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**F. No. 7/9/2022-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001**

Dated: 31st March, 2023

**Notification
Final Findings
(Case No. - AD (AC) - 03/2022)**

Subject: Anti-circumvention investigation concerning alleged circumvention of anti-dumping duty imposed on imports of High Tenacity Polyester Yarn originating in or exported from China PR

1. **F. No. 7/9/2022-DGTR** - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as “the Rules”) thereof.

A. BACKGROUND OF THE CASE

2. Pursuant to an application by Reliance Industries Limited and SRF Limited, the Designated Authority (hereinafter referred to as the “Authority”) conducted an anti-dumping investigation on the imports of High Tenacity Polyester Yarn (also referred to as ‘HTPY’ or the “product under consideration” or the “PUC” or the “subject goods”) and recommended definitive anti-dumping duties on the imports of High Tenacity Polyester Yarn originating in or exported from China PR vide F. No 6/12/2017- DGAD dated 24th May 2018. The Ministry of Finance, thereafter, imposed the anti-dumping duties on the subject goods from China PR vide Notification No. 35/2018 - Customs (ADD) dated 9th July 2018.
3. Whereas Reliance Industries Limited (hereinafter also referred to as the “applicant” or the “domestic industry”) filed an application before the Authority in accordance with the Customs Tariff Act, 1975 as amended from time to time

(hereinafter also referred as the “Act”) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter Anti-Dumping Rules or the Rules), alleging that the anti – dumping duties imposed on the imports of the product under consideration are being circumvented in India through alteration of the description, name or composition of the goods.

4. The applicant has requested extension of the anti-dumping duties imposed on imports of the product under consideration from China PR to the imports of the following (hereinafter collectively referred to as the “product under investigation” or the “PUI”), in accordance with Section 9A(1A) of the Customs Tariff Act 1975 read with Rules 25 and 26 of the Rules:
 - a. PUI I - High tenacity polyester yarns of less than 1000 denier, but more than 840 deniers, both adhesive activated and others.
 - b. PUI II - High tenacity polyester yarns of more than 6000 denier, but less than 7000 deniers.
 - c. PUI III - Adhesive activated high tenacity polyester yarns of more than 1000 denier, but less than 1300 denier.
5. The applicant has submitted that producers from the subject country are circumventing the extant anti-dumping duties imposed on the PUC after alteration of name, description or composition, to avoid the payment of the applicable anti-dumping duties. Therefore, it has been claimed that this constitutes circumvention of anti-dumping duties, the effect of which is evident from the change in the pattern of trade and undermining the remedial effects of the anti-dumping duties being felt by the domestic industry.
6. On the basis of a duly substantiated application filed by the domestic industry under Rule 26(1) of the Rules, the Authority initiated the present anti-circumvention investigation vide Notification No. 7/9/2022-DGTR dated 27th July 2022 to determine the existence and effect of the alleged circumvention of the anti-dumping duties levied and to consider the recommendation of extension of the exiting anti-dumping duties to the imports of the product under investigation, as defined above, in accordance with relevant provisions under the Rules.

B. PROCEDURE

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

- i. The Authority issued a public notice dated 27th July 2022, published in the Gazette of India, Extraordinary, initiating an anti-circumvention investigation concerning imports of the product under investigation in the form of alteration in the description, name or composition of the article.
- ii. The Authority notified the Embassy of China regarding the initiation of the anti-circumvention investigation in accordance with the Act and the Rules.
- iii. The Authority sent a copy of the initiation notification to the Government of China, through its Embassy in India, known producers and exporters from the subject country, known importers/ users and the domestic industry as well as other interested parties and requested them to make their views known in writing within the prescribed time limit.
- iv. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Government of China, through its Embassy in India, in accordance with Rule 6(3) of the Anti-Dumping Rules. A copy of the non-confidential version of the application was circulated to other interested parties, wherever requested, through e-mails.
- v. The Embassy of China in India was requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the known producers / exporters was also sent to the Embassy along with the list of the known producers/ exporters from the subject country.
- vi. The following producers/exporters of the PUC/PUI from China responded before the Authority and filed response to the questionnaire in the form and manner prescribed.
 - a) Hyosung Chemical Fiber (Jiaxing) Co. Ltd. from China PR
 - b) Hyosung Advance Materials Corporation from Korea RP
 - c) Qingdao Weifeng Fiber Co. Ltd. from China PR
- vii. The Authority provided a copy of the initiation notice and non-confidential version of the application filed by the domestic industry to other interested parties identified by the applicant, or, whenever specifically requested by them, and allowed them opportunity to make their views known in writing within the prescribed time limit.
- viii. The questionnaires were sent to the known importers/users of the subject goods in India calling for necessary information in accordance with the Rules.
- ix. The following importers of the product under consideration / product under investigation responded to the Authority and filed response to the questionnaire in the form and manner prescribed.
 - a. Autoliv India Private Limited (Autoliv)

- b. Composite Strap India Private Limited
 - c. Filatech Enterprise Private Limited
 - d. Lift and Lash Private Limited
 - e. Maruti Synthetic
 - f. Strata Geosystems (India) Private Limited
 - g. Techfab (India) Industries Limited
 - h. Vardhman Yarns and Threads Limited
 - i. Vilax Industrial Fabrics Private Limited
 - j. Mangalchand Tubes Pvt. Ltd.
- x. The Authority directed the interested parties to circulate the non-confidential version of the evidence presented by them to other interested parties participating in the investigation.
 - xi. The information provided by the interested parties on confidential basis was examined with regards 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.
 - xii. Further information was sought from the applicant and other interested parties to the extent deemed necessary. On the spot verification was conducted at the premises of the domestic industry 2022.
 - xiii. The Period of Investigation (POI) for the purpose of present investigation is 1st April 2021 to 31st March 2022 (12 months). The injury analysis period covers 1st April 2018 – 31st March 2019, 1st April 2019 – 31st March 2020, 1st April 2020 – 31st March 2021 and the Period of Investigation.
 - xiv. The Authority has relied upon the DGCI&S data for the purpose of the present investigations. Since the DGCI&S data does not contain information with regard to names of exporters and details of duty paid, reference was made to other alternative databases with regard to such information, including the DG Systems data.
 - xv. The Authority, in accordance with Rule 6(6) of the Rules and Trade Notice No. 01/2020 dated 10th April 2020, conducted an oral hearing through video conferencing on 9th November 2022 to provide an opportunity to the interested parties to present their views orally before the Authority.
 - xvi. All the parties who had attended the above-mentioned oral hearing were advised to file the written submissions of their views expressed orally, followed by the rejoinder submissions, if any. The arguments made in such written submissions and the rejoinder submissions received from the interested parties have been considered, to the extent deemed necessary, for the purpose of this investigation.

- xvii. Submissions made by the interested parties during the course of this investigation, to the extent considered relevant to the present investigation, have been considered by the Authority, in this Final Findings.
- xviii. A Disclosure Statement containing the essential facts in this investigation which would form the basis of the Final Findings was issued to the interested parties on 7th March 2023 and the interested parties were allowed time upto 15th March 2023 to comment on the same. The comments on Disclosure Statement received from the interested parties have been considered, to the extent found relevant in this Final Findings.
- xix. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the facts on the basis of the facts available.
- xx. *** in this Final Findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xxi. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 75.37.

C. PRODUCT UNDER CONSIDERATION (PUC), PRODUCT UNDER INVESTIGATION (PUI), AND LIKE ARTICLE (LA)

C.1 Submissions by other interested parties

- 8. The following submissions have been made by the other interested parties with regard to the scope of the product under consideration and the product under investigation:
 - i. The original investigation was initiated considering all high tenacity polyester yarn within the product scope, and thereafter a corrigendum was issued due to change sought by the domestic industry.
 - ii. Since the domestic industry itself got the product scope changed, it cannot say that there is a change in pattern of trade without any economic justification now and seek protection on other products.
 - iii. No evidence has been presented by the domestic industry as required under Rule 25(2)(b) of the Rules, to establish that the Product Under Consideration (PUC) and the Product Under Investigation (PUI) can be used interchangeably.

- iv. If certain goods were not considered as like article in the original investigation, they cannot be considered as like article in the present investigation.
- v. There is a difference in the purchase price of the product under consideration and the product under investigation, owing to technical specifications.
- vi. The product under consideration and the product under investigation cannot be used interchangeably as the denier increases the yarn becomes thicker. Finer yarn i.e., PUI-I is appropriate for OEM driven application and the product under consideration is used solely for stitching.
- vii. The tolerance limit is very crucial as it is possible that while the product under consideration was ordered, the product which was delivered was the product under investigation.
- viii. Since the applicant also agrees that yarn of 840 deniers is a standard product, it should not have included products which are closer to 840 deniers and are used in substitution of 840 deniers.

C.2 Submissions by the domestic industry

- 9. The following submissions have been made by the domestic industry with regard to the scope of the product under consideration and the product under investigation:
 - i. Originally, the applicant filed the petition for HTPY as a whole. However, the product scope was curtailed after the initiation and was further reduced at the stage of final findings. At the stage when the product scope was curtailed to exclude yarns, it was believed that yarns of 840 deniers and below would be imported without payment of duty, and not the abnormal deniers.
 - ii. Exclusion for yarn below 1000 denier implied exemption of yarn of 840 denier and below. Similarly, exclusion for yarn above 6000 denier implied exemption of yarn of 8000 denier and above. The table below shows the normal deniers as are produced and sold by the producers of the HTY.

Hyosung Advance Materials	Hengli Group	Guxiandao	Hailide America, Inc	RIL
250	210	500	250	250
300	250		380	500
500	300		420	750

630	420		500	
750	500		630	
	840	840	840	840
1000	1000	1000	1000	1000
1300	1300	1300	1300	
1500	1500	1500	1500	
	2000	2000	2000	
		2500	2600	2600
	3000	3000	3000	3000
	4000	4000	4000	4000
	5000	5000	5000	5300
	6000	6000	6000	6000
	8000			

- iii. Exclusion of yarn below 1000 deniers or above 6000 deniers therefore implied exemption of yarn upto 840 denier and yarn of 8000 denier and above.
- iv. After imposition of the anti-dumping duties, Chinese exporters (who are subject to ADD, and not having exemption) started exporting the PUI. This constituted export of PUC after altering the product description, name or composition in order to circumvent the extant anti – dumping duties.
- v. The import data shows an increase in the imports of abnormal deniers such as 900/ 936/ 938/ 940/ 990/ 999, 6100/ 6165 deniers and in the case of adhesive activated yarn 1013/ 1020/ 1090/ 1100/ 1260 deniers, whereas the product is normally produced and sold only in deniers of 840 deniers, 1000 deniers, 1300 deniers, 1500 deniers and higher products of 6000 and next 8000 deniers, as stated in the table below.
- vi. The product under consideration is produced and sold globally in standard deniers with permissible variations and tolerance. However, the Chinese producers subject to ADD are exporting these abnormal deniers. Even in case of China, only producers subject to ADD are exporting these abnormal deniers, while producers not subject to ADD are not exporting these abnormal deniers.
- vii. The product under consideration is produced and sold globally in standard deniers with permissible variations and tolerance.

- viii. The product under consideration is produced and sold globally in standard deniers with permissible variations and tolerance.
- ix. There is a need to include the following product types within the scope of duty:
 - a) PUI1- HTPY more than 840 deniers but less than 1000 deniers both adhesive activated and others.
 - b) PUI-2- HTPY more than 6000 deniers but less than 7000 deniers.
 - c) PUI-3- Adhesive activated high tenacity polyester yarns of more than 1000 deniers, but less than 1300 deniers.
- x. As regards the claim that the applicant itself shows yarn of 845 deniers on its website, it is clarified that the applicant only sells yarn of 840 deniers, and has supplied the same to the interested parties as well. There are tolerance limits to this product, as is the situation with all the textile yarns.
- xi. To convert decitex to denier, the number should be divided by 10 and multiplied by 9. Practically, 840 deniers may be denoted as 930 decitex, 933 decitex or 940 decitex.
- xii. The interested parties are attempting to create confusion by presenting imports in decitex. The Authority should consider imports only in deniers, and for the purpose, should take into account permissible tolerance limits.
- xiii. The manufacturing process for the product under consideration and the product under investigation is the same. In order to produce a lower denier, only the speed of the machine is required to be appropriately regulated. Since the product under investigation is produced using the same raw materials and manufacturing process, and is used for the same applications as the PUC, and the domestic industry is producing like article to the PUC, the domestic industry has produced like article for the PUI as well.
- xiv. Since the cost of producing lower denier yarns is higher, there is no savings that would flow to users by using a yarn of lower denierage. If the lower deniers were cheaper, the demand for yarns of lower denierage would have risen even before the duties were imposed.
- xv. While there is a price difference between yarns of 840 deniers and 1000 deniers, there is no difference in the cost and price of the PUI and the PUC.
- xvi. The Authority should consider and compare PUI only with PUC. It is inappropriate to compare PUI with product not subject to measures (NPUC). The applicant has not sought duty on NPUC. The applicant has sought duty on PUI which is being imported as a substitute of PUC and only with a view to avoid ADD.
- xvii. Even with tolerance, the goods are ordered and delivered in the standard denier only. The tolerance limit only implies that the customer would not reject the product owing to difference between the denier ordered and denier

- received. For example, it is possible to place an order for 1000 deniers and receive imports of a product which may be 999 or 940 deniers. This would however still be supplied as 1000 denier.
- xviii. If the importers have imported the product under consideration and found it to be of lower denierage because of tolerance, they should have paid anti-dumping duty on it. The issue involved is whether the PUI was imported after payment of ADD, and if not so, whether these constituted imports of NPUC. These imports were neither imports of NPUC, nor attracted ADD, as the importers altered the description, composition or form and presented the same as a product not subject to ADD.
- xix. The applicant has no concern if the Authority specifies the scope of the product with reference to the tolerance. The applicant has no concern if the importers import the product with permissible tolerance and do not pay ADD on the grounds that it constitutes NPUC.
- xx. The Rules do not require the circumvented product to be a like article to the product under consideration or that the domestic industry produce a like article to the circumvented product.

C.3 Examination of Authority

10. The present investigation pertains to circumvention of duties imposed on imports of High Tenacity Polyester Yarn originating in or exported from China PR. The scope of the product under consideration as defined in the original investigation was High Tenacity Polyester Yarn which is also known as polyester industrial yarn (PIY) or industrial yarn (IDY) in market parlance.
11. At the stage of initiation of the original investigation, the product under consideration was defined as follows
- 3. The product under consideration in the present petition is "High tenacity Polyester 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 (NON-AA), 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 Yam.*
12. Post initiation, the Authority issued a corrigendum dated 22nd September 2017, restricting the scope of the product under consideration as follows:

The product under consideration in the present investigation is "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 (NON AA), 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.

13. After elaborate investigations, the Authority issued final determination, defining the scope of the product under consideration as follows

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.*

14. The following were excluded from the product scope:

- 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

15. The applicant contended that there is circumvention of anti-dumping duties on the imports of the product under consideration, through alteration of name, description and composition of the product. The scope of the product under investigation as defined at the stage of initiation for the purpose of the present investigation is as follows:

"5. The product under investigation which is allegedly circumventing the anti-dumping duty imposed on the product under consideration originating or imported from China PR are:

a) High tenacity polyester yarns of less than 1000 denier, but more than 840 deniers, both adhesive activated and others (PUI I).

b) High tenacity polyester yarns of more than 6000 denier. but less than 7000 denier (PUI II).

c) Adhesive activated high tenacity polyester yarns of more than 1000 denier, but less than 1300 denier (PUI III).”

16. The applicant has provided information to show that globally, the product is produced and sold in standard deniers. The deniers normally produced and sold are 500, 630, 750, 840, 1000, 1300, 1500, 2000, and so on. Amongst the higher deniers, 5000, 5200, 6000, and 8000 deniers are sold. This is evident from the brochures and websites of the major producers in India, China and third countries. The information provided by the applicant has not been controverted by any party, with reference to any cogent evidence. While some of the interested parties have claimed that the non-standard deniers were even imported prior to the imposition of measures, or from third countries, they have not disputed the fact that the product is generally supplied in standard deniers, with reference to any evidence with regard to the same. However, post imposition of duty, the imports of the non-standard deniers, such as 918, 936, 940, 990, 999, 1010, 1013, 1020, 1035, 1090, 1100, 6100, 6102, 6165 deniers are being imported from the subject country.
17. The product under consideration and the product under investigation fall under Chapter 54 of the Custom Tariff Act 1975, under the customs tariff classification 5402 20 90. This classification is, however, indicative only and is in no way binding on the scope of the present investigation.
18. The Authority examined the import data and found following pattern of imports of the PUI in the present period

SN	Denier	2018-19	2019-20	2020-21	2021-22
A	Companies subject to ADD				
1	Zhejiang Guxiandao Polyester Dope Dyed Yarn Co. Ltd	***	***	***	***
2	Zhejiang Unifull Industrial Fibre Co. Ltd	***	***	***	***
3	Zhejiang Free Trade Zone Solead Com.&Trad. Co., Ltd	***	***	***	***
4	Fujian Billion Polymerization Fiber Technology Ind	***	***	***	***
5	Haining Conquer Import and Export Co., Ltd.	***	***	***	***

6	United Raw Material Pte Ltd.	***	***	***	***
7	Areva Industries Pte Ltd.	***	***	***	***
8	Jiangsu Hengli Chemical	Nil	Nil	Nil	Nil
9	Huzhou Unifull Industrial Fibre	Nil	Nil	Nil	Nil
B	Companies not subject to ADD				
1	Hyosung Advanced Materials	Nil	Nil	Nil	Nil
2	Oriental Industries (Suzhou) Limited	Nil	Nil	Nil	Nil

19. Some interested parties claimed that since the domestic industry excluded yarns with denier below 1000 in the original investigation, it cannot claim circumvention on account of change in pattern of trade because of imports of yarn below 1000 deniers. The Authority however notes the submissions of the domestic industry and the data above that there were no imports of yarn between 840-1000 denier, yarn between 6000-8000 deniers and 1000-1300 deniers before imposition of anti-dumping duty. Even at present, the companies not subject to ADD or producers in third countries are not exporting these abnormal deniers. The Authority further notes that these abnormal deniers do not form part of product profile of major producers in China and in other countries. The Authority notes the submission of the domestic industry that exclusion of yarn below 1000 deniers implied imports of yarn of 840 denier & below, and that of above 6000 deniers, implied imports of 8000 denier & above. The exemption should not have led to imports of yarns with non-standard denierage, such as 918, 936, 940, 990, 999, 1010, 1013, 1020, 1035, 1090, 1100, 6100, 6102, 6165. The exclusion cannot be used in a manner, so as to defeat the intended purpose of the duty levied. The interested parties have not been able to show any justification as to why non-standard deniers are being imported, post imposition of anti-dumping duty, and why these were not being imported prior to imposition of anti-dumping duty.
20. The applicant has contended that the non-standard deniers are now being imported after the imposition of ADD, and the same did not even exist during the period of investigation of the initial investigation.
21. The Authority notes that exclusion of yarn below 1000 deniers, and yarn above 6000 deniers implied yarn upto 840 deniers, and yarn of 8000 deniers and above. Thus, the exclusion made in the previous investigation was not with reference to the non-standard deniers being imported at present, but with reference to the standard deniers that were actually being imported during that period.

22. The Authority finds that the yarn of such non-standard deniers such as 918, 936, 940, 990, 999, 1010, 1013, 1020, 1035, 1090, 1100, 6100, 6102, 6165 etc. are being imported only after the imposition of duty, and that too only from exporters that are subject to duties. Accordingly, the Authority has examined whether such imports are being made to defeat the objective of levy, and the exclusion made in the interests of the consumers. Since the yarns are being imported after alteration of the description, name or composition of the product in order to circumvent the duty in force, it is necessary for the Authority to examine the same in the period of investigation of the present investigation.
23. The domestic industry has contended that the existing anti-dumping duties are being circumvented in following manner:
- i. Circumvention of the duty on yarns of 1000 denier through imports of yarns of lower deniers such as 918, 936, 940, 990, 999 deniers (both adhesives activated and otherwise).
 - ii. Circumvention of duty on yarns of 6000 deniers through imports of yarns of slightly higher deniers such as 6100, 6102, 6165 deniers.
 - iii. Circumvention of duty on 1000 denier adhesive activated through imports of yarns of slightly higher deniers such as 1010, 1013, 1020, 1035, 1090, 1100 denier adhesive activated.
24. During the course of the investigation, the Authority conducted a physical verification at the premises of the applicant to understand the product, the production process, different types of product types produced and sold by the manufacturers of the product, the manner in which different denierage are produced, the similarities and differences in the raw material, plant & equipment, production facilities, manufacturing process for producing PUC and PUI. The team took note of the manufacturing facilities, manufacturing process, production technology, raw materials used for making the PUC and the PUI. The investigation team noted that the manufacturing process for the product under consideration and the product under investigation is essentially the same. The domestic industry showed that the same equipment is used to manufacture the PUC and the PUI. It was shown that the speed of the feeding stock is regulated in order to achieve variation in the denierage. A lower speed would result in a lower denierage, and a higher speed would result in a higher denierage, with the number of filaments remaining the same. Further, different spinnerets are used for making different number of filaments. Yarns of 840 deniers, 1000 deniers, 1300 deniers, 1500 deniers may be produced with 192 filaments. For this, a spinneret of 192 filaments would be required. In order to produce a yarn of 999 / 940 deniers or a yarn of 1100 / 1020 deniers having the same number of filaments, the same

spinneret can be used. In order to reduce the denierage, the speed of the flow through the machine would have to be reduced. However, if yarn of 840 deniers, with 96 filaments is required to be produced, the spinneret would have to be changed. Yarns with higher denierage such as 3000 deniers, 6000 deniers, are produced by doubling of yarns. None of the interested parties, including exporters, have provided any evidence to show that production of PUI require new or different machinery or equipment. Thus, the between the PUC and the PUI, there is no change in the production process, barring merely the speed of the flow, which can be easily regulated.

25. The Authority considers that production facilities required for producing 940 / 990 / 999 deniers vs. 1000; 1000 vs. 1100 / 1020 / 1013; and 6000 vs. 6100 / 6165 and so on to ascertain differences between the PUC and the PUI. Thus, having regard to the information on record, submissions made by the interested parties and physical verification conducted at the production facilities of the applicant domestic industry, the Authority concludes that no additional equipment or process or production facilities are required to produce the PUI. Production of PUI or PUC is a matter of regulating production parameters. The interested parties have not identified the need for any additional equipment or process or production facilities to produce the PUI.
26. As regards the contention that the domestic industry does not produce the like article to the imported goods, the Authority notes that the allegation of circumvention is based on the product under investigation having comparable physical and technical characteristics, applications, cost, pricing, manufacturing process and raw materials, as compared to the product under consideration. It has not been disputed by any party with cogent evidence that the PUI is also used for the same purposes as the product under consideration, and has comparable characteristics. While some interested parties have claimed that PUI, and in particular yarn of 940 deniers is used for different purpose, no further details or evidence regarding such use has been provided. The Authority also notes that the evidence on record shows that the imports of PUI have substituted the imports of PUC. As noted by the Authority in the original investigation, the domestic industry has produced like article to the product under consideration. The PUI is also used for the same purposes as the product under consideration, and has comparable characteristics. The article produced by the Indian industry, the PUC and the PUI imported from the subject country are comparable in terms of technical specifications, functions or end-uses product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The interested parties have not

identified any application that can be met only by PUI and that cannot be met by PUC with cogent evidence. In view of the same, it follows that the domestic industry has produced like article to the product under investigation.

27. With regard to the argument made by other interested parties on the tolerance limit, the Authority notes that even with tolerance, goods ordered in standard deniers will be delivered and classified as those belonging of deniers. It is not possible that if the importer has ordered product under consideration, they will receive goods that are delivered or labelled as product under investigation. For instance, if the product sought to be supplied is 1000 denier, and the actual denier (due to permissible tolerance) is 990, it still constitutes a sale of yarn of 1000 denier. Furthermore, if 990 denier is imported because of permissible tolerance, the importer ought to have paid anti-dumping duty on the same since the duty was payable on yarn of 1000 deniers. However, the importers cannot report to the customs authorities that the goods imported falls beyond the scope of the product attracting duty, and contend before the Authority that the goods imported was within permissible tolerances. Universally, tolerance only serves the purpose to evaluate the acceptability of the goods. Any product falling within tolerance is accepted by the customer, whereas that falling beyond tolerance, may not be accepted. Therefore, it cannot be considered that PUC was imported, but no duty was paid, as it was found to be of slightly lower denierage because of permissible tolerance.
28. *The Authority has taken note of the contention of the interested parties that the scope of PUI must be specified with permissible tolerances, even though the PUC was specified without permissible tolerance. Accordingly, the scope of PUI shall be considered as follows.*
- a. *High tenacity polyester yarns of less than 1000 denier, but more than 840 denier, both adhesive activated and others (PUI I). However, yarn of 840 deniers and below, when imported within permissible tolerance, is specifically excluded from the product scope.*
 - b. *High tenacity polyester yarns of more than 6000 denier, but less than 7000 denier (PUI II). However, yarn of 7000 deniers, when imported within permissible tolerance, is specifically excluded from the product scope.*
 - c. *Adhesive activated high tenacity polyester yarns of more than 1000 denier, but less than 1300 denier (PUI III). However, yarn of 1300 deniers, when imported within permissible tolerance, is specifically excluded from the product scope.*

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submissions by other interested parties

29. None of the exporters, importers, consumers and other interested parties have filed any submissions with regard to scope of the domestic industry and its standing.

D.2 Submissions by domestic industry

30. The following submissions have been made by the domestic industry with regard to the scope of the domestic industry and its standing:
- i. The application has been filed by Reliance Industries Limited and is supported by Wellknown Polyesters Limited. There are five other producers of the product under consideration in India apart from the applicant.
 - ii. The applicant accounts for a major proportion of the domestic production and thus constitutes as domestic industry.
 - iii. SRF Limited and Sanathan Textiles Private Limited have imported the product under investigation and thus, should be considered ineligible to constitute domestic industry and their production should be excluded from the total Indian production.
 - iv. If SRF and Sanathan are removed, the applicant would constitute almost 75% of the total domestic production.
 - v. SRF Limited has not opposed the present investigation and not expressed any opinion.

D.3 Examination by Authority

31. The present application has been filed by Reliance Industries Limited. Apart from the applicant, there are 5 other manufacturers of the subject goods in India. Wellknown Polyesters Limited has supported the application. The applicant has not imported the subject goods and is not related to an importer or exporter thereof.
32. Based on the information available, the Authority notes that the share of the applicant in total Indian production is as under.

Producer	Production (MT)	Share in production (%)	
		Including production of SRF	Excluding production of SRF

Applicant - Reliance Industries Limited	***	45-55%	60-70%
Supporter – Wellknown Polyesters Limited	***	5-15%	10-20%
Others	***	35-45%	15-25%
SRF Limited	***	20-30%	0%
Fairdeal Jumbo Packaging Private Limited	***	0-10%	0-10%
Sanathan Textiles Private Limited	***	5-15%	10-20%
Ferreterro India Private Limited	***	0-10%	0-10%
Total	44,850	100%	
Production excluding SRF	***		100%

33. The Authority notes that the production by the applicant constitutes a major proportion of the total Indian production. The Authority concludes that the applicant constitutes domestic industry in terms of Rule 2(b) of the Rules.

E. CONFIDENTIALITY

E.1 Submissions by other interested parties

34. None of the exporters, importers, consumers and other interested parties have filed any submissions with regard to confidentiality.

E.2 Submissions by domestic industry

35. The following submissions have been made by the domestic industry with regards to confidentiality:
- i. The responses filed by the other interested parties are in gross violation of the provisions of Trade Notice 10/2018 as such parties have claimed excessive confidentiality.
 - ii. The exporters have claimed the channel of distribution as confidential.
 - iii. The users/ importers have claimed their trend of volume and value of imports confidential, which is inconsistent with the trade notice.
 - iv. Even information such as products produced, names of production facilities, ownership or parent company has been claimed confidential, despite such information being available in the public domain.
 - v. Hyosung Chemical have claimed their manufacturing process and raw material as confidential, without providing sufficient cause for the same.

- vi. The sole reason for claiming such information as confidential is that the exporters wanted to preclude the domestic industry from making comments regarding the fact that the imports of the PUI began only after the duty was imposed.
- vii. In response to the claim that there was a mismatch between the volume of imports as per data available with the other interested parties and that claimed by the applicant, it is submitted that the interested parties should share non-confidential summary of the same.
- viii. The interested parties have claimed excessive confidentiality by claiming the decitex of the yarns imported as confidential. Further, it appears that the interested parties are trying to project imports of 940 decitex or 1100 decitex as imports of the product under investigation.

E.3 Examination by Authority

36. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties for inspection as per Rule 6(7) of the Rules.
37. With regard to confidentiality of information, Rule 7 of the Rules provides as follows:

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

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or

the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information."

38. The information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Business sensitive information has been kept confidential as per practice. The Authority notes that any information which is available in the public domain cannot be treated as confidential.
39. The Authority has considered the claims of confidentiality made by the applicant and the other interested parties and on being satisfied about the same, the Authority has allowed the claims on confidentiality. The Authority directed all interested parties to circulate the non-confidential version of evidence submitted by them.

F. ASSESSMENT OF DUMPING METHODOLOGY AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.3.1. Normal value, export price and dumping margin

40. The Authority notes that none of the producers / exporters subject to the anti-dumping duties and alleged to have exported the PUI have filed a questionnaire response. Only Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China PR and Hyosung Advanced Materials Corporation, Korea RP have filed response. However, such exporters attract nil anti-dumping duties.

F.3.7.1 Determination of Normal Value

41. Article 15 of China's Accession Protocol provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China 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.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

42. It is noted that while the provision contained in Article 15 (a)(ii) have expired on 11th December, 2016, the provision under Article 2.2.1.1 of the WTO Agreement on Anti - Dumping, read with obligation under Article 15(a)(i) of China's Accession Protocol require the criterion stipulated in para 8 of Annexure I to the Rules to be satisfied through information/data to be provided in the supplementary questionnaire on claiming the market economy status.
43. The Authority notes that none of the producers / exporters from China, barring Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China has filed the questionnaire response. Since Hyosung Chemical Fiber (Jiaxing) has not even exported the circumventing product, the normal value is required to be determined considering Chinese producers other than Hyosung Chemical Fiber. The Authority had earlier, in the original investigations, determined that normal value for all producers/exporters, except Hyosung Chemical Fiber is required to be determined in accordance with para 7 of Annexure-I. Under these circumstances, the Authority has to proceed in accordance with para 7 of Annexure – I of the Rules, which reads as under-

“In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

44. The Authority notes that under the provisions of Rule 25 of the Rules, dumping has to be examined in relation to normal value previously established for the like product, if necessary, with appropriate changes or adjustments. It is noted that normal value was previously established for all producers and exporters in China PR except Hyosung Chemical Fiber (Jiaxing) Co., Ltd., China on the basis of price

payable in India, determined with reference to the optimized cost of production of the domestic industry, with a reasonable addition of selling, general and administrative expenses and profit. In this case, the domestic industry has determined constructed normal value (CNV) taking into account increase in the raw material cost post SSR investigations, and submitted the same in their petition. However, the Authority has determined that even without taking into account the increase in the CNV following allegation of increase in the raw material cost post SSR investigations, the dumping margin determined is positive and significant. The normal value so considered is mentioned in the table below.

F.3.7.2 Export Price of the PUI

45. For the purpose of evaluating ex-factory export price of the PUI, CIF price as per transaction-wise DGCI&S import data has been considered, which has been adjusted for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight on the basis of facts available.

F.3.7.3 Dumping margin

46. The Authority has calculated the dumping margin as stated in the table below.

Particulars	Unit	USD/Kg
Constructed Normal Value	USD / Kg	***
Net Export Price	USD/ Kg	1.32
Dumping Margin	USD/ Kg	***
Dumping Margin	%	***
Dumping Margin	Range	10-20%

47. The dumping margin is determined as \$ *** per Kg, which is significant and above the *de minimis* limits under the Rules.

G. DETERMINATION OF CIRCUMVENTION AND ASSESSMENT OF INJURY OR REMEDIAL EFFECTS BEING UNDERMINED

A. EVIDENCE OF CIRCUMVENTION

F.1 Submissions by other interested parties

48. The following submissions have been made by the other interested parties with respect to the evidence establishing circumvention:
- i. A perusal of the dictionary meaning of the term circumvention demonstrates that it must be an act which started after imposition of the anti-dumping duty. However, in the present case, PUI-I was being imported into India even before the imposition of the anti-dumping duties.
 - ii. Hyosung confirms the statement of the applicant that the producers awarded 'nil' rate of duty in the original investigation, including the Hyosung Group, have not circumvented the anti-dumping duties in force.
 - iii. The composition of high tenacity polyester yarn cannot be changed since the goods are produced in standard deniers. Further, there is no instance of change in the description of the goods. The actual denier of the product is mentioned, and the same can be established in a laboratory.
 - iv. There is no alteration of name, description or composition of goods or change in the pattern of trade, since PUI-I was being imported into India even before the imposition of duty.
 - v. Autoliv has procured import data from secondary sources, which shows that PUI-I was being imported into India, prior to the imposition of the anti-dumping duties.
 - vi. The import volume as mentioned by the applicant do not match the quantity as per the secondary data obtained by Autoliv, leading to doubts regarding the credibility of the data provided by the applicant.
 - vii. It has been stated by vide letter dated 19th July 2022 that the import data does not include imports of subject goods with 1100 and 1110 decitex, even though such decitexes form part of product under investigation as defined by the petitioner. No revised data has been circulated to the interested parties.
 - viii. Since the imposition of anti-dumping duties, Strata Geosystems has only imported the product under consideration or procured from the domestic industry and have imported only one stray consignment of PUI-I.
 - ix. The specification sheet of the applicant shows that there is a tolerance of +/- 24 deniers allowed for 1000 deniers. This itself shows that demand for PUI-I, in the form of yarn of 976 deniers or higher existed even before imposition of anti-dumping duty.
 - x. PUI-I has also been imported from third countries, such as Germany, Japan, Netherlands, South Africa, South Korea, Switzerland, Taiwan and Vietnam.
 - xi. Vardhman was importing yarns of *** decitex which are more or less same as yarns of *** decitex even before imposition of duty, which are used in the stitching of safety seat belts webbing and seat belts. However, the

- petitioner has not made the allegation of circumvention of yarns of *** decitex.
- xii. Vardhman has also been importing yarns of *** decitex and yarns of *** decitex since as early as in 2013. This denier finds majorly its usage in stitching of the safety harness.
 - xiii. To convert decitex to denier, the number should be divided by 10 and multiplied by 9. Using this formula, the decitex imported by Vardhman Yarns would fall under PUI-I.
 - xiv. Yarns of ***, *** and *** deniers have been in existence before the imposition of the anti-dumping duties on the subject goods and yarns of *** denier are nothing but the 1000 denier which is the product under consideration.
 - xv. Yarns of 940 deniers have been imported as a technically new product and not to circumvent the anti – dumping duties. If the intention was to circumvent the existing duties, yarns of 990 or 985 deniers would have been imported.
 - xvi. The product under investigation and the product under consideration were distinguished products even prior to the imposition of the anti – dumping duties. The breaking load increases as the denier increases. If the breaking load requirement is met by using yarns of 940 deniers, then the same is used instead of a yarn of 1000 deniers, since it allows savings of 6% to customers.
 - xvii. In the automobile industry, the selection of thread to be used is based on the drawings of the customer. Sample drawings of the customers enclosed show that 837 and 846 deniers have been used for production of seat webbings.
 - xviii. The claim that there is no demand for PUI-I is incorrect, in as much as the applicant is itself producing 845 deniers, as evident from its website.
 - xix. The application is not in accordance with the provisions of Rule 25 of the Rules and did not contain sufficient evidence to justify the initiation of the investigation. There is no information regarding the adverse remedial effects of the duty undermined.
 - xx. The dumping margin should be calculated and analyzed PCN-wise.

F.2 Submissions by the domestic industry

49. The following submissions have been made by the domestic industry with regard to the evidence of circumvention:
 - i. The exporters are circumventing the existing anti – dumping duties by altering the description, name or composition of the product as per Rule 25(2)(b) of the Rules.

- ii. The subject goods are manufactured in standard deniers which are followed across the globe. The deniers also have a fixed application and cannot be used interchangeably.
- iii. The brochures of some of the largest manufacturers worldwide, including China PR reveal that the subject goods are only produced in standard deniers.
- iv. Since the duties were imposed on products of more than 1000 deniers and less than 6000 deniers, the exporters have started exporting goods of slightly less than 1000 deniers such as 900/936/938/990 and more than 6000 deniers such as 6100 or 6165.
- v. Since only adhesive-activated high-tenacity polyester yarns of 1000 deniers fall within the product scope, the exporters started exporting yarns of 1013/ 1020/ 1090/ 1100/ 1260 deniers.
- vi. There is a sudden change in the pattern of trade post-imposition of anti-dumping duty for which there is a lack of economic justification.
- vii. No new demand for these abnormal deniers has come up in the last few years.
- viii. The applicant itself is not producing the product under investigation.
- ix. There are no imports of the product under investigation from third countries. The claim by interested parties that the product under investigation has also been imported from third countries requires re-examination as may be based on erroneous segregation of data, or erroneous conversion of decitex into deniers.
- x. The product under investigation has not been exported by producers that were exempt from duty, namely Hyosung Chemical Fiber (Jiaxing) Co., Ltd and Oriental Industries (Suzhou) Ltd.
- xi. Even if a small volume of imports of the product under investigation were made prior to the imposition of duty, the Rules include a situation wherein the practice has intensified or increased after imposition of the duty within the scope of circumvention.
- xii. While some of the parties have claimed that they have imported product under investigation prior to the imposition of duties, the applicant has not found even a single transaction of such imports.
- xiii. After the duties were imposed, the imports of the product under consideration declined and imports of abnormal deniers started increasing.
- xiv. Only 1,496 MT (11%) of product under consideration was imported during the period of investigation after payment of duty.
- xv. The interested parties are misleading the Authority by referring to transactions of yarns of 930/ 933 decitex, which is actually 840 deniers as

- imports of PUI-I and transactions of yarns of 1100 decitex as PUI-I, which is actually 1000 deniers.
- xvi. If using a lower denierage was offering benefits, the interested parties should explain why they became aware of such benefits only after imposing duties.
 - xvii. As regards the claim that the product is used by OEMs, it is submitted that OEMs have been in India for several years but such deniers were not being imported prior to imposition of duty.
 - xviii. The interested parties have not shown any new downstream product that has been introduced after the imposition of the anti - dumping duties which require yarns of 940 deniers. The contention of the interested parties that 940 deniers is not a circumvented product, but that yarns of 985 and 990 deniers are circumvented product has no basis.
 - xix. While certain importers have erroneously claimed imports of PUI-I prior to imposition of duties, none of the parties have claimed to have made any imports of PUI-II and PUI-III prior to the imposition of anti – dumping duties.
 - xx. China should be considered as a non-market economy. The producers / exporters from China have not demonstrated that their costs and domestic prices are appropriate and reasonably reflect the costs and price of the subject goods.
 - xxi. The normal value has been calculated on basis of the normal value determined based on the original investigations with adjustments for the differences in the cost of the raw materials during the two periods. This is in consonance with the past practice of the Authority and the practice of other jurisdictions like the European Union.
 - xxii. The PCN wise dumping margin is significant.
 - xxiii. The circumvention of anti-dumping duties is undermining the remedial effects with reference to quantities and price.
 - xxiv. The imports of the product under investigation have gained market, resulting in loss of market share for domestic producers.
 - xxv. The PCN-wise price undercutting and the average price undercutting is positive and significant.
 - xxvi. There has been a huge loss of revenue of ₹ 1,691 lakhs to the Government of India due to the circumvention of existing anti – dumping duties.
 - xxvii. Anti-dumping duties may be extended retrospectively to the imports of product under investigation from the date of initiation of the investigation.

F.3 Examination by Authority

50. With regard to circumvention of the existing anti-dumping duties, Section 9A(1A) of the Act provides as under.

“(1A) Where the Central Government, on such inquiry as it may consider necessary, is of the opinion that circumvention of anti-dumping duty imposed under sub-section (1) has taken place, either by altering the description or name or composition of the article subject to such anti-dumping duty or by import of such article in an unassembled or disassembled form or by changing the country of its origin or export or in any other manner, whereby the anti-dumping duty so imposed is rendered ineffective, it may extend the anti-dumping duty to such article or an article originating in or exported from such country, as the case may be.”

51. Rule 25 of the Rules further defines circumvention as follows:

“(1) Circumvention shall be considered as a change in the pattern of trade between any country and India or between individual companies in any country subject to measures and India, as a result of a practice, process or work for which there is insufficient cause or economic justification other than the imposition of the duty; and where there is evidence of injury or that the remedial effects of the duty are being undermined in terms of the prices or quantities or both of the like product; and where there is evidence of dumping in relation to the normal values previously established for the like product, if necessary with appropriate changes or adjustments or in accordance with the provisions of rule 10.

(2) The practice, process or work referred to in the sub-rule (1) includes, inter alia, -

(a) where an article subject to anti-dumping duty is imported into India from any country including the country of origin or country of export notified for the purposes of levy of anti-dumping duty, in an unassembled, unfinished or incomplete form and is assembled, finished or completed in India or in any other country, such assembly, finishing or completion shall be considered to circumvent the anti-dumping duty in force if, -

(i) the operation started or increased after, or just prior to, the anti-dumping investigations and the parts and components are imported from the country of origin or country of export notified for purposes of levy of anti-dumping duty; and

(ii) the value added to the inputs brought in, during the assembly or completion operation, is less than 35% of the manufacturing cost:

Provided that for calculation of value addition, expenses on account of procurement of technology, such as patents, copyright, trademark, royalty, technical know-how, consultancy charges, etc., shall not be included in the value of the parts brought in.

Explanation I. – ‘Value’ means the cost of assembled, complete or finished article less value of imported parts or components.

Explanation II. - For the purposes of calculating the ‘value’, expenses on account of payments relating to intellectual property rights, royalty, technical know- how fees and consultancy charges, shall not be taken into account.

(b) where an article subject to anti-dumping duty is imported into India from country of origin or country of export notified for the levy of anti-dumping duty after being subjected to any process involving alteration of the description, name or composition of an article, such alteration shall be considered to circumvent the anti-dumping duty in force if the alteration of the description or name or composition of the article subject to anti-dumping duty results in the article being altered in form or appearance even in minor forms regardless of the variation of tariff classification, if any;

(c) where an article subject to anti-dumping duty is imported into India through any exporter or producer or country not subject to anti-dumping duty, such exports shall be considered to circumvent the anti-dumping duty in force if the exporters or producers notified for the levy of anti-dumping duty change their trade practice, pattern of trade or channels of sales of the article in order to have their products exported to India through any exporter or producer or country not subject to anti-dumping duty;

(d) any other manner whereby the anti-dumping duty so imposed is rendered ineffective.”

52. In the present case, the applicant has alleged circumvention of the existing anti-dumping duties under the provisions of Rule 25(2)(b) of the Rules, that is, through alteration of the description, name or composition of an article. In order to examine the same, the Authority called for information with regard to the volume of exports / imports, uses, costs, prices, production process, raw materials, etc. of the PUC and the PUI. After having obtained the relevant information from the exporters, importers, users and domestic producers, the Authority has examined the alleged circumvention of existing anti-dumping duties through alteration of the description, name or composition of an article.
53. In order to examine the alleged circumvention, the Authority has obtained transaction-wise data from DGCI&S. Such data has been segregated into imports

of the PUC, the PUI and the NPUC based on the description of the goods imported. For transactions wherein the product was described into decitex terms, the denierage has been determined by applying the following formula:

$$\text{Denier} = \text{Decitex} \times 0.9$$

F.3.2. Change in pattern of trade

54. The Authority has examined the stipulated criteria on the shift in the trade pattern to product under investigation from product under consideration, whether change in trade pattern is stemmed from an economic justification or is on account of the levy of anti-dumping duty, in accordance with Rule 25(1).
55. The change in pattern of trade has been analysed from 2016- 17 to the POI, considering the volume of imports of the product under consideration to PUI-I, PUI-II and PUI-III.

Particular	Unit	2018-19	2019-20	2020-21	2021-22
PUC	MT	4,048	8,503	11,495	11,659
PUI	MT	218	1,599	3,222	6,768
PUI – 1	MT	136	558	1,059	2,906
PUI – 2	MT	0	231	1,071	1,432
PUI – 3	MT	82	810	1,093	2,431
Total	MT	4,266	10,102	14,717	18,428

56. It is noted that there were no imports of PUI prior to the imposition of duty. However, post imposition of the anti-dumping duties, imports of PUI started. Further, the same has increased significantly thereafter. There were significant imports of PUI in the present period of investigation.
57. The Authority notes that there were significant imports of the PUC even after the imposition of the existing anti-dumping duties. The domestic industry has contended that majority of the imports of the PUC pertained to categories on which the anti-dumping duties were not payable. Therefore, the Authority has examined the volume of imports of the PUC in detail. During the analysis, it was noted that while there was an increase in the volume of imports of the PUC during period 2021-22, the same was on account of imports made under advance authorization and from exporters exempt from the application of anti-dumping

duty. In sum, duty paid imports accounted for only 4% of the total imports from the subject country, while imports of the PUI accounted for 37% of the volume, the rest being duty free imports or imports from exporters subject to nil duties.

58. The Authority also examined the volume of imports of the PUI in detail. For the purpose, the Authority also examined exporter-wise imports of the PUI. It is seen that exports of PUI are by such exporters who were subjected to the anti-dumping duties. There were no exports of the PUI by those exporters who were subjected to nil duties.

Imports in POI	PUC-MT	PUI-MT
Exporters with NIL Duty	***	-
Exporters with AD Duty	9,562	6,768

59. Some interested parties contended that yarns of *** decitex and *** decitex was being imported even prior to the imposition of the anti -dumping duties. It is noted that while yarns of 1000 deniers are mathematically *** decitex, it can also be denoted as yarns of *** decitex in market parlance (considering permissible tolerance). The same has also been observed from the brochures of major global producers (evidence placed on record by the domestic industry). The Authority also notes that both yarns of '*** decitex' and yarns of '*** decitex' have usually been denoted as '1000 deniers' as the description of goods imported. However, post imposition of the anti-dumping duties, some transactions of yarns of ***/*** decitex have been reported as that of yarns of *** or *** deniers, which shows an alteration in description of the goods.
60. The interested parties have relied on imports of yarns of *** decitex, which is used for the same purposes as yarns of *** decitex to claim that PUI-I was imported prior to the imposition of the anti-dumping duties. Considering the product, conversion from denier to decitex, and the production process, the Authority considers that yarns of *** decitex and 840 deniers refers to the same product, and since yarns of 840 deniers is specifically excluded from the scope of the PUC, yarns of *** decitex is also beyond the scope of the PUC and PUI.
61. It is noted that there are significant transactions of imports of yarns of 940 deniers. Imports of yarns of 940 deniers have been treated as imports of the PUI and found to be circumventing the duties in force.

62. Based on the foregoing analysis, the Authority concludes that there has been a change in the pattern of trade post imposition of the anti-dumping duties on the imports of the PUC from China.

F.3.3.Economic or other justification

63. With regard to existence or otherwise of economic justification, the other interested parties have made the following submissions:
- a. The use of a lower denierage allows cost savings to the customers.
 - b. Lower denierage is used in OEM applications or seat belt webbing.
 - c. Yarn of 940 deniers has been introduced as a new product.
64. The domestic industry has disputed the above claims by relying on the fact that there were no such imports prior to the imposition of the anti-dumping duties. In this regard, the Authority finds that while the interested parties have claimed that there is a new product or a new application, no evidence of the same has been adduced. Further, the interested parties have not shown any imports of the product under investigation prior to the imposition of the anti – dumping duties. The imports claimed were yarns of *** decitex, which as explained above, is not circumventing product (being 840 denier yarn); or yarns of *** decitex and *** decitex, which are nothing but yarns of 1000 deniers.
65. The import data does not show any imports of the non-standard deniers from exporters that are subject to nil duties. These imports are found to be only made by the exporters who are subjected to the extant anti-dumping duties. There are no imports of the PUI from third countries as well, barring one stray transaction from Vietnam of *** MT, which was exported by Hailide. The data filed by the domestic industry also does not show any sale of the deniers falling within the scope of the PUI. Thus, the Authority does not find any merit in the contention that PUI was being imported as a new product, or for a new application, or due to cost savings.
66. As mentioned above in the relevant section, during the physical verification conducted by the Authority, it was noted that in order to achieve a variation in the denierage, the speed of the feeding stock has to be altered.
67. Moreover, such imports have entered into India only from the subject country. The claims made by other interested parties regarding imports of the product under investigation from Germany, Japan, Netherlands, South Africa, South Korea, Switzerland, Taiwan and Vietnam has not been substantiated by facts. The

Authority has examined the DGCIS data and found no imports of the PUI from non-subject countries, barring the one stray transaction from Vietnam as identified above. The imports referred by the other interested parties are of non-PUC or PUC, but not PUI.

68. From the information on record, it is seen that the change in the pattern of trade was a result of the imposition of anti – dumping duties.
69. The other interested parties have requested classification between *bona fide* importers and importers circumventing the applicable anti – dumping duties and requested for the extension of the applicable anti -dumping duties only on the latter. However, none of the interested parties have been able to demonstrate with cogent evidence with regard to bona fide nature of imports. None of the producers from the subject country who have exported the PUI have participated in the present investigation. Therefore, no evidence has been presented before the Authority to demonstrate that the PUI was being imported prior to the imposition of the anti – dumping duties. As regards yarns of *** decitex (yarns of 840 deniers), as noted hereinabove, the same have not been treated as circumventing product. Thus, no distinction between importers circumventing duty and bona fide importers is warranted.

Assessment of undermining of existing anti-dumping measures and remedial effect of domestic industry

F.3.4. Remedial effects being undermined

70. An essential aspect in an anti-circumvention investigation is to ascertain whether remedial effects of the applicable anti-dumping duties are being undermined. The Authority therefore examined the manner in which and to the extent the circumvented products are undermining the duty imposed and thereby rendering such duty as ineffective. The Authority has examined whether the remedial effects of the anti-dumping duties are undermined in terms of market share, price undercutting and loss of duty due to the imports of the product under investigation.

F.3.5. Volume effect of circumvention of duties

71. The Authority has examined the market share of various parties and is provided as under

Particulars	2018-19	2019-20	2020-21	2021-22
Imports - China	13.86%	27.13%	33.39%	35.28%
PUC	13.15%	22.84%	26.08%	22.32%
PUI	0.71%	4.29%	7.31%	12.96%
a.PUI – 1	0.44%	1.50%	2.40%	5.56%
b.PUI – 2	0.00%	0.62%	2.43%	2.74%
c.PUI – 3	0.27%	2.18%	2.48%	4.65%
Other imports – PUC	14.15%	7.97%	9.83%	9.22%
Applicant*	100	82	80	70
Other Indian producers*	100	100	77	86

**Indexed numbers*

72. The imports of the PUI have steadily increased over the injury period, with an increase in the market share. The increased share of the product under investigation in the Indian market has taken away from the market share of the domestic industry and other domestic producers. While the Indian industry accounted for almost three-fourths of the market in 2018-19, the share reduced to 56% during the period of investigation. Therefore, the imports of product under investigation have led to decreased market share of the domestic industry and of the Indian industry.
73. It is seen a significant proportion of imports of the PUC are either from exporters exempted from the payment of anti-dumping duties, or under advance authorization.
74. Further, it is seen that share of the subject imports have increased sharply from 0.71% (2018-19) to 12.96% (2021-22).

F.3.6.Price effect of the circumvention of duties

75. With regard to the effect of the imports of the PUI on the prices, the Authority examined whether there has been a significant price undercutting by the circumvented imports as compared to the price of the like products in India. The Authority has considered the same in the below mentioned table.

Particulars	Unit	PUI	PUC
Landed Price	Rs. /MT	116	118
Net Selling Price	Rs. /MT	***	***
Price Undercutting	Rs. /MT	***	***

Price Undercutting	%	***	***
Price Undercutting	Range	0-10	0-10

76. The Authority notes that the product under investigation has entered into the Indian market at a price lower than the prevailing prices of the domestic industry, thus, undercutting the prices of the domestic industry in the market. The price undercutting for the period of investigation is not only positive, but also significant. Further, the landed price of imports of PUI is materially lower than the landed price of imports of PUC.

F.3.7. Erosion of Efficacy of existing anti-dumping duty on product under consideration

77. The Authority has determined the quantum of the anti-dumping duties that would have been payable on the imports of the product under investigation from China. The table below quantifies the amount of erosion of the extant anti-dumping measures on the product under investigation:

Period	Volume (MT)	ADD (\$/MT)	Exchange rate	ADD (RS/MT)	Erosion of Duty (Rs. Lacs)
18-19	218	174	70.82	12,322	27
19-20	1,599	220	71.65	15,798	253
20-21	3,222	261	75.22	19,600	632
21-22	6,768	367	75.37	27,659	1,872
Total	11,808				2,783

78. It is seen that an amount of Rs 2,783 Lacs would have been payable, had imports of the PUI not started substituting the imports of the PUC.

H. MISCELLANEOUS ISSUES

H.1 Submissions by other interested parties

79. The following other submissions have been made by the other interested parties with regard:
- The imposition of the anti-dumping duties would not be in the interest of the public, as there are only few domestic producers. It will lead to a

- formation of cartel in the Indian market. Indian producers are already dominating the market by inflating the prices of products.
- ii. The domestic industry has not submitted any evidence regarding public interest for seeking extension of duties to circumvented product.
 - iii. Extension of duty to the alleged circumvented product would curtail the sources of supply of the subject product.
 - iv. The end users are categorised as MSME, and extension of the anti-dumping duties would be against the government policy for the MSME sector.
 - v. The extension of duty would lead to loss of livelihood, reduced exports of MSME, undue protection to the domestic industry, reduction in employment and lead to a demand supply gap in the country, particularly since the users are already suffering because of the impact of COVID-19 pandemic.
 - vi. Considering the impact of COVID-19, the extension of the existing anti-dumping duties would make the cost of the product under investigation uneconomical in the Indian market.

H.2 Submissions by the domestic industry

80. The following other submissions have been made by the domestic industry with regard:
 - i. The fact that the producers from China have resorted to circumvention clearly indicates that they cannot compete at fair prices. In absence of the anti-dumping duties, producers from China will distort the condition of fair competition in the Indian market.
 - ii. The circumvention of the existing anti-dumping duties has resulted in a huge loss of revenue to the Government.
 - iii. There are multiple domestic producers in the country, due to which there is a healthy market situation.
 - iv. None of the users have shown any adverse impact on their performance since the imposition of the anti – dumping duties, and thus, extension of the duties to a circumvented product cannot be considered to have an adverse impact.
 - v. The extension of the anti–dumping duties would not hamper the availability of the product under consideration since it can be imported from other sources also.
 - vi. The mala fide practice of circumvention is not in the interest of the public.
 - vii. There is no evidence of MSME sector suffering even though the anti-dumping duties have been in force for the past 4 years.

- viii. The applicant has provided an analysis of the impact of the anti-dumping duties which shows the impact of the duties on prices is negligible.

H.3 Examination by Authority

81. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Anti-dumping measures do not aim to restrict imports from the subject country in any way. Fair competition in the Indian market will not be reduced by the extension of anti-dumping measures to PUI. On the contrary, extension of anti-dumping measures would ensure that no unfair advantages are gained owing to circumvention of the duties in force.
82. The Authority notes that the purpose of this anti-circumvention investigation is to examine whether there is circumvention of the existing anti-dumping duties, and to recommend measures to address such circumvention and ensure that the intended effect of the duty is realized. While circumvention is a practice which defeats the intended purpose of the levy, extension of duty on circumvented product would ensure that the purpose is achieved. Thus, any extension of the anti-dumping duties on goods found to be circumventing the existing anti-dumping duties cannot be considered as detrimental to the public interests. On the contrary, not invoking anti-dumping duties on the circumvented product is unfair and unreasonable not only to the domestic industry, but also to foreign producers and exporters of the PUC and importers of the same in India, that have duly paid the applicable anti-dumping duty and not engaged in circumvention.
83. The Authority notes that while the interested parties have raised a number of arguments regarding apprehensive adverse effect of the anti-dumping duties, no evidence has been provided that such duties which are already in force have resulted in any deterioration in the performance of the users. Similarly, while it has been claimed that the extension of duty to circumvented product would adversely impact the MSME industry, there is no evidence to suggest that the duties imposed pursuant to the original investigation adversely impacted such industry. On the contrary, the domestic industry made a claim upon the financial statements of the users to show that the profitability of the users has not been adversely impacted due to the duties in force.

84. The Authority further notes that anti-dumping duties do not restrict imports from the subject country. In any case, there are number of producers of the subject goods, ensuring competitive market conditions, which would ensure that no individual producer is able to gain an unfair advantage. Further, the subject goods are produced in and can be imported from a number of other countries, such as Indonesia, Japan, South Korea, Taiwan and Vietnam.

I. POST-DISCLOSURE COMMENTS

I.1 Submissions by other interested parties

85. Post issuance of disclosure, the other interested parties have largely reiterated their submissions as had been made during the course of investigation. The following submissions have been made by the other interested parties post issuance of the disclosure statement:
- i. There is no term such as abnormal deniers. Any denier that suits the end use is a suitable denier for the user.
 - ii. The purchasing decisions are based on availability of material and pricing of the product.
 - iii. If the importer or the end user wanted to bend the rules, they would have imported 990 / 985 / 998 denier instead of 940 denier. The tolerance is $\pm 1.5-2\%$ whereas 940 denier is 6% less than 1000 deniers.
 - iv. The difference in the purchase price of product under investigation and product under consideration is due to the difference in the technical specification.
 - v. The product under consideration and the product under investigation cannot be used interchangeably since as the denier increases the yarn becomes thicker. Finer yarn i.e., PUI 1 is appropriate for OEM driven application and product under consideration for sole stitching.
 - vi. The import of PUI I and PUI II have been due to the change in the manufacturing process from beam stand weaving process to creel stand weaving process due to labour and other issues during the pandemic. Thus, the reason for import is purely technical. Since the creel stand is rigid and there is a limit to the number of cones in it, coarser denier yarn falling under PUI III is used, since it allows less cones to be used, without compromising on the strength of the end product.
 - vii. The applicant has not disclosed that it is manufacturing 250-3000 deniers.
 - viii. The statement that the product under investigation is not normally produced and there is no demand for it is misleading since the importer has provided

evidence that shows that the applicant is manufacturing 845 ± 20 deniers which is product under investigation.

- ix. Guxiandao has only exported PUC to Techfab and there are no exports of PUI.
- x. PUC of [930 dtex (equivalent to 837 deniers)] has been regularly imported by the importer. There is a tolerance of ± 20 deniers, which implies that [930-940 dtex (equivalent to 837-846 deniers)] has a separate market.
- xi. PUC of [1100 dtex (equivalent to 990 deniers)] imported by Vardhman is used in stitching the safety harness.
- xii. Permissible tolerance may be both positive and negative, as noted by CESTAT in Yashanand Filaments Pvt. Ltd. vs. Commr. of C. Ex.
- xiii. Definition of PUI-I proposed by the Authority may imply that that considering permissible tolerance, only 840 deniers and below, are excluded.
- xiv. The Authority has not specified the range of permissible limit. Vardhman has requested for a tolerance of ± 20 deniers which is in line with the Certificate of Analysis issued by their suppliers.
- xv. PUI I was being imported from third countries even before the duties were imposed. Vardhman has made significant imports of [846 deniers] before the duties were imposed.
- xvi. Even though the imports from China have increased, the performance of the domestic industry in all injury parameters has grown as per Proforma IV-A submitted for the sunset review. Thus, the domestic industry has not suffered any injury on account of imports of the product under investigation and no remedial effects have been undermined.
- xvii. The imposition of duty will lead to a formation of cartel in the Indian market and create barriers to market entry.
- xviii. Imposition of anti-circumvention duty would cut the sources of supply of subject product.

1.2 Submissions by the domestic industry

86. Post issuance of disclosure statement, the domestic industry has reiterated its comments regarding determination of normal value and imposition of duty from retrospective date, and made submissions with regard to other factors showing trade remedial effects being undermined. In particular, the domestic industry has submitted as under.
 - i. The applicant reiterates the request for retrospective imposition of anti-dumping duty.

- ii. As held in Jindal Stainless Limited Vs Designated Authority, the Designated Authority is required to specify when the duty should be levied from.
- iii. The tolerance should be considered as $\pm 2.4\%$.
- iv. As per the Rules, normal value should be calculated based on normal value originally established, with necessary adjustment. Thus, increase in raw material cost should be adjusted.
- v. There is no import of product under investigation from exporters exempt from anti-dumping duty.
- vi. Decline in landed price is not proportionate to the decline in raw material cost, which further show that trade remedial effects are being undermined.
- vii. If decline in raw material cost is adjusted, the decline in landed price would be even more significant.
- viii. Though the profitability of the domestic industry has improved, it remains low.

I.2 Examination by the Authority

87. The Authority has examined the post disclosure submissions made by the interested parties and notes that most of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and considered relevant by the Authority are however examined below.
88. Some of the interested parties have reiterated that the product under investigation has been imported for use in new applications, such as creel stand, OEMs, for doubling and using, etc. However, as noted in the relevant part of these findings, there is no evidence of imports of the product under investigation from other countries. The product under investigation has also not been imported from exporters subject to nil duties. There is no evidence of such a product normally being offered for sale in the market. Further, beyond mere contentions, no substantive evidence of the same has been provided by the other interested parties. Even post issuance of the disclosure statement, the interested parties have reiterated that the product under investigation has genuine uses, but have not addressed the underlying issue of why such product under investigation is only being imported from sources subject to anti-dumping duty, and practically post imposition of ADD. In view of the same, the Authority does not find any merit in the contention that the product under investigation is being imported for alternative uses. For the same reason, the Authority does not find force in the

contention that there is nothing called "abnormal" or non-standard deniers, and the exporters supply whatever is required by the users. The brochures submitted on record by the applicant show that there are clearly defined deniers normally supplied by the producers. The contention raised does not explain why such "requirement" is only raised from exporters subject to duty, while other exporters supply only the standard deniers, as reflected in brochures.

89. Some interested parties have contended that [1100 decitex] amounts to [990 deniers]. However, as noted in the relevant portion of these findings, the brochures of major exporters show that such product is of 1000 deniers.
90. Some importers have alleged that a product of [930 decitex (equivalent to 837 deniers)] has been regularly imported by them, and there is a tolerance involved in the product, which implies that [930-940 decitex (equivalent to 837-846 deniers)] has a separate market. Since the Authority has already defined the scope of the product under investigation with reference to tolerance in the product, the concern of the importers has already been addressed. For the same reason, imports of 846 deniers have not been considered as imports of the product under investigation.
91. Regarding the contention that the domestic industry has itself produced yarn of 250 to 3000 deniers, the Authority notes that yarn of 250 to 840 deniers is not within the purview of the investigation. As regards the claim that the domestic industry is producing yarn of 845 deniers, the Authority has examined the brochure of the domestic industry, as well as production and sales information furnished by the domestic industry. It is noted that the domestic industry has not produced or sold yarn of 845 deniers.
92. It has been contended by parties that the applicant cannot seek inclusion of the product, which was excluded in the original investigation. The Authority notes that the purpose of an anti-circumvention investigation is to address a change in pattern of trade, as a result of a practice, process or work for which there is insufficient cause or economic justification other than imposition of duty, where such change undermines the remedial effects of the duty. In the present case, there is a change in pattern of trade post imposition of anti-dumping duty. The interested parties have not been able to show any cause or economic justification for the change in pattern of trade. In view of the same, the exclusion of the product types during the original investigation, when such deniers were not being imported, does not prevent their consideration in the present anti-circumvention investigation. Further, these products i.e., PUI 1, II and III have been exported by

altering the product description, in order to circumvent the ADD. Extension of existing ADD on these products would not amount to enhancement of the scope of the product under consideration. It would only imply extension of ADD to the product found to be circumventing the ADD.

93. With regards tolerance, the importers have contended that there is a tolerance of ± 20 deniers. The domestic industry has also contended a tolerance of $\pm 2.4\%$ in the imports. The Authority notes that different producers may have different tolerance, as evident from the brochures of various producers. Accordingly, the applicable tolerance shall not exceed 2.4% (which is in consonance with the claims of both importers and domestic industry).
94. Contrary to the claim of the interested parties, the Authority does not find any basis to conclude that the tolerance notified at present only implies negative tolerance, and not positive tolerance. It is well known that tolerance may be both positive and negative.
95. While certain interested parties have claimed that trade remedial effects are not being undermined, the domestic industry has submitted information to show that it has been adversely impacted by the circumvention of duties. The Designated Authority notes that the information on record shows that the remedial effects of the measures have been undermined in terms of loss of market share, price undercutting to the domestic industry, and erosion of efficacy of duty in terms of loss of duty.
96. The domestic industry has emphasized that the normal value should be adjusted for the increase in raw materials. The Authority notes that it has already found dumping in relation to normal value previously established. The duty applicable on the imports of the product under consideration is being extended to the duty applicable to imports of the product under investigation. Therefore, there is no re-quantification of duty. In accordance with the same, the Authority does not find it necessary to adjust normal value for raw material cost.
97. With reference to the contention that the extension of duty to circumventing goods would lead to formation of cartels or limit sources of supply, the Authority notes that there are 6 producers of the subject goods in India. Further, there are imports from China and other countries. The ADD has been in place for some time. There is no evidence provided by the interested parties that the imposition of anti-dumping duty led to formation of cartels, or limited sources of supply. In fact, significant quantities of the product are being imported from other countries. In

any case, the circumvention of duty erodes the efficacy of the duty already in force, and must be discouraged. The Authority finds that it cannot be considered that allowing the circumvention of measures would be in public interest.

J. CONCLUSIONS

98. Having initiated the present investigation and after examining the contentions of the domestic industry and the other interested parties and on the basis of the analysis as above, the Authority concludes as under:

- a) There has been a change in the pattern of trade in post imposition of anti-dumping duties on the product under consideration, for which there is insufficient cause or economic justification.
- b) The product under consideration is being imported after alteration of name, description or composition after such imposition of duty.
- c) Imports of the PUI from China PR have been entering at dumped prices, in relation to normal value previously established.
- d) The import of the PUI has undermined the remedial effects of existing anti-dumping measure on PUC imposed vide Custom Notification No. 35/2018-Customs (ADD) dated 9th July 2018.

K. RECOMMENDATIONS

99. In view of the above, the Authority:

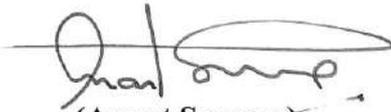
- i. Recommends extension of the existing Anti-Dumping Duty on imports of High Tenacity Polyester Yarn, originating in or exported from China PR imposed by Central Government vide Notification No. 35/2018-Customs (ADD) dated 9th July 2018 to imports of the following product under investigation originating in or exported from China PR.
 - a. High tenacity polyester yarns of less than 1000 denier, but more than 840 deniers, both adhesive activated and others (PUI I). However, yarn of 840 deniers and below, when imported within permissible tolerance of 2.4% is specifically excluded from the product scope.
 - b. High tenacity polyester yarns of more than 6000 denier, but less than 7000 denier (PUI II). However, yarn of 7000 deniers, when imported within permissible tolerance of 2.4%, is specifically excluded from the product scope.
 - c. Adhesive activated high tenacity polyester yarns of more than 1000 denier, but less than 1300 denier (PUI III). However, yarn of 1300

deniers, when imported within permissible tolerance of 2.4%, is specifically excluded from the product scope.

- ii. Since the same quantum of duty is recommended for extension to the product under investigation as that levied on product under consideration, the duty amount would be the same as notified in the aforesaid Custom Notification No. 35/2018-Customs (ADD) dated 9th July 2018.
- iii. The anti-dumping duty on the product under investigation will be applicable from the date of its notification by the Central Government and shall be co-terminus with the anti-dumping duty on product under consideration originating in or exported from China PR levied through aforesaid Notification No. 35/2018-Customs (ADD) dated 9th July 2018.

L. FURTHER PROCEDURE

100. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.


(Anant Swarup)
Designated Authority

