<i>Indexed</i>	100	100	100	100
Production (PUC+NPUC)	MT	***	***	***	***
	<i>Indexed</i>	100	112	104	110
Capacity Utilization	%	***	***	***	***
	<i>Indexed</i>	100	112	104	111
Production (PUC)	MT	***	***	***	***
	<i>Indexed</i>	100	114	105	112
Domestic Sales of Petitioners	MT	***	***	***	***
	<i>Indexed</i>	100	121	120	128
Dumped Imports from China PR	MT	4,939	5,719	7,784	12,241

94. The Authority notes that the Petitioners' capacity utilization, sales and production have seen improvement over the period of injury and POI.

H.5 Profitability

Particulars	Unit	2013-14	2014-15	2015-16	POI
Profit / (Loss)	Rs./Lakhs	***	***	***	***
	<i>Indexed</i>	(100)	59	(141)	(346)
Profit / (loss)	Rs./Kg	***	***	***	***
	<i>Indexed</i>	(100)	49	(118)	(271)

95. The Authority notes the following from the above table:

- a. The domestic industry's profitability has been adversely affected. The domestic industry has been in losses during the injury investigation period with the exception of the year 2014-15.
- b. It appears that domestic industry has not been able to recover its cost of sales or earn reasonable profits.

H.6 Return on capital employed

Particulars	Unit	2013-14	2014-15	2015-16	POI
ROCE	%	***	***	***	***
	Range	(0-5)%	0-5%	(0-5)%	(0-5)%

96. The Authority notes that the domestic industry has not been able to earn an adequate return on capital employed throughout the injury investigation period.

H.7 Market Share

97. The effects of the dumped imports on the market share of the domestic industry have been examined as below:

Particulars	Unit	2013-14	2014-15	2015-16	POI
Total demand	MT	16470	17072	19104	23716
	<i>Indexed</i>	<i>100</i>	<i>104</i>	<i>116</i>	<i>144</i>
Market Share of					
- Petitioners	%	***	***	***	***
	Range	30-40%	35-45%	30-40%	25-35%
- Other Producers	%	***	***	***	***
	Range	0-10%	0-10%	0-10%	0-10%
Share of Dumped imports from China PR	%	30%	33%	41%	52%
Share of Un-dumped imports from China PR	%	6%	8%	7%	5%
Share of imports from other countries	%	23%	11%	11%	8%

98. From above table, the Authority observes that the market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. Further, the Authority notes that market share of the dumped imports from the subject country has increased substantially over the injury period.

H.8 Inventories

Particulars	Unit	2013-14	2014-15	2015-16	POI
Opening Stock	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>110</i>	<i>136</i>	<i>146</i>
Closing Stock	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>124</i>	<i>133</i>	<i>125</i>
Average Inventory	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>117</i>	<i>134</i>	<i>135</i>

99. The Authority notes that the Domestic Industry is facing accumulated inventories. The levels of inventories have been increasing as compared to the base year. Due to increasing imports, the market share of the Domestic Industry has come down

and the increased demand has been significantly captured by imports. As a result, the Domestic Industry is left with a situation of increasing inventory.

H.9 Productivity of the domestic industry

100. The Authority notes that employment level of the domestic industry has remained constant. Further, productivity per employee has improved. Therefore, this cannot be a cause of injury suffered by the domestic industry.

Particulars	Unit	2013-14	2014-15	2015-16	POI
No. of Employees	Nos.	***	***	***	***
<i>Indexed</i>	<i>Index</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Productivity per Employee	MT/ Employee	***	***	***	***
<i>Indexed</i>	<i>Index</i>	<i>100</i>	<i>114</i>	<i>105</i>	<i>112</i>

H.10 Ability to raise capital investments

101. The Authority notes that given the rising demand of the product in the country, the domestic industry has made significant investments in plant and machinery. However, despite these investments, the performance of the domestic industry has deteriorated considerably and further investment may get adversely affected.

H.11 Level of dumping & dumping margin

102. It is noted that imports from the subject country are entering into the country at dumped prices and that the margins of dumping are significant.

H.12 Factors Affecting Domestic Prices

103. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc., shows that the landed value of imported goods from the subject country is below the non-injurious price and selling price of the domestic industry, causing significant price under-cutting, price underselling and price suppression / depression in the Indian market. Thus, the primary factor affecting the domestic prices is landed value of subject goods from the subject country.

104. It is thus seen that there has been a significant increase in the volume of dumped imports from the subject country in absolute terms. The imports have increased significantly in relation to consumption and production of the product in India. Imports have thus increased both in absolute terms and in relation to production and consumption in India. Dumped imports have had significant adverse price effect in terms of price under-cutting and price under-selling. Low priced dumped imports have forced the domestic industry to fetch a market price which could not even cover its cost. The dumping margin determined by the Authority is quite

significant. The Domestic Industry's profitability and return on capital employed have been affected during POI.

H.13 Overall Analysis on Injury

105. Having regard to the information on record and after examination of the performance of the Domestic Industry, the Authority notes that the dumped imports of the subject goods from subject country have increased in absolute terms as well as in relation to production and consumption of the subject goods in India. Import prices of the product have very steeply declined within the investigation period. The imports are resulting in price underselling in the market, and are preventing the Domestic Industry from charging its price to a level where the Domestic Industry can recover its cost of production and earn reasonable profits on the investment. The demand for the product increased significantly. However, dumped imports from China PR have taken the major share of increase in demand. The Domestic Industry's profitability and return on capital employed have been drastically affected. The profitability has been negative throughout the injury investigation period because throughout the injury investigation period, imports have been coming at very low prices. Inventories increased significantly.

H.14 Causal Link and Other Factors

106. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry. The examination of causal link between dumping and material injury to the domestic industry has been done as follows:

(i) Imports from Third Country

107. The imports from countries other than subject country are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry. Moreover, the price at which goods are coming from other countries is much higher than the price at which goods are coming from subject country.

(ii) Contraction in demand

108. The demand for the subject goods has shown an increasing trend. Accordingly, fall in demand cannot be the reason for injury to the domestic industry. In fact, the domestic industry has not been able to increase its sale and market share commensurate to increase in demand.

(iii) Trade restrictive practices of and competition between the foreign and domestic producers

109. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

(iv) **Developments in technology**

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

(v) **Changes in pattern of consumption**

111. The domestic industry is producing the type of goods that have been imported into India. Possible changes in pattern of consumption are not a factor that could have caused claimed injury to the domestic industry.

(vi) **Export performance**

112. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In fact, though exports by the domestic industry have declined, the data assessment has been done on the basis of information pertaining to domestic sales alone. Thus, injury on account of domestic sales has been isolated and examined, to the extent possible.

(vii) **Performance of the domestic industry with respect to other products**

113. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only. The Authority has also considered the performance with respect to NPUC, and found that performance in those sectors is not adverse and therefore, there could not have been a spill-over of the same to the PUC.

(viii) **Productivity of the domestic industry**

114. The Authority notes that deterioration in productivity has not caused injury to the domestic industry. Rather, productivity per employee has seen an increasing trend.

I. **Facts establishing causal link**

115. Analysis of the dumped imports and the performance of the domestic industry over the injury period reveals facts stated hereunder:

- Dumped Imports of the subject goods from the subject country have increased in absolute terms over the entire period of investigation.
- Dumped Imports of the subject goods from the subject country have increased relative to production and consumption in India.

- Market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India.
- Capacity Utilization, Production and Sales of the Domestic Industry have improved over the period of injury and in the POI.
- Inventories of the Domestic Industry have been on the rise.
- There exists Price under-cutting and price suppression / depression due to low priced dumped imports coming in to India.
- The Domestic Industry's profitability has been adversely affected.

J. Magnitude of Injury Margin

116. The Authority has determined Non-Injurious Price 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 verified information/data relating to the cost of production for the period of investigation. The NIP of the domestic industry has been determined Petitioner wise and accordingly weighted average NIP has been worked out. The weighted average NIP has been considered for comparing the landed price from the participating producer / exporters and non-cooperative parties for calculating injury margin.

117. The injury margin for the participating producers/exporters and non-cooperative parties is as under:

Injury Margin

Country	Producer	Exporter	NIP US\$/MT	Landed Value US\$/MT	Injury Margin US\$/MT	Injury Margin %	Injury Margin Range %
China PR	Hyosung Chemical Fiber (Jiaxing) Co., Ltd.	Hyosung Corporation	***	***	***	***	Negative
China PR	1. Zhejiang Guxiandao Industrial Fibre Co., Ltd. 2.Zhejiang Guxiandao Polyester Dope Dyed Yarn Co., Ltd.	Zhejiang Guxiandao Industrial Fibre Co., Ltd., China PR	***	***	***	***	10-20
China PR	Jiangsu Hengli Chemical Fibre Co., Ltd.	Jiangsu Hengli Chemical Fibre Co., Ltd.	***	***	***	***	15-25
China PR	1. Huzhou Unifull	Zhejiang Unifull	***	***	***	***	20-30

Country	Producer	Exporter	NIP US\$/MT	Landed Value US\$/MT	Injury Margin US\$/MT	Injury Margin %	Injury Margin Range %
	Industrial Fibre Limited. 2. Zhejiang Unifull Industrial Fibre Co., Ltd.	Industrial Fibre Co., Ltd.					
China PR	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	***	***	***	***	Negative
China PR	Any other combination	Any other combination	***	***	***	***	45-55

118. The level of dumping margins and injury margins as determined are significant except for Hyosung Chemical Fiber (Jiaxing) Co., Ltd. and Oriental Industries (Suzhou) Ltd.

K. Indian Industry's Interest & Other Issues

Views of the producers/exporters, importers and other interested parties regarding the injury claims of domestic industry

119. The submissions made by the exporters/importers/other interested parties during the course of the investigation with regard to the public interest and considered relevant by the Authority are as follows:

- a. The subject industry faces a substantial demand and supply gap and imposition of duty would be unduly burdensome on the domestic market to whom the Petitioners cannot fully supply.
- b. The Petitioners cater to a mere margin of the domestic demand, amounting to less than 50% of the demand. Thus, imposition of the duty would be unduly burdensome.
- c. The Petitioners, specifically SRF, is likely to increase its captive consumption leading to an aggravated demand-supply gap.
- d. The Petitioners are attempting to create a monopolistic, anti-competitive market where after they will be capable of maintaining product prices at high levels, which would be detrimental to economic development of the country.
- e. The Petitioners are prone to delays and disruptions in supply of the subject goods, thus making reliance on them quite impossible. There are several instances in past in which supplies from the Petitioners have been stopped due to various reasons.

- f. The Petitioners face various quality issues which has compelled users of the subject goods to rely on imported goods. Even the Petitioner (SRF) itself is an importer of the subject goods.

Views of the domestic industry

120. The following are the submissions with regard public interest made by the domestic industry and considered relevant by the Authority:

- a. It is by now a well settled principle of law that demand-supply gap is not a ground for non-imposition of anti-dumping duty. The purpose of imposition of anti-dumping duty is to remove the unfair advantages gained by the exporters through dumping of the subject goods. The duty imposed only establishes fair competition and would not serve to restrict the availability of goods in the market, as there is no bar on imports. The consumers can nevertheless maintain multiple sources of supply. Therefore, there is no threat regarding the lack of supply of the subject goods in the Indian market due to imposition of anti-dumping duty.
- b. Moreover, RIL has undertaken major capacity expansion post period of investigation to the extent of 27,000 MT per annum, post which the issue of demand-supply gap would also be addressed.
- c. The domestic industry would never be in a position to create a monopolistic situation which would allow it to charge anti-competitive prices, as the imports from the subject countries and other countries would serve to act as a check to any such anti-competitive practice. In any case, where there is more than one producer, monopolistic conditions would not prevail in the market.
- d. The submission that there is irregular supply by the Petitioners is without merit. If the domestic industry had been unable to fulfill its orders, the sales of the domestic industry would have decreased. However, that has not been the case, and despite the imports coming in at unduly cheap prices, the domestic industry has been able to market its products, albeit at the cost of deteriorating profitability. This increase in sales would not have been possible in a situation where the consumers of the goods were not assured of timely delivery of the goods.

Examination of the Authority

121. The Authority notes that 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

measures would not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.

122. As for the quality issues cited, the Authority finds that the importers would continue to be able to import the subject goods at fair prices and therefore, would not be left at the mercy of Petitioners in any case. Therefore, such claims are not reasonable.

L. Post Disclosure Statement Submissions by Interested Parties

Submissions made by the foreign producers/exporters, importers and other interested parties

123. The producers/exporters, importers and other interested parties in their post disclosure submissions have raised the following issues. For the sake of brevity, submissions made earlier and addressed in the disclosure statement are not being repeated.

- a. With respect to PUC, certain interested parties have claimed that the testing criterion for yarns with HMLS properties merits correction for the sake of technical completeness and correctness. Accordingly, it is stated that the Authority may revise the definition of Dimensional Stability Index to read:

*“The Dimensional Stability Index is measured as **the sum of elongation at 4cN/dtex (Tested as per ASTM D885) and hot air shrinkage at 177°C for 2 minutes at 0.05cN/dtex end load (Tested as per ASTM D4974).**”*

- b. With respect to PUC, certain interested parties have sought/ reiterated claims for exclusions of the following products:
- i. Adhesive Activated Yarns having denier 1000 on the ground that the Petitioners’ are captive consumers of the same, are not supplying the same to the domestic market and Petitioners’ production and sale merit analysis;
 - ii. Regular High Tenacity Low Shrink (HTLS) yarn having 1000 deniers on the grounds that the Petitioners are captive consumers of the same and not merchant sellers of the particular goods;
 - iii. High Tenacity Yarns having denier more than 6000 on the ground that the Petitioners are incapable of production of these goods and they have been imported into India. Contrary to the Authority’s observation, flat yarn, i.e., untwisted yarn, having denier more than 6000 have been imported.

- c. Interested parties submitted that the criteria to be adopted for the determination for inclusion or exclusion of the captive domestic producer from the purview of the domestic industry is the production of the subject goods and not the capacity. It is reiterated that the examination of captive production by SRF is of significance in the current investigation as their major and substantial production of the subject goods is used for the captive consumption. Reference was also made to the Final Findings of the Authority in *Low Ash Met Coke from Australia and China PR (2016)*.
- d. The Authority may specify the breakup of SRF's imports under Advance License and Duty paid as compared to the production by SRF. It was also claimed that SRF failed to supply reasons that lead to such imports and the same needs examination. The Authority must consider SRF's importation including any imports under the Advance Authorization Scheme.
- e. The Authority must confirm whether the Petitioners' "production" being considered by the Authority is dedicated capacity for the manufacture of subject goods or whether it also includes capacity for the manufacture of other goods.
- f. Producers and exporters from China PR shall automatically obtain the market-economy status after 11th Dec. 2016. Accordingly, the Authority should not adopt the "surrogate country" practice in this case. After 11th Dec. 2016, the members of WTO shall automatically treat China PR as a "market economy". No additional information shall be needed to determine the market economy status of China PR.
- g. Jiangsu Hengli Chemical Fibre Co., Ltd., China PR requested that Normal Value may be constructed as per information reported by them in view of the fact that the period of 15 years for disregarding the domestic prices or costs of Chinese producers not being on market economy conditions as provided in para 15(a)(ii) of the Protocol of Accession of the People's Republic of China to WTO, has expired on 11th December 2016 in terms of para 15(d).
- h. Without prejudice to the above, Jiangsu Hengli Chemical Fibre Co., Ltd., China PR also requested that its normal value may be determined on the basis of the records of the Chinese producer who has been granted MET in the present investigation as it would be the most reasonable basis for the determination of normal value.
- i. The public version of Petition and the Disclosure Statement does not sufficiently disclose information especially regarding the differences among each companies' dumping margin and injury margin.
- j. Zhejiang Unifull and Huzhou Unifull's cost is in accordance with the market price of the raw material, and their price of the product concerned is consistent

with the market price of the product concerned for export sales and domestic sales. Even the production process is similar to other producer / exporter in China PR. Thus, it is unclear why the dumping margin and injury margins for Zhejiang Unifull and Huzhou Unifull is much higher than other cooperating companies. In this regard, it has also been claimed that crucial data has been kept confidential and insufficiently summarized in the Disclosure Statement.

- k. The Authority has provided the names of producers/ exporters who have filed responses, however, the same does not mention the company Oriental Industries (Suzhou) Ltd. Instead, the company is mentioned under “*Other than such parties, comments were also received from the following parties, and have also been considered*”. It is unclear how a producer/ exporter that did not file Questionnaire Response or MET Questionnaire has received negative margins.
- l. The DI has merely stated that there is a price undercutting and there is a price depression as a result of alleged imports from China PR. However, it is common industry knowledge that the price of the subject goods is mainly determined by the raw materials i.e., PTA & MEG / Polyester Chips and the subject goods prices fluctuate along with the fluctuation of the PTA & MEG / Polyester Chips prices. It is also common industry knowledge that the cost of raw materials PTA & MEG / Polyester Chips constitutes about 80% to 90% of the total the production cost of High Tenacity Yarn. Therefore, whenever there is a decline in the prices of raw materials PTA & MEG / Polyester Chips, the price of the subject goods also declines and vice versa. This is precisely the situation in the current investigation, the decline in the prices of the domestic industry is as a result of the decline in the prices of raw materials PTA & MEG / Polyester Chips but not due to the alleged dumped imports from China PR.
- m. Mere existence of parallel pricing trends during injury investigation period between subject imports and the domestic prices does not, by itself, constitute sufficient evidence to demonstrate the existence of price effect. The Authority must consider the trends of raw material prices, global pricing trends and such other factors to determine *why* the pricing trends move in a certain manner. Reference was made to the WTO Appellate Body Report in *China-GOES*.
- n. The Authority has failed to record or disclose the data pertaining to the Petitioner’s market share and therefore, an isolated consideration of just the price of imports and net sales price of the domestic producer would not be indicative of the injury or lack thereof to the Petitioners. Reliance was placed on the CESTAT’s observations in *Bridgestone Tyre Manufacturing (Thailand) v. Designated Authority* (2011).
- o. Market Share of the Petitioners must be analysed in light of captive consumption. Specifically, sales, market share and demand including captive

consumption should be established. The same would indicate lack of injury to the Petitioners.

- p. There is improvement in the economic parameters such as capacity, output and capacity utilization, sales without captive consumption has increased by 28% over the injury investigation period, productivity increased by 12% and overall growth.
- q. There is absence of injury on account of allegedly dumped imports evidenced by the increase in key volume parameters of the domestic industry such as production, sales, etc. despite positive undercutting and increased imports.
- r. PCN wise assessment of injury parameters, specifically the key profitability parameters, should be undertaken to account for the existence of inter-se types in the PUC.
- s. The Petitioners' number of employees is stable but wages have increased substantially. However, there is no assessment in this regard.
- t. The Petitioners' inventory should be assessed with respect to their production for objective analysis of injury.
- u. The Petitioners' negative profitability is due to increase in wages cost as well as increase in interest and depreciation cost as the capital employed of the domestic industry increased by 12% during the injury investigation period indicating that there is no impact on the profitability of the domestic industry due to alleged subject imports.
- v. The ability to raise capital investments is not a meaningful factor in the current investigation since the subject product constitutes very small share of the total revenue for the Petitioners who are multi-product companies.
- w. The Authority should adopt actual profit earned by the DI during a period when dumping was not alleged and not 22% ROCE. Basis of 22% ROCE designed in the year 1987, when all parameters like interest rate and corporate tax were different, cannot be termed as reasonable after 30 years in the year 2016. In 1987 the rate of interest was around 18% and corporate tax was 40%. Now both interest rate (around 10%) and corporate tax (30%) have come down. Therefore, it is submitted that by applying 22% ROCE, DGAD is giving undue protection to the Domestic Industry.
- x. With respect to causal link, interested parties have submitted that the non-attribution analysis is inadequate. In this regard, it is submitted that:
 - i. The Authority has not considered the historical losses of the domestic industry and inter-se competition among the domestic

producers, the decline in the prices of PTA and MEG / Polyester Chips and the poor export performance of the applicant producers.

- ii. The Authority must examine the possibility of self-inflicted injury by virtue of SRF's imports.
 - iii. The Authority must examine the impact of significant increases in captive consumption of the Petitioners.
 - iv. The Authority must examine the impact of the significant decline of export sales of the Petitioners.
 - v. The Authority must consider the reasons for change in consumption/ sales patterns of the Petitioners- switching from merchant market to captive consumption and poor export performance.
 - vi. The Authority must consider the impact of inter-se competition between the domestic producers of the like article.
 - vii. The Authority must assess the impact of imports from Korea RP and Taiwan, both of which are more than *de minimis*.
 - viii. The increase in the wages quantum of the Petitioners' cost without any increase in number of employees or commensurate increase in productivity.
- y. Certain interested parties have sought for correction of name in the duty table. In this regard, it has been claimed that the following rectification may be introduced in the Final Findings:

Incorrect Name recorded in Disclosure Statement	Corrected Name to be recorded in the Final Findings
Oriental Industries Holding Ltd.	Oriental Textile (Holding) Limited
Hyosung Chemical Fibre (Jiaxing) Co. Ltd.	Hyosung Chemical Fiber (Jiaxing) Co., Ltd.
Hyosung Corporation, Korea RP	Hyosung Corporation

- z. Oriental Industries (Suzhou) Limited has also directly exported the subject products to India rather than only through Oriental Textile (Holding) Limited. Therefore, the Authority may consider the inclusion of Oriental Industries (Suzhou) Limited as producer and exporter, rather than just producer in the duty tables.

- aa. In the recent time, the exporters have increased the prices of all articles. This shows that the Petitioners are capable of selling their goods independent of the pricing of the imports. It also shows that the DI is experiencing better health. The same must be duly considered. Levy of duty as % on the price will be detrimental to the user industry. The Authority must reconsider the imposition of any duties and must consider imposition of benchmark duties rather than fixed duties.
- bb. Implementation of anti-dumping measure will influence the Indian downstream industry negatively, with the demand on the rise. If the subject goods were suddenly blocked from the Indian market because of anti-dumping duty, Indian downstream industry will inevitably suffer from negative influence such as insufficient supply, much higher purchase price and lower profits or suffering loss.

Submissions made by the Domestic Industry:

124. The domestic industry, in its post disclosure submissions has submitted as follows. For the sake of brevity, comments made by the domestic industry, to the extent they are reiterations of the earlier submissions and already dealt with in the disclosure statement, have not been repeated hereunder:
- a. The Authority may kindly disclose the non-confidential version of the verification report of the exporters/producers from subject country. Where verification report has not been issued, Authority must disclose facts regarding cost of production, valuation of captive inputs, transactions between affiliated parties, completeness of the questionnaire response in the sense of value chain requirements, export price in view of vast variation in the import prices of different transactions, etc.
 - b. Petitioners believe that the Authority directed exporters to file certain information to examine various issues and in case the exporters have filed any information in response, apart from the original questionnaire responses, then there is direct violation of Rule 7 of the AD Rules and trade notices of the Authority since no non-confidential versions were filed.
 - c. The dumping margin determined for responding exporters are materially lower than the dumping margin determined by the petitioner and even negative for two exporters. The Petitioners are unable to advance their defence.
 - d. The Authority must make available a copy of all the communications sent via mail or letter, to the opposing interested parties and replies filed by these interested parties. At least the non-confidential versions of the same must be disclosed.

- e. The Authority must disclose injury parameters to the Petitioners, since the same is based on the data submitted by the Petitioners themselves.
- f. The Authority should disclose the Normal Value since it is based on the domestic industry data (except for one exporter).
- g. The Petitioners have also claimed that, in the case of participating exporters, the disclosure of actual dumping margin does not mean disclosure of either normal value or export price.
- h. Determination of Constructed Normal Value which is based on domestic industry's cost of production should be disclosed as the normal value determined in the disclosure statement is materially lower than the calculations done by the petitioner and that too when the normal value is based on petitioner's data.
- i. Petitioners oppose exclusion of Adhesive Activated (AA) yarns with denier higher than 1000 and yarns with HMLS properties.
- j. Adhesive Activated (AA) yarns with denier higher than 1000 should have been included as the same is produced and small quantities of the same have been sold as well. Yarns, such as those having 2000 D are nothing but doubling of 1000 denier yarn. Therefore, 2000, 3000, and likewise other deniers fall under the same category. Reference was made to letter filed by the Petitioners earlier providing evidence of production of 730 MT AA yarns which had to be exported owing to lack of demand in the country.
- k. With respect to the exclusion of yarns with HMLS properties, the Petitioners have been approaching customers for selling HMLS yarn. However, customers did not respond or show interest. One of them responded stating that DI prices are too high.
- l. Petitioners also provided evidence of facilities for production and sales of HMLS and Regular High Tenacity and Low Shrinkage yarns.
- m. Petitioners provided evidence that comparison of the technical properties of Petitioners' products and that of Chinese suppliers Guxiandao and Unifull shows no difference between the same.
- n. Petitioners submitted that SRF produces HMLS for captive consumption as well as industrial application. However, the captive consumption of HMLS was less than 25% of installed capacity during the POI.
- o. Petitioners dispute the grant of MET to one of the exporters. In this regard, it submitted that merely because the company is not a Chinese company does not imply that it is entitled to MET. Reference was placed on the final findings

of the Authority in *Digital Printing Plates* wherein MET was not granted to Kodak and Fuji.

- p. Additionally, Petitioners have raised claims regarding the deduction of SGA & Profit of related trader, Hyosung Corporation, from the export price calculated for Hyosung Chemical Fiber (Jiaxing) Co., Ltd.
- q. As the NIP has been determined on the basis of the data of the domestic industry, petitioner requests disclosure of detailed break up of NIP determined to enable the petitioner to provide comments on the same.
- r. Petitioners find huge difference and reduction in the net fixed assets considered for determination of capital employed as reported by petitioners and the amounts considered in the disclosure statement. Such *suo moto* reduction is inappropriate, unjustified and prejudicial.
- s. The Petitioners had made submissions regarding the working vide email dated 04/05/2018, however, the same has nowhere been discussed or considered in the Disclosure Statement.
- t. Domestic industry submits that the form of anti-dumping duty should be fixed quantum of anti-dumping duty (fixed form of duty).
- u. Petitioners request the Authority to reaffirm its findings as established in the Disclosure Statement with respect to standing of the domestic industry, injury analysis and analysis pertaining to causal link and non-attribution.

Examination of the Authority

- 125. The Authority notes that most of the submissions by parties are of repetitive nature and were already addressed earlier in the disclosure statement. The findings above deal with all such arguments of the interested parties including Domestic Industry. Further, the Authority has examined submissions of interested parties herein below to the extent relevant and not addressed elsewhere.
 - a. The Authority has considered the interested parties' submission pertaining to the testing criterion for yarns with HMLS properties. Accordingly, the correction has been incorporated under the assessment for "Product Under Consideration".
 - b. In the disclosure statement, the Authority had not considered the exclusion for yarns having denier more than 6000, on the understanding that such yarns are actually twisted yarns. In the post disclosure comments, interested parties have brought evidence to the notice of the Authority regarding imports of flat/untwisted yarns having denier more than 6000. In light of the same, and the absence of Petitioner's production or sales of the said goods, the Authority

has reassessed this issue and recorded its observations under “Product Under Consideration”.

- c. The Authority has considered the interested parties’ submissions pertaining to the exclusion of high tenacity low shrinkage yarn having denier 1000 and Adhesive Activated Yarn having denier 1000. Even though the claims for such exclusion were raised for the first time at such a belated stage, the Authority has assessed the same. The Authority finds that the Petitioners are producing and selling such yarns and therefore, the claims raised by the interested parties pertaining to exclusion of AA yarns having denier equal to 1000 and High Tenacity Low Shrinkage Yarn having denier equal to 1000 are rejected.
- d. While conducting injury assessment, the Authority has considered the Petitioners PUC as well as NPUC production for ascertaining capacity utilization.
- e. The interested parties’ submissions pertaining to market economy treatment of China PR are reiterations of the same submissions made earlier during the course of the investigation. The same have been assessed by the Authority in detail under the appropriate paragraphs.
- f. Jiangsu Hengli’s request for computation of normal value based on the normal value for the producer which has been granted MET is without merit. The Authority has constructed normal value for all participants who have not claimed MET in terms of the consistent practices of the Designated Authority. Moreover, it is noted that the producer / exporter who has been granted MET is a supplier of only one PCN, therefore, their normal value could not have been utilized as a reasonable standard for other producers / exporters who have exported a mix of various PCNs.
- g. Zhejiang Unifull and Huzhou Unifull raised certain queries pertaining to the reasons why there was substantial difference between the dumping margin and injury margin determined *qua* them and other participating producers. In this regard, the Authority has considered PCN wise information for computing the dumping margin and injury margin, based on actual information submitted and verified for each of the participants.
- h. The Authority notes that Questionnaire responses were duly filed by Oriental Industries (Suzhou) Ltd. and its trader, Oriental Textile (Holding) Ltd. The dumping margin and injury margin for these companies has been determined based on their Questionnaire responses.
- i. The Authority notes that submissions pertaining to the assessment of price suppression and depression and the comparison of price trends vis-à-vis pricing trends of raw materials PTA and MEG have been considered by the Authority in its assessment of “*price suppression/depression*”. It is noted that

the Petitioners experienced steeper decline in selling price as compared to cost of sales (which includes raw material prices). The Authority notes that there is price suppression in the present case.

- j. The Authority notes the interested parties' submissions regarding non-disclosure of the market share of the Petitioners. Such a submission is misplaced. The Authority has provided the market share of the Petitioners as a narrow range, sufficient to allow comprehension of the trends as well as the assessment of the Authority.
- k. The Authority notes the suggestion to conduct PCN wise injury assessment. The Authority has conducted PCN wise assessment of dumping margin and injury margin, in line with the consistent practice of the Authority. Beyond this, there is no requirement to conduct a PCN wise assessment of injury parameters.
- l. The Authority notes that various submissions have been raised in reiteration of arguments made with respect to the assessment of injury parameters. The same had already been addressed in the disclosure statement. The assessment with respect to these claims is under "Determination of Injury and Causal Link".
- m. With respect to claims regarding the consideration of a lower return on capital employed (ROCE), the Authority notes that ROCE has been considered as 22% for determination of NIP in line with the consistent practice of the Authority.
- n. With respect to non-attribution claims reiterated by the interested parties at the post-disclosure stage, the Authority has duly considered the Petitioners data to determine whether there is self-inflicted injury by virtue of SRF's imports. However, the same are marginal and did not contribute to the losses and injury suffered by the Petitioners.
- o. The Authority considered the reasons for significant increase in captive consumption of the Petitioners. It was noted that the same, if anything, has contributed to the stability in the Petitioners' profitability parameters rather than cause any injury. In light of declining sales, the Petitioners' increased captive consumption appears to be reasonable.
- p. The Authority notes that the Petitioners' injury is not attributable to inter-se competition between the domestic producers of the like article. It is noted that the product portfolio of the Petitioners is distinct from each other to a substantial degree and therefore, the injury suffered across the board cannot be attributed to performance of the other petitioner.

- q. The Authority notes that the name of certain producers/ exporter had been incorrectly recorded in the duty table. This was inadvertent and the same has been rectified in the present findings.
- r. Oriental Industries (Suzhou) Limited has claimed that it is a producer- cum-exporter. However, such a claim is incorrect. The Authority has assessed the same under “Export Price for Oriental Industries (Suzhou) Limited (OTIZ) and M/s Oriental Textiles (Holding) Limited China PR”.
- s. With respect to the claims of interested parties regarding the increase in export prices recently, it is noted that the dumping margin and injury margin are based on data pertaining to the period of investigation. The increase in export prices subsequent to the period of investigation cannot be considered for the purposes of the present investigation.
- t. With respect to the claim pertaining to public interest and injury of the downstream industry, the Authority reiterates that imposition of duties do not act as a barrier to trade. Rather, it is targeted towards unfair trade practices of certain producers and exporters and serves to even the playing field between foreign producers and suppliers on the one hand and the domestic producers and suppliers on the other.
- u. Certain claims have also been raised by various interested parties and the Petitioners that excessive confidentiality has been exercised in the issue of Disclosure Statement itself. Such claims are baseless. The Authority has provided all information considered to be non-confidential. Moreover, indexed figures have been provided with respect to confidential information, wherever necessary.
- v. With respect to the Petitioners’ request for disclosure of communications with exporters, verification reports and information filed post-original questionnaire response stage, it is noted that there is no legitimacy to this request. The Authority notes that such documents contain confidential information of the exporters and such report is not disclosed by the Authority in any anti-dumping investigation. Moreover, even the documents collected from the Petitioners as well as the verification report of the Petitioners are considered to be confidential and the same are not supplied to other parties to the investigation.
- w. The data filed by the producers/ exporters and by the Petitioners as rectification during verification does not change the data in effect such as to alter the non-confidential versions filed. Moreover, the Authority has sought establishment of certain claims, which has been done through supporting documentation provided by the interested parties, including the Petitioners. Summarization of such data is not possible and therefore, no NCVs were sought or filed.

- x. The Petitioners have sought for disclosure of the dumping margin. In this regard, the Authority notes that the dumping margin cannot be disclosed. This is in line with the consistent practice of the Authority.
- y. With respect to the Petitioners' opposition relating to exclusion of AA yarns having denier more than 1000 and yarns having HMLS properties, the Authority has examined the same in detail under "Product under Consideration". In addition, the Petitioners' evidence supplied regarding manufacture of Adhesive Activated Yarns by them, it is noted that the same includes AA yarns having denier equal to and also more than 1000. However, it is not the case that all Adhesive Activated yarns have been excluded from the scope of the product under consideration. Rather, consideration has been given to the fact that the Petitioners are producers and suppliers of AA yarn having denier equal to 1000 and the same have not been excluded from the scope of the product under consideration.
- z. With respect to the Petitioners' opposition to the grant of market economy treatment merely because the company is not a "Chinese" company, the Authority notes that the Petitioners are misguided. The Authority has conducted a detailed assessment of the producer and exporter claiming MET. The assessment in this regard is contained under "Market Economy Treatment for M/s Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR and M/s Hyosung Corporation, Korea RP". The Authority also notes that assessment for the grant of MET is done on a case to case basis and therefore, would vary depending upon the factual matrix present in each scenario.
- aa. The Authority notes that the export price for Hyosung Chemical Fiber (Jiaxing) Co., Ltd. has been considered after due adjustments, including the reduction of SG&A expenses and profits of the related trader, Hyosung Corporation.

M. Recommendations

- 126. The essential facts gathered by the Authority during the course of the investigation, and as established by the Authority on the basis of information received from various sources were duly disclosed in the Disclosure Statement, in order to enable the various interested parties to offer their comments on these facts gathered by the Designated Authority. Accordingly, comments were received and have been considered over the course of the present findings.
- 127. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and the causal link thereof in terms of the AD Rules and having established positive dumping margins as well as material injury to the

Domestic Industry caused by such dumped imports, the Authority is of the view that imposition of antidumping duty is required to offset dumping and injury. Therefore, Authority considers it necessary and recommends anti-dumping duty on imports of subject goods from subject country in the form and manner described hereunder.

128. With regard to duty structure, taking into account the factual matrix of the case and having regard to contentions raised, information provided and submissions made by interested parties, it is deemed appropriate to recommend fixed form of anti-dumping duty denominated in US\$. Further, having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and margin of injury for a period of five (5) years, so as to address the injury to the domestic industry. Accordingly, antidumping duty equal to the amount indicated in Col 8 of the table below is recommended to be imposed on all imports of subject goods originating in or exported from China PR:

Duty Table

SN	Heading/ Sub heading	Description of Goods	Country of origin	Country of export	Producer	Exporter	Amount of duty	Unit
1	2	3	4	5	6	7	8	9
1.	5402.2090*	High Tenacity Polyester Yarns excluding yarns having denier below 1000 and above 6000, Twisted yarns, Coloured yarns, Adhesive Activated yarns with denier higher than 1000 and Yarns with HMLS properties.	China PR	China PR	Hyosung Chemical Fiber (Jiaxing) Co., Ltd.	Hyosung Corporation	NIL	MT/US\$
2.	- do -	- do -	China PR	China PR	1) Zhejiang Guxiandao Industrial Fibre Co., Ltd. 2) Zhejiang Guxiandao Polyester Dope Dyed Yarn Co., Ltd.	Zhejiang Guxiandao Industrial Fibre Co., Ltd.	174	MT/US\$
3.	- do -	- do -	China PR	China PR	Jiangsu Hengli Chemical Fibre Co., Ltd.	Jiangsu Hengli Chemical Fibre Co., Ltd.	234	MT/US\$

SN	Heading/ Sub heading	Description of Goods	Country of origin	Country of export	Producer	Exporter	Amount of duty	Unit
1	2	3	4	5	6	7	8	9
4.	- do -	- do -	China PR	China PR	1) Zhejiang Unifull Industrial Fibre Co., Ltd. 2) Huzhou Unifull Industrial Fibre Limited.,	Zhejiang Unifull Industrial Fibre Co., Ltd.	316	MT/US\$
5.	- do -	- do -	China PR	China PR	Oriental Industries (Suzhou) Ltd	Oriental Textile (Holding) Ltd	NIL	MT/US\$
6.	- do -	- do -	China PR	China PR	Any combination other than S. No. 1 to 5		528	MT/US\$
7.	- do -	- do -	China PR	Any	Any	Any	528	MT/US\$
8.	- do -	- do -	Any	China PR	Any	Any	528	MT/US\$

** Custom classification is only indicative and the determination of the duty shall be made as per the description of PUC*

129. An appeal against the order of the Central Government arising out of this finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Sunil Kumar)
Additional Secretary & Designated Authority