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**F. No. 7/22/2019-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
Jeevan Tara Building, Parliament Street, New Delhi**

NOTIFICATION

FINAL FINDINGS

Case No- SSR-10/2019

Dated: 29th October, 2020

Subject: Sunset Review investigation concerning anti-dumping duty on imports of 'Nylon Tyre Cord Fabric' originating in or exported from China PR.

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' or 'AD Rules') thereof;

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter referred to as the Authority) initiated an anti-dumping investigation in respect of imports of "Nylon Tyre Cord Fabric" (hereinafter also referred to as "NTCF" or the "subject goods" or "PUC" or "Product Under Consideration") originating in or exported from China PR (hereinafter referred to as the subject country) on 29th October 2003 and definitive anti-dumping duty was recommended vide Final Findings Notification No. 14/20/2003-DGAD dated 9th March, 2005. On the basis of recommendations made by the Authority in the final findings, definitive anti-dumping duty was imposed by the Central Government vide Notification No. 36/2005-Customs dated 27th April 2005. Thereafter, a Sunset Review (SSR) investigation was initiated by the Authority in respect of imports of the subject goods originating in or exported from the subject country vide Notification No 14/20/2008-DGAD dated 16th September 2008. The Authority vide Final Findings Notification No. 14/20/2008-DGAD dated 31st March 2009 concluded that the expiry of anti-dumping duty would lead to continuation or recurrence of dumping and consequent injury and recommended continued imposition of the anti-dumping duty. On the basis of recommendations made by the Authority in the final findings, The Central Government vide its Notification No. 41/2009- Customs dated 29th April, 2009 imposed anti-dumping

duty on the imports of the subject goods, originating in or exported from the subject country. Thereafter, second sunset review investigation was initiated, and the Authority recommended continuation of duties vide Notification No. 15/13/2013-DGAD dated 13th April, 2015 and the same was imposed by the Central Government vide Notification No. 30/2015-Customs (ADD) dated 12th June, 2015.

2. In terms of Section 9A (5) of the Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
3. Rule 23(1B) of the Rules provides as follows:

“...any definitive anti-dumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the Designated Authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.”
4. Association of Synthetic Fibre Industry, on behalf of its members, M/s SRF Ltd. and M/s Century Enka Ltd. (hereinafter referred to as ‘applicants’ or ‘domestic industry’) filed a duly substantiated application on behalf of the domestic industry before the Authority, in accordance with the Act and the Rules alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from subject country and consequent injury to the domestic industry and have requested for review and continuation of the anti-dumping duties, applicable on the imports of the subject goods, originating in or exported from China PR.
5. Based on the substantiated application with prima facie evidence of likelihood of dumping and injury filed on behalf of the domestic industry in accordance with Section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority initiated the sunset review investigation vide Notification No. F. No. 7/22/2019-DGTR (SSR No. 10/2019) dated 21st November, 2019 to review the need for continued imposition of the anti-dumping duty in respect of the subject goods, originating in or exported from China PR, and to examine whether the expiry of the said duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
6. In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act and in pursuance of Rule 23 of the Anti-dumping Rules, the Central Government vide Notification No. 15/2020-Customs (ADD) dated 10th June, 2020 extended the Anti-dumping duties till 11th December, 2020.
7. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject country

B. PROCEDURE

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

- i. The Authority notified the embassy of the subject country in India about the receipt of the present application before proceeding to initiate the investigations in accordance with sub-rule 5(5) of the AD Rules.
- ii. The Authority issued a Notification dated 21st November 2019, published in the Gazette of India Extraordinary, initiating investigation concerning imports of the subject goods from the subject country.
- iii. The Authority sent a copy of the initiation notification to the Embassy of the subject country in India, known producers/exporters from the subject country, known importers/users and the domestic industry as well as other domestic producers as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days of the initiation notification in accordance with Rule 6(2) of the AD Rules.
- iv. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters, known importers and to the embassy of the subject country in India in accordance with Rule 6(3) of the AD Rules.
- v. The Embassy of the subject country in India was also requested to advise the exporters/producers from the subject country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
- vi. The Authority sent exporter's questionnaire to the following known producers/exporters in the subject country, whose details were made available by the applicant, to elicit relevant information in accordance with Rule 6(4) of the Rules:
 - a. Ningbo Nylon Co Limited
 - b. Junma Tyre Cord Co Limited
 - c. Qingdao Lianchuang Stock Company Ltd.
 - d. Qingzhou Heli Chemistry Fibre Co., Ltd.
 - e. Shandong Baorun (Holding) Co., Ltd.
 - f. Baling Petrochemicals
 - g. Zhangjiagang Ruiqi Cord Fabric Co. Ltd.
 - h. Shandong Anda Synthetic Fiber Products Co., Ltd.
 - i. Weifang Great Dragon Chemical Fibre Co. Ltd./ Shandong Polytex
 - j. Jiangsu Qunfa Chemical Co. Ltd.
 - k. Taizhou Chemical Fibres Company
 - l. Shandong Hualian Group Co Ltd.
 - m. Jiangsu Haiyang Chemical Fibres Co Ltd.
 - n. Wujiang Dingzhen Textile Co Ltd.
 - o. Shandong Hualian Group Co Ltd.

- p. Weifang Senyu Trading Co Ltd.
 - q. Jiangsu Steel
 - r. Shandong Hesheng Chemical Weaving Co Ltd.
 - s. Shandong Shouguang Ruihua Non-Woven Fabrics Co Ltd.
 - t. Achin Webbing & String (Shanghai) Co., Ltd.
- vii. The following producers/exporters from the subject country filed exporter's questionnaire response:
- a. Junma tyre cord company limited
 - b. Huai'an Nylon Chemical Fibre Co.,Ltd
 - c. Nigbo Jinlun import & export co ltd
 - d. Nigbo Nylon co ltd
 - e. Haiyang Technology co ltd.
 - f. Jiangsu Tongxin chemical fibre co ltd
 - g. Jiangsu Haohui Trading co ltd
 - h. Pingdingshan shenma nylon tyre cord fabrics Development co ltd.
 - i. Shenma industries co ltd.
 - j. Hangzhou Maguli cord co Ltd.
 - k. Hangzhou Dikai Industrial Fabrics co Ltd.
- viii. The Authority forwarded a copy of the Initiation Notification to the following known importers/users/user associations, whose names and addresses were made available to the authority, of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):
- a. Balkrishna Industries Ltd.,
 - b. Apollo Tyres Ltd.,
 - c. Falcon Tyres Ltd.,
 - d. Birla Tyres
 - e. Goodyear India Ltd.
 - f. TVS Srichakra Ltd.
 - g. JK Tyres & Industries Ltd.
 - h. CEAT Ltd.
 - i. MRF Ltd.,
 - j. Madura Industrial Textile Ltd.
 - k. Automotive Tyre Manufacturers' Association (ATMA)
- ix. The following importers or consumers of the product have filed the importer's questionnaire response in the prescribed format:
- a. CEAT Limited
 - b. JK Tyre & Industries Ltd.
 - c. MRF Ltd.
 - d. TVS Srichakra Ltd.
- x. M/s Automotive Tyre Manufacturers Association (ATMA), also filed letter for participation, in response to the Initiation notification.

- xi. Exporters, foreign producers and other interested parties who have not responded to the Authority, or not supplied information relevant to this investigation, have been treated as non-cooperating interested parties.
- xii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xiii. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Whenever they requested inspection of public file and copies of the documents therefrom were provided with the same.
- xiv. The Period of Investigation for the purpose of the present investigation has been considered from 1st July 2018 to 30th June 2019 (POI). The injury investigation period has been considered as the period from April 2016 to March 2017, April 2017 to March 2018 and April 2018 to March 2019 and POI. The Authority has also considered July 2019-December 2019 as the Post-POI for the purposes of a likelihood of continuation or recurrence of dumping and injury analysis.
- xv. Additional/supplementary information was sought from the applicants and other interested parties to the extent deemed necessary. Verification of the data provided by the domestic industry and exporters/producers was conducted to the extent considered necessary for the purpose of the investigation.
- xvi. The Non-Injurious Price (NIP) is based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules. It has been worked out so as to ascertain whether duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- xvii. Information obtained from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) on transaction-wise import data for the past three years, and the period of investigation has been adopted for determination of volume and value of imports of product concerned in India.
- xviii. In accordance with Rule 6(6) of the Rules, the Authority also provided opportunity to all interested parties to present their views orally in a hearing held on 11th September, 2020. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- xix. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in these final findings.

- xx. 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 this disclosure statement on the basis of the facts available.
- xxi. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide Disclosure Statement dated 23rd October, 2020 and comments received thereon, considered relevant by the Authority, have been addressed in these final findings. The Authority notes that most of the post disclosure submissions made by the interested parties are mere reiteration of their earlier submissions. However, the post disclosure submissions to the extent considered relevant are being examined in these Final Findings
- xxii. *** in these final findings represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxiii. The exchange rate adopted by the Authority during the POI for the subject investigations is 1 US\$= Rs. 71.54.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

9. The product under consideration for the purpose of present investigation is Nylon Tyre Cord fabric (NTCF) The subject good is a fabric of nylon, meant largely for tyre cord. NTCF finds application in different kinds of automotive tyres such as bus & truck tyres, two-wheeler tyres, cycle tyres, light commercial vehicles tyres, animals driven vehicles etc. Nylon Tyre Cord fabric is produced using different deniers of yarn. The fabric is used for reinforcement of tyres. The product is sold as "Grey fabric" and also "Dipped fabric". These are only two different forms of the product under consideration. The Indian Tyre Industry is consuming both grey and dipped fabric. All types of NTCF are within the scope of the product under consideration and are classified under Chapter 59, Custom subheading no. 5902.10.00 of the Customs Tariff Act.”

C.1 Views of the Domestic Industry

10. The domestic industry has submitted as follows with regard to product under consideration and like article:
- i. Present investigation being a sunset review investigation, product under consideration remains the same as defined in the original as well as previously conducted investigations. Further, no significant development has taken place over the period. Therefore, domestic industry refers to and relies upon the previous investigation with regard to product under consideration and like article. The domestic industry is producing the like article to the product under consideration.
 - ii. The domestic industry is manufacturing Nylon 66 grade NTCF and therefore it should not be excluded from the product scope.

C.2 Views of the other interested parties

11. Following submission have been made by the exporters/other interested parties with regard to the product under consideration and like article.
 - i. In the last three investigations, the Authority has classified the PUC into Nylon Greige and Nylon Dipped. But product under consideration has one more grade, namely Nylon 66 grade.
 - ii. During earlier investigations, Nylon 66 was not exported and hence, the question of its exclusion never arose.
 - iii. Nylon 66 grade of NFY is not produced by the Domestic Industry therefore it should be excluded from the scope of product under consideration.
 - iv. Nylon 66 based NTCF is more expensive than Nylon 6 based NTCF. Same trend is seen in its export prices too.
 - v. PUC may be maintained as in original investigation subject to exceptions introduced on case made out by other interested parties

C.3 Examination by the Authority

12. The product under consideration in the original investigation, previous sunset review as well as in the present sunset review is Nylon Tyre Cord fabric. In the previous investigation, the product under consideration was defined as under:

“The product under consideration in the present petition is Nylon Tyre Cord fabric (NTCF) originating in or exported from China PR. The subject good is a fabric of nylon, meant largely for tyre cord. NTCF finds application in different kinds of automotive tyres such as bus & truck tyres, two-wheeler tyres, cycle tyres, light commercial vehicles tyres, animal driven vehicles etc.

Nylon Tyre Cord fabric is produced using different deniers of yarn. The fabric is used for reinforcement of tyres. The product is sold as "Grey fabric" and also "Dipped fabric". These are only different forms of the product under consideration. The Indian Tyre Industry is buying both grey and dipped fabric. All types of NTCF are within the scope of the product under consideration and are classified under Chapter 59, Custom subheading no. 5902.10.00 of the Customs Tariff Act. The classification is, however, indicative only and is in no way binding on the scope of the present investigation.”

13. The subject goods produced by the domestic industry and that imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The consumers importing the product under consideration have also purchased the same from the domestic industry. In view of the same, the product under consideration produced by the domestic industry were treated as like article to the product under consideration imported from subject country.
14. With regard to the exclusion of Nylon 66 based NTCF, Authority notes that the domestic industry has provided evidence that it produces Nylon 66 based NTCF. Since the domestic industry is manufacturing Nylon 66 based NTCF, it cannot be excluded.

D. DOMESTIC INDUSTRY AND STANDING

15. Rule 2(b) of the AD rules defines domestic industry as under:

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

D.1 Views of the Domestic Industry

16. Following submissions have been made by the domestic industry with regard to standing and scope of the domestic industry:
- i. The Application for initiation of Sunset Review investigation has been filed by Association of Synthetic Fibre Industry (ASFI), on behalf of Indian industry manufacturing NTCF. SRF Ltd and Century Enka Ltd have provided all relevant information with regard to the present investigations.
 - ii. SRF Ltd and Century Enka Ltd have not imported the subject goods.
 - iii. SRF Ltd is not related, either directly or indirectly, to any exporter in the subject country or any importer of the dumped article within the meaning of Rule 2(b).
 - iv. Century Enka Ltd. was related to an importer namely Birla Tyres who is a regular importer of the product under consideration. Century Enka is not related to Birla Tyres as on date. While the Chairman of the two companies was common earlier, till 3rd July, 2019, there is no common director between the two companies. Further, the company has been buying from all domestic producers and foreign producers. The two companies operate totally independently, and the purchase- sale is not impacted by alleged relationship.
 - v. Since the two companies operate independently, the applicant is not aware of the volume of imports of product under consideration by Birla Tyres.

D.2 Views of other interested parties

17. Other interested parties have made following submissions with regard to the standing and scope of the domestic industry:
- i. Century Enka cannot be considered within the scope of Domestic Industry.
 - ii. Century Enka is related to a regular importer of the subject goods viz. Birla Tyres. during the POI. Therefore, the standing of the Domestic Industry should be reassessed by discounting the production of Century Enka.

- iii. The Petitioners have not disclosed the point of time when they ceased to be related entities.
- iv. All imports made by Birla Tyres should be removed while considering the volume and price effect as well as market share of imports for a fair analysis

D.3 Examination by the Authority

18. The Application in the present case has been filed by the Association of Synthetic Fibre Industry, on behalf of its members. M/s SRF Ltd. and M/s Century Enka Ltd. (hereinafter also referred to as applicant companies), accounting for ***% of total Indian production. These applicant companies have provided relevant information as per the prescribed format. The Authority notes that M/s Madura Industrial Textiles Limited also manufactures the like article in India. However, M/s Madura Industrial Textiles Limited has neither supported nor opposed the present investigation. The Applicants account for a major proportion in Indian production of the subject goods. Further, the present investigation is a sunset review investigation.
19. As regards the eligibility of Century Enka, the domestic industry contended that Century Enka Ltd. was related to a user (Birla Tyres) who is an importer of the product under consideration during period of investigation. The domestic industry has further contended that the said relationship does not exist as on date or even at the time of initiation. While contending that Century Enka should not be treated as eligible domestic industry, the Authority notes that none of these interested parties has provided any information with regard to volume of imports by Birla Tyres. Birla Tyres has not filed questionnaire response and has preferred not to cooperate with the Designated Authority in the present investigation. Even though ATMA has been participating in the present investigation and Birla Tyres is its member, ATMA has also not provided any information with regard to volume of imports by Birla Tyres. The Authority therefore examined DG Systems data and found that there were very low volume of imports by Birla Tyres. The Authority holds that small volume of imports by the company in any case should not disentitle them from being treated as domestic industry under the Rules, even if the two are related within the meaning of the Rules during the POI or even thereafter.
20. Considering the information on record, the Authority holds that the production of the applicant companies, i.e. M/s SRF Ltd. and M/s Century Enka Ltd. accounts for a major proportion in the domestic production of the like article and the applicants are eligible domestic industry within the meaning of Rule 2(b) of the Rules. The application satisfies the criteria of standing in terms of Rule 5(3) of the Rules, even though standing within the meaning of Rule 5(3) is not required to be established in a sunset review initiated under Rule 23.

E. CONFIDENTIALITY

E.1 Submissions by the domestic industry

21. Following submissions have been made by the domestic industry with regard to confidentiality –

- i. The responding exporters and producers have claimed excessive confidentiality in blatant disregard of the guidelines issued by the Designated Authority vide trade notice 10/2018 dated 7th September 2018.
- ii. In the present case, most of the responding interested parties have failed to furnish an appropriate and meaningful non-confidential summary.
- iii. Incorrect indexation has been done in the non-confidential summary by the responding exporters wherein they have considered POI figures as 100 and done the indexation of the injury period.
- iv. The information kept confidential by the interested parties form an essential part of the questionnaire response. Due to lack of such vital information, the domestic industry is unable to offer any comment to protect their interests.
- v. Excessive and unreasonable confidentiality claims amount to lack of opportunity to an interested party for defending its interests, thereby hampering the investigation process.
- vi. The Authority is requested to disregard these responses and issue the findings accordingly.
- vii. The domestic industry has claimed confidentiality as per Trade Notice 10/2018 and has provided indexation as per the practice of Designated Authority.

E.2. Submissions by other interested parties

22. Following submissions have been made by other interested parties with regard to confidentiality-
 - i. Petitioners have claimed excessive confidentiality.
 - ii. Non-confidential Version (NCV) of the petition does not allow reasonable understanding of the allegations and it violates Rule 7 of the Anti-Dumping Rules.
 - iii. Significant data provided in the petition is not properly indexed or provided in the NCV.
 - iv. Costing information is completely missing and no confidentiality reasoning has been provided.
 - v. Petitioners have claimed that information on likelihood is confidential despite it being only market research reports.
 - vi. The information cannot be claimed confidential as it is not business proprietary and is available for sale to the public.
 - vii. Under the Copyright Act, no authorization is required for reproduction of copyrighted work in the course of judicial proceedings.
 - viii. Rule 6(7) requires the Authority to make available evidence presented to it by one interested party to all others. Hon'ble Supreme Court decision in the matter of Reliance Industries v. Designated Authority is relevant in this regard.
 - ix. Third country dumping margin of China PR cannot be business proprietary information.
 - x. Methodology for price undercutting has not been explained by the Petitioners. Price undercutting is held confidential.

- xi. A non-confidential summary or quantity of imports undercutting domestic prices and the range of price undercutting should be provided.
- xii. Even if some Indian producers have not joined as petitioners, actual aggregate data for performance parameters should be provided as per Trade Notice 10/2018.
- xiii. DI has not disclosed purchase, sales and cost accounting policies, quality control procedures and tests

E.3 Examination by the Authority

23. With regard to confidentiality of information, Rule 7 of the AD 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.”

24. The Authority made non-confidential version of the information provided by various interested parties available to all interested parties for inspection through the public file containing non-confidential version of evidences submitted by various interested parties.
25. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. The Authority notes that the information provided by the interested parties on confidential basis was duly 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. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

F. MISCELLANEOUS SUBMISSIONS

F.1. Submissions by the domestic industry

26. The following miscellaneous submissions have been made by the domestic industry:
- i. Responses filed by the producers/exporters show some glaring contradictions. This raises doubt on the accuracy and adequacy of the data supplied therein and therefore Authority is requested to reject these responses.
 - ii. As per the Part II of the Exporter Questionnaire response filed by Shenma Industries Co. Ltd, it does not plan to expand or add the production of PUC in the future. However, the 2018 Financial Statement evidences allocation of funds for construction in progress.
 - iii. Both Jiangsu Tongxin Chemical Fibre Co. Ltd. and Jiangsu Haohui Trading Co. Ltd. have responded in the current investigation and have filed requisite exporter's questionnaire responses. Jiangsu Tongxin Chemical Fibre Co. Ltd., under its response to Section A - Question 2 in Part I of the Exporter Questionnaire states "*Haiyang Technology Co., Ltd is the only shareholder of Tongxin Chemical Fibres. And Haiyang Technology is not related to any other company engaged in production and sale of the product under investigation.*" Whereas, Jiangsu Haohui Trading Co. Ltd. under its response to the same question in its Exporter Questionnaire states has disclosed that it is a wholly owned subsidiary of Haiyang Technology Co. Ltd. as well.
 - iv. The Authority should reject incomplete responses filed by the exporters.

F.2. Submissions by other interested parties

27. Following miscellaneous submissions have been made by other interested parties:
- i. The anti-dumping duty imposed since 2005 has served its purpose.
 - ii. The authority is requested not to recommend anti-dumping duty in the present investigation. Reliance is placed on cases of Nylon Filament Yarn, Dry Cell Batteries and Viscose Filament Yarn wherein the authority had either declined to initiate or terminate SSR investigation due to lack of injury or likelihood of injury.
 - iii. A bare perusal of the initiation notice does not reveal the basis on which the authority came to the satisfaction that the review is required to be initiated, which is required as per the Delhi High Court's decision in *Kesoram Rayon Vs DA*.
 - iv. Information provided by petitioners is insufficient for initiation under Rule 5(3). Allegations set out in the petition are based on estimates and assumptions. The *WTO Panel Reports in the United States - Softwood Lumber, Guatemala - Cement II*, and *Mexico - Steel Pipes and Tubes* are relied upon.
 - v. Complete EQR has been filed. In case any information is demanded by the Authority, the same will be provided.

F.3 Examination by the Authority

28. The Authority has noted all the arguments and counter-arguments of the interested parties and has examined all aspects of the submissions made.
- i. With regard to the issue of continued duty raised by the interested parties, the Authority notes that there is no bar on the number of times a sunset review can be conducted, and antidumping duty extended. It is further noted that the recommendation for extension of anti-dumping duty is made only when the requisite legal requirements are met.
 - ii. With regard to the submissions of interested parties regarding adequacy and accuracy of the application, the Authority notes that the application contained all information relevant for the purpose of initiation of investigation. The Authority, only after satisfaction that application contained sufficient evidence to justify initiation of the investigation decided to initiate the present investigation.

G. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Normal Value

29. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:

(i) the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or

(ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-

(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

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

G.2 Submissions by the domestic industry

30. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:
- i. The Designated Authority shall follow Para 1-6 of Annexure I for determination of normal value only if the responding Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin.
 - ii. In the present investigation none of the responding producers/ exporters have filed response to the Market Economy Treatment questionnaire.
 - iii. The Designated Authority is requested to determine the normal value based on prices in the market economy third country for all the responding producers/ exporters.
 - iv. The domestic industry considers that Thailand is appropriate third country for determination of normal value.
 - v. The applicants have calculated normal value on the basis of domestic selling prices of one of the affiliates of the applicant company namely SRF Industries (Thailand) Ltd.
 - vi. Alternately the normal value can be calculated on the basis of import price from Thailand or Taiwan to India.
 - vii. Para 7 of Annexure 1 of the AD Rules clearly provides for hierarchy in the options available for determination of normal value. Authority cannot construct the normal value before ascertaining that there is no evidence available regarding price or constructed value in the market economy third country or price from that third country to other country including India.
 - viii. Export price is calculated after making various adjustments based on market information and general experience and considering most conservative estimates.
 - ix. Dumping margin calculated for the subject country is positive and significant.

G.3. Submissions by other interested parties

31. The submissions made by other interested parties with regard to normal value, export price and dumping margin are as follows:
- i. With regard to calculation of normal value, no evidence has been provided to show that Thailand is a major producer/exporter and has significant import of the PUC for comparability of Thailand to China PR.
 - ii. Macro-economic indicators show Thailand is not comparable to China PR.
 - iii. The Authority in previous sunset review has noted that Thailand is not an appropriate third country.

- iv. The Authority has accepted prices from Thailand to India without considering whether it is “appropriate” by comparing the level of development. EU decision in Grunwald Logistik Service GmbH v Hauptzollamt Hamburg-Stadt is relied upon.
- v. Authority is requested to direct domestic industry to show how Thailand is an appropriate third country before dumping margin is calculated.
- vi. Even if Thailand is an appropriate third country, the price payable in the market economy third country as a whole should be taken and not only one Thailand producer into consideration.
- vii. Petitioners have not indicated if prices of SRF Industries (Thailand) Ltd. are at the point of sale are of producers or traders, whether they are at ex-factory level or otherwise, what is the credit period involved and the terms of trade.
- viii. Adjustments on export price are abnormally high and unsubstantiated.
- ix. The Authority should not use “surrogate country” methodology after 11 Dec 2016. Interpretation of Articles 15(a) and 15(b) of the Protocol in the Appellate Body Report in the EC - Fasteners supports the same.
- x. Authority is requested to consider that post 11 Dec 2016, India has no legal basis to use NME methodology against China PR. It is requested that MET be granted and Normal Value be calculated as per Article 2 of the AD Agreement and at least, apply data on costs and prices provided by the company.
- xi. Even if price of a third country to India is taken, the “appropriateness” test shall be the same.
- xii. Construction of NV not as per sec 9A(1)(c) of CTA and EP is inflated.
- xiii. Export price should be based on verified information of cooperating exporters and NV on selling price in Thailand or import prices from Thailand/Taiwan to India.
- xiv. Dumping in post-POI cannot be used until post-POI information is sought from producers and exporters

G.4. Examination by the Authority

32. The Authority sent questionnaires to the known producers/exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses:
- i. Junma tyre cord company limited
 - ii. Huai’an Nylon Chemical Fibre Co.,Ltd
 - iii. Nigbo Jinlun import & export Co.,Ltd
 - iv. Nigbo Nylon Co.,Ltd
 - v. Haiyang Technology Co.,Ltd.
 - vi. Jiangsu Tongxin chemical fibre Co.,Ltd
 - vii. Jiangsu Haohui Trading co Ltd.
 - viii. Pingdingshan shenma nylon tyre cord fabrics Development Co.,Ltd.
 - ix. Shenma industries Co.,Ltd
 - x. Hangzhou Maguli cord Co.,Ltd
 - xi. Hangzhou Dikai Industrial Fabrics Co.,Ltd

Market Economy status for China PR

33. Article 15 of China PR's Accession Protocol in WTO 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.

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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

34. The Authority notes that while the provisions of Article 15 (a) (ii) of China PR's Accession Protocol have expired with effect from 11 December 2016, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with obligation under 15 (a) (i) of the Accession protocol require criterion stipulated in Para 8 of the Annexure 1 of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming MET status. The Authority notes that none of the producer/exporter from China PR have submitted market economy treatment/supplementary questionnaire response. The Authority considers it appropriate to proceed with para-7 of Annexure-I to the Rules for determination of normal value.

G 4.1 Normal Value determination for all producers/exporters from China PR

35. None of the producers from China PR have co-operated in the present investigation and provided any information for rebutting the non-market treatment as per Para 8(2) of Annexure 1 of the AD Rules. Therefore, the presumption of non-market economy as per Para 8(2) of Annexure 1 of the AD Rules remains un-rebutted. The Authority, therefore, has determined the Normal value in accordance with Para 7 of Annexure I to the AD Rules.
36. The Authority explored the option of construction of normal value as per the hierarchy laid down in Para 7 of Annexure-I to the Rules which provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin.
37. The Authority notes various submissions of the interested parties with regard to appropriateness of price in Thailand. Considering the past determination made on the product under consideration, and submissions made by the interested parties, the Authority considers it appropriate not to determine normal value based on cost or price in Thailand.
38. The Authority has, constructed the normal value for China PR on the basis of cost of production in India, duty adjusted, including selling, general and administrative in addition of reasonable profits. The constructed normal value so determined for Chinese producers/exporters is mentioned in the dumping margin table below
39. The Normal Value so determined for POI by the Authority is mentioned in the dumping margin table below.

G.4.2 Export Price

M/s Haiyang Technology Co., Ltd., (Producer/ Exporter) China PR

40. The Authority notes that M/s Haiyang Technology Co., Ltd., China PR has responded in the form and manner prescribed and has furnished the requisite information to determine

the net export price. Adjustments have been made on account of ocean freight, insurance, inland transportation, port and other related expenses and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for M/s Haiyang Technology Co., Ltd, China PR has been determined, which is indicated in the Dumping Margin Table below.

Hangzhou Dikai Industrial Fabrics Co., Ltd.," (Producer/Exporter)

41. The Authority notes that M/s Hangzhou Dikai Industrial Fabrics Co., Ltd., China PR has responded in the form and manner prescribed and has furnished the requisite information to determine the net export price. Adjustments have been made on account of ocean freight, insurance, inland transportation, port and other related expenses and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for M/s Hangzhou Dikai Industrial Fabrics Co., Ltd, China PR has been determined, which is indicated in the Dumping Margin Table below.

**M/s Ningbo Jinlun Import & Export Co., Ltd., (Exporter) China PR
Processed/Produced by M/s Huaian Nylon Chemical Fibre Co., Ltd
(Processor/Producer), China PR**

42. M/s Ningbo Jinlun Import & Export Co., Ltd has exported the subject goods produced by Huaian Nylon Chemical Fibre Co during POI to India. Adjustments have been made on account of ocean freight, insurance, inland transportation, port and other related expenses, credit costs and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Huaian Nylon Chemical Fibre Co, China PR has been determined, which is indicated in the Dumping Margin Table below

M/s Shenma Industrial Co Ltd (Producer/ Exporter) China PR

43. M/s Shenma Industrial Co Ltd has exported the product under consideration directly to the customers, during POI to India. Adjustments have been made on account of ocean freight, insurance, inland transportation, port and other related expense, and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Shenma Industrial, China PR has been determined, which is indicated in the Dumping Margin Table below

Junma Tyre Cord Company Limited

44. The Authority notes that M/s Junma Tyre Cord Company Limited, China PR has responded in the form and manners prescribed and has furnished the requisite information to determine the net export price. Adjustments have been made on account of ocean freight, insurance, inland transportation, credit cost and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for M/s Junma Tyre

Cord Company Limited, China PR has been determined, which is indicated in the Dumping Margin Table below.

Determination of Export Price in respect of Non-Cooperative Exporters/Producers

45. Since no response has been received from any other producer/exporter of the subject goods from the subject country; the Authority has determined export price as per ‘facts available’ in terms of Rule 6(8) of the AD Rules in respect of “any other producer/exporter” from China.

G.4.3 Dumping Margin

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

SN	Producer	Export Volume	Normal Value	Export Price	Dumping Margin	Dumping Margin%	Range
		MT	US\$/MT	US\$/MT	US\$/MT	%	%
1.	M/s Haiyang Technology Co., Ltd.	***	***	***	***	***	0-20
2.	Hangzhou Dikai Industrial Fabrics Co., Ltd.	***	***	***	***	***	Negative
3.	Huaian Nylon Chemical Fibre Co., Ltd.	***	***	***	***	***	0-20
4.	M/s Shenma Industrial China PR	***	***	***	***	***	Negative
5.	Junma Tyre Cord Company Limited,	***	***	***	***	***	0-20
6.	Non-Cooperative	***	***	***	***	***	0-20

H. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

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

significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

48. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 18, 19 and 20 shall apply mutatis mutandis in case of a review. The Authority in its examination has evaluated the injury parameters which are required under Rule 11 and Annexure II of the Rules and has also examined as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
49. The Authority notes that the application for imposition of antidumping duty has been filed by M/s SRF Ltd. and M/s Century Enka Ltd. In terms of Rule 2(b) of the Rules, the Applicants have been treated as the domestic industry for the purpose of this investigation. Therefore, the cost and injury information of the Applicants, constituting the domestic industry as defined in Rule 2(b), have been examined.

H.1 Submissions by the domestic industry

50. The submissions of the domestic industry with regard to injury and causal link are reproduced herein below:
 - i. While conducting review investigation, the Designated Authority is required to consider the extent to which any improvement in the performance of the domestic industry is on account of the anti-dumping duties in force and whether the domestic industry is vulnerable to the injury if the existing duties are allowed to expire.
 - ii. In a situation where the performance of the domestic industry has improved, an examination with regard to the likelihood of injury to the domestic industry in the event of expiry of the antidumping duties in force is required to be conducted.
 - iii. The domestic industry has not claimed injury in the present period of investigation.
 - iv. The dumping from subject country has continued despite anti-dumping duty in existence.
 - v. The current situation of the domestic industry is already extremely fragile.
 - vi. Demand of the subject goods have increased since base year. However, the demand declined slightly during period of investigation due to slowdown faced by auto industry.
 - vii. Imports from subject country increased till 2018-19 and declined thereafter during the period of investigation. The imports are only under duty free category since neither ADD nor basic customs duty applies in case of imports under advance license.

- viii. Authority is requested to kindly apply applicable customs duty while considering injury analysis.
- ix. There have been significant fluctuations in the import prices at the same time.
- x. With such fluctuations in the import price, the domestic industry requests the Authority to kindly undertake transaction wise likelihood analysis and seek date of order from the responding exporters.
- xi. Price undercutting and injury margin should be determined only considering those import transactions whose landed price of imports is below selling price of the domestic industry. WTO Report in the matter of *European Communities – Anti-Dumping Duties on Malleable Cast Iron Tube or Pipe Fittings from Brazil* is relied upon.
- xii. Principle applied in WTO Report in the matter of *European Communities – Anti-Dumping Duties on Malleable Cast Iron Tube or Pipe Fittings from Brazil*, for calculating price undercutting also applies on calculation of injury margin.
- xiii. Domestic industry's concern is against injurious imports and not against non-injurious imports.
- xiv. Reference is also made to the Hon'ble Tribunal's order in the matter of *Kothari Sugars & Chemicals Limited versus Designated Authority* which allowed considering only import transactions below NIP to calculate injury margin. Import transactions above NIP should not be considered to calculate injury margin.
- xv. The production, sales and capacity utilization of the domestic industry has declined in the Post POI
- xvi. In the Post POI, the selling price of the domestic industry has declined more than decline in costs due to decline in import price. The imports are depressing the prices of the domestic industry.
- xvii. The profits, cash profits, and PBIT has declined significantly during Post POI.
- xviii. The Return on investments have declined in Post POI to such an extent that the ROI is in a single digit.
- xix. The injury margin is positive towards the end of period of investigation and in the post period of investigation.
- xx. There is no requirement of establishing causal link in a sunset review investigation. In this connection, the domestic industry invites the attention of the Authority to the following excerpts from the Appellate Body decision in the case of *Oil Country Tubular Goods from Mexico (WT/DS282/AB/R dated 2 November 2005)*.
- xxi. The period of investigation in the present case is July 2018 to June, 2019 therefore reliance on the annual report of 2019-20 cannot be placed as it is majorly beyond period of investigation.

- xxii. There is likelihood of continuation of dumping and consequent recurrence of injury in the event of cessation of anti-dumping duty.

H.2 Submissions by other interested parties

51. The submissions of other interested parties with regard to injury and causal link are reproduced herein below:
- i. There exists evidentiary shortcomings in support of domestic industry's claim for dumping, injury, causal link, and likelihood.
 - ii. No material injury has been suffered by domestic industry as the conditions in para (ii) and (iv) of Annexure II are not met.
 - iii. All subject imports are made through advance license and the Petitioners and other Indian producers have a virtual monopoly.
 - iv. Imports from other countries are low compared to the domestic market. In relation to production and consumption, subject imports have declined.
 - v. The domestic industry has not faced volume effect in previous review investigation as well.
 - vi. Domestic industry has shown improvement in Sales, Capacity, Production and Capacity Utilisation. Ability to raise capital investment has also not been affected.
 - vii. Decline in market share of domestic industry, Profitability, Cash flow and Return on Investment is due to decline in demand and increased market share of other Indian producers and imports from other countries.
 - viii. The position of inventory is also reflective of the contraction in demand and inter-se competition between the domestic producers.
 - ix. Employment, Wages and Productivity have improved and dependent on other factors.
 - x. There is no price undercutting in the POI.
 - xi. It is DGTR's practice to determine price undercutting covering all transactions on a weighted average basis.
 - xii. Domestic selling prices provided in Proforma IV-B and in Format H are different.
 - xiii. Even if transaction wise price undercutting is calculated, domestic industry's selling prices must also be considered on a transaction to transaction basis which are similar in point of time to the imports being compared. Fair comparison should be ensured. Panel report in *Korea- Pneumatic Valves* is relied on wherein the Panel has held that it must be explained how individual instances of price undercutting affected the domestic like product prices as a whole.

- xiv. While making such a comparison to determine the potential of price suppression and depression due to such transactions, it should be ensured that the transactions being compared are proximate enough in time to the transactions to the sales by the Domestic Industry. Volumes should be similar and prices should be adjusted to ensure fair comparison.
- xv. Consistent DGTR practice to allow allows 22% ROCE does not show reasonableness.
- xvi. Authority is requested to take actual profit margin when there was no allegation of dumping for calculating reasonable return. The CESTAT decision in *Hyosung Corporation v. DA* decision of *Practice in EU: In EFMA v. Council* is relied upon.
- xvii. Claim on recurrence of injury to the domestic industry is baseless as price undercutting has been negative despite subject goods being imported under advance license.
- xviii. The Appellate Body decision in Oil Country Tubular Goods from Mexico is distinguishable and inapplicable in the Indian context in view of Rule 23 of the AD Rules.
- xix. Causal link analysis as provided in Rule 11(2) becomes applicable. It is further reiterated in Para V of Annexure II. Para I (ii) of Annexure II also requires the same. Guwahati High Court decision in *Century Plyboards v. Union of India* is relied upon.
- xx. The existence or threat of recurrence of both dumping and injury are required so as to continue the anti-dumping duty as per section 9A (5) of Customs Tariffs Act.
- xxi. The Authority must consider injury for the domestic industry as a whole and not for individual constituents of the domestic industry.
- xxii. It has been DGTR's practice to calculate price undertaking with all transactions.
- xxiii. A fair comparison for price undercutting analysis should be ensured. Panel Report in Korea-Pneumatic Valves is relied upon. No reference of the decision was made by the petitioner in written statement though it was stated in the oral hearing that the same would be explained. Even if such an analysis is carried out, it does not show potential price suppression/depression unless a deeper analysis is undertaken.
- xxiv. The CESTAT decision in Kothari Sugars, relied on by the petitioners, did not consider the decision in Korea-Pneumatic Valves and thus, should be disregarded.
- xxv. "Date of sale" is generally the "date of invoice". Assertion by petitioners seeking "date of order" must be rejected.

- xxvi. Post-POI fragile condition of DI is due to contraction in demand as revealed in the Annual Reports 19-20 of DI.
- xxvii. No claim of post-POI price undercutting is made. Claim on price depression/suppression in post-POI is baseless as imports are under advance license and do not compete with DI.
- xxviii. Price underselling cannot be considered in SSR. Gujarat HC decision in Nirma v. UOI is relied upon. Also, price underselling in post-POI cannot be considered without determining dumping which is not possible without producer/exporter data.

H.3. Examination by the Authority

- 52. The Authority has taken note of the submissions made by the interested parties. Annexure-II of the Anti-Dumping Rules provides for objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in domestic market for the like articles; and (b) the consequent impact on domestic producers of such products.
- 53. According to Section 9(A)(5) of the Customs Tariff Act, 1975, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time-to-time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of the order of such extension.
- 54. In consideration of the various submissions made by the interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country.
- 55. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters and, thereafter, concludes whether the domestic industry has suffered injury due to dumping or not. The Authority has examined the injury parameters objectively taking into account the facts and arguments submitted by the domestic industry and other interested parties.

H.3.1 ASSESSMENT OF DEMAND

- 56. The Authority has determined demand or apparent consumption of the product in India, as the sum of domestic sales of the Indian Producers, and imports from all sources. The demand so assessed is given in the table below.

Demand in India	Unit	2016-17	2017-18	2018-19	POI
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Sales of Domestic Industry	MT	***	***	***	***
Trend	<i>Indexed</i>	100	106	109	105
Sales of Other Indian Producers	MT	***	***	***	***
Trend	<i>Indexed</i>	100	108	150	148
Imports from China PR - Subject Country	MT	22,184	23,106	23,343	21,804
Trend	<i>Indexed</i>	100	104	105	98
Imports from other countries	MT	24,400	23,568	28,733	29,656
Trend	<i>Indexed</i>	100	97	118	122
Total Demand in India	MT	1,29,998	1,35,517	1,49,326	1,45,771
Trend	<i>Indexed</i>	100	104	115	112
Market Share in Demand					
Domestic industry	%	***	***	***	***
Trend	<i>Indexed</i>	100	102	95	94
Other Indian Producers	%	***	***	***	***
Trend	<i>Indexed</i>	100	104	130	132
China PR - Subject Country	%	17.07	17.05	15.63	14.96
Trend	<i>Indexed</i>	100	100	92	88
Other Countries	%	18.77	17.39	19.24	20.34
Trend	<i>Indexed</i>	100	93	103	108
Total Demand	%	100.00	100.00	100.00	100.00

57. The Authority notes that the demand of the subject goods has increased till 2018-19 and declined thereafter in POI.

H.3.2 VOLUME EFFECT OF DUMPED IMPORTS

i. Import Volume and share of subject country

58. The effects of the volume of dumped imports from the subject country as well as imports from other countries have been examined by the Authority as follows: –

Import Volume	Unit	2016-17	2017-18	2018-19	POI
Imports from China PR	MT	22,184	23,106	23,343	21,804
Imports from other countries	MT	24,400	23,568	28,733	29,656
Total Import Volume	MT	46,585	46,673	52,077	51,460
Subject Country Imports in relation to					
Imports	%	47.62%	49.50%	44.82%	42.37%
Production	%	***	***	***	***
Trend	<i>Indexed</i>	100	101	98	94
Consumption	%	17.07%	17.05%	15.63%	14.96%
Trend	<i>Indexed</i>	100	100	92	88

59. The Authority notes that the volume of dumped imports of the product under consideration from subject country increased till 2018-19 and declined thereafter in the

POI. Imports from China PR declined in the POI in absolute terms as also in relation to gross imports, consumption and production in the country over the injury period.

H.3.3 PRICE EFFECT OF THE DUMPED IMPORTS

60. In terms of Annexure II (ii) of the Rules, the Authority is required to consider the effect of the dumped imports on domestic prices in terms of price undercutting, price underselling, price suppression and price depression, if any.

i. Price undercutting

61. With regard to the effect of dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. In this regard, a comparison has been made between the landed value of the product from the subject country and the average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at ex-factory level.

Price Undercutting – China	Unit	2016-17	2017-18	2018-19	POI
Landed price of imports without ADD	Rs/MT	197,427	237,994	306,275	305,542
Net sales realization	Rs/MT	***	***	***	***
Price undercutting	Rs/MT	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	10-20%	0-10%	(0-10)	(0-10)

62. It is noted that price undercutting on overall basis was positive till 2017-18 and became negative in the POI.

ii. Price Suppression / Depression

63. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority notes the changes in the costs and prices over the injury period. The position is shown as per the table below:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Cost of Sales	Rs/MT	***	***	***	***
Trend	<i>Indexed</i>	100	109	120	119
Selling Price	Rs/MT	***	***	***	***
Trend	<i>Indexed</i>	100	109	122	120
Landed Price from subject country	Rs/MT	1,97,427	2,37,994	3,06,275	3,05,542
Trend	<i>Indexed</i>	100	121	155	155

64. It is seen that the cost of sales increased by 19% in the POI as compared to base year whereas the applicants have been able to increase the selling price by 20% during the same period. Therefore, imports have not caused any suppressing effect on the domestic selling price.

iii. **Price underselling**

65. The price underselling has been evaluated by comparing the non-injurious price with the landed price of the subject imports.

Particulars	UOM	Greige	Dipped	Average
Import Volume	MT	1,005	20,799	21,804
Non-Injurious Price (NIP)	US\$/MT	***	***	***
Landed Price	US\$/MT	3,876	4,290	4,271
Price Underselling	US\$/MT	***	***	***
Price Underselling	%	***	***	***
Price Underselling	%, Range	Negative	Negative	Negative

66. From a comparison of the weighted average landed price of imports with the non-injurious price of the domestic industry, it is noted that the price underselling is negative.

H.3.4. Impact on Economic Parameters of the Domestic Industry

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

a. **Capacity, Production, Capacity Utilization and Sales**

68. The Authority has considered capacity, production, capacity utilization and sales volume of the domestic industry over the injury period and notes as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Installed Capacity-Greige	MT	***	***	***	***
Trend	<i>Indexed</i>	100	100	100	100
Production Quantity – Greige	MT	***	***	***	***
Trend	<i>Indexed</i>	100	104	108	105
Capacity Utilization-Greige	%	***	***	***	***
Trend	<i>Indexed</i>	100	104	108	105

Total Domestic Sales	MT	***	***	***	***
Trend	<i>Indexed</i>	100	106	109	105
Domestic Sales - Greige	MT	***	***	***	***
Trend	<i>Indexed</i>	100	107	110	111
Domestic Sales - Dipped	MT	***	***	***	***
Trend	<i>Indexed</i>	100	106	109	103

69. It is noted from the above table that –

- a. The capacity of the domestic industry has remained constant throughout the injury period.
- b. The production and capacity utilization of the domestic industry has increased till 2018-19 but decreased during the POI.
- c. Domestic sales of the product under consideration has increased till 2018-19 but decreased during the POI

b. Market Share of Domestic Industry in Demand

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

	Unit	2016-17	2017-18	2018-19	POI
Domestic industry	%	***	***	***	***
Trend	<i>Indexed</i>	100	102	95	94
Other Indian Producers	%	***	***	***	***
Trend	<i>Indexed</i>	100	104	130	132
China PR	%	17.07	17.05	15.63	14.96
Trend	<i>Indexed</i>	100	100	92	88
Other Countries	%	18.77	17.39	19.24	20.34
Trend	<i>Indexed</i>	100	93	103	108
Total Demand	%	100.00	100.00	100.00	100.00

71. It is noted that the market share of the domestic industry has increased till 2017-18 but declined thereafter.

c. Inventories

72. The data relating to inventory of the subject goods are shown in the following table:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Inventory – Average	MT	***	***	***	***
Trend	<i>Indexed</i>	100	127	134	133

73. The Authority further notes that the average inventory level of the domestic industry has shown increasing trend till 2018-19 and thereafter marginally declined during period of investigation.

d. Profit or loss, cash profits and return on investment

74. Performance of the domestic industry has been examined in respect of profits, cash profits and return on capital employed:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales	Rs/MT	***	***	***	***
Trend	<i>Indexed</i>	100	109	120	119
Selling price	Rs/MT	***	***	***	***
Trend	<i>Indexed</i>	100	109	122	120
Profit before tax	Rs/MT	***	***	***	***
Trend	<i>Indexed</i>	100	109	139	131
Total Profit before Tax	Rs.Lacs	***	***	***	***
Trend	<i>Indexed</i>	100	115	152	138
Total Profit before interest	Rs.Lacs	***	***	***	***
Trend	<i>Indexed</i>	100	113	148	137
Cash Profit	Rs.Lacs	***	***	***	***
Trend	<i>Indexed</i>	100	113	144	132
Return on capital employed	%	***	***	***	***
Trend	<i>Indexed</i>	100	108	135	129

75. It is noted from the above that the profitability, cash profits and return on investments of the domestic industry have all risen consistently before declining in POI.

e. Employment, wages and productivity

76. The situation of the domestic industry with regard to employment, wages and productivity was as below –

Particulars	Unit	2016-17	2017-18	2018-19	POI
Employment	Nos	***	***	***	***
Trend	<i>Indexed</i>	100	101	86	87
Productivity per day	MT	***	***	***	***
Trend	<i>Indexed</i>	100	103	107	104
Productivity per Employee	MT	***	***	***	***
Trend	<i>Indexed</i>	100	102	125	120
Wages	Rs.Lacs	***	***	***	***
Trend	<i>Indexed</i>	100	103	103	105

77. It is seen that the employment levels of the Domestic Industry has fluctuated over the injury period. The productivity per employee, productivity per day and wages have all shown improvement over the injury period before declining in POI.

f. **Growth**

78. Examination of growth parameters of the domestic industry during the injury period is shown below –

Particular	Unit	2016-17	2017-18	2018-19	POI
Production	%	-	2.97	4.26	(2.73)
Domestic Sales Volume	%	-	6.09	2.82	(3.61)
Cost of sales domestic	%	-	9.16	10.17	(0.82)
Selling price domestic	%	-	9.12	11.82	(1.34)
Profit/Loss domestic	%	-	8.81	28.09	(5.75)
Average stock	%	-	26.79	5.64	(0.54)

79. It is noted that the growth of domestic industry was positive till 2018-19. Growth however became negative in the POI in all the parameters.

g. **Factors affecting domestic prices**

80. The selling prices of the domestic industry have not been affected by dumped imports from the subject country during POI.

h. **Ability to raise fresh Investment**

81. The Authority notes that the domestic industry has the ability to raise fresh investments.

Observations on injury

82. Considering various parameters relating to material injury, the Authority notes that there has been decrease in the volume of dumped imports of the subject goods, in absolute terms and in relation to production and consumption in India. Imports were neither undercutting the domestic prices in the POI, nor was the domestic industry suffering any suppressing / depressing effect on the domestic selling prices. Overall performance of the domestic industry improved in respect of various economic parameters such as production, capacity utilization, domestic sales, profits, cash profits and ROI.

I. CAUSAL LINK

83. As per the AD Rules, the Authority, inter alia, is required to examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the AD Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

a. **Volume and price of imports from third country:**

84. The Authority notes that the volume of imports of the product under consideration from third countries in the POI is at higher price.

b. Contraction in Demand and / or Change in Pattern of Consumption

85. The demand of the subject goods has increased as compared to base year. The pattern of consumption with regard to product under consideration has not undergone any change. Changes in the pattern of consumption could not have, therefore, contributed to the injury to the domestic industry

c. Export performance

86. Applicants have exported the subject goods. However, they have claimed likelihood of injury in the domestic operations. Applicants have provided costing and injury information for domestic sales separately. Hence, likelihood of injury considered cannot be attributed to exports.

d. Development of Technology:

87. None of the interested parties have raised any issue with regard to developments in technology as being the cause of injury to the domestic industry.

e. Performance of other products of the company.

88. The Authority notes that no submission has been made by any of the interested parties to the effect that the performance of other products being produced and sold by the applicants is a possible cause of injury to the domestic industry.

f. Trade Restrictive Practices and Competition between the Foreign and Domestic producers:

89. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. The domestic producers compete with the landed prices of the subject goods. The price of the domestic industry is influenced substantially by the landed prices of subject goods. Moreover, no evidence has been submitted by any interested party to suggest that the conditions of competition between foreign and domestic producers have undergone any change.

g. Productivity of the domestic industry

90. The Authority notes that no submissions have been made by either the domestic industry or any of the interested parties regarding possible injury to the domestic industry on account of productivity of the domestic industry.

J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY

91. In a review investigation, the Authority has to determine whether the subject goods are continuing to enter or likely to enter the Indian market at dumped prices and

whether injury to the domestic industry is likely to continue or recur due to these dumped imports if the duty is removed.

J.1. Submissions by the domestic industry

92. The domestic industry submitted as follows with regard to likelihood of continuation or recurrence of dumping and injury –

- i. Producers in subject country maintain huge capacities to the extent of 431,000MT. As against this capacity, the domestic consumption is in the region of 2,00,000 MT. The current export volumes from China PR is 82,500 MT. Evidently, the Chinese producers are holding significant surplus capacities.
- ii. The technology used in the major downstream product, i.e. Tyre, has seen a wholesome change, which has altered the demand for the product under consideration outside India.
- iii. Major developed countries have shifted usage from bias-ply tyres to radial tyres. Consequently, the product under consideration has been rendered of no use outside India due to the change in technology.
- iv. Further due to the shift from bias-ply tyres to radial tyres outside India, the global demand for the product under consideration has seen a considerable decline.
- v. Therefore, due to the closure of markets globally, in the event of cessation of anti-dumping duty, there is a likelihood of recurrence of injury to the Domestic Industry
- vi. Given the significant price difference between different transactions, it is evident that Chinese producer will be able to sell the product at a price below domestic industry prices and utilise their production capacities. This would additionally be feasible for them as the same will result in increase in their capacity utilisation.
- vii. The Chinese exporters/producers have a very high export orientation for the product under consideration. Due to oversupply in China PR, the exports have been taking a big share in the consumption of the production.
- viii. The exporters in the subject country are having significant unutilized capacities of 106,000 MT, which can easily cater the entire demand in India
- ix. Producers/exporters in subject country are having freely disposable production capacities of 188,500MT
- x. Due to the adjustment of product structure in tyre sector with focus changing from bias-ply tyre to radial tyre, the subject goods industry in China PR has been suffering from stagnation and overcapacity.
- xi. The Demand for the product under consideration has also been declining over the past years. Moreover, due to the oversupply, exports are now the major source of revenue of the Chinese exporters.
- xii. The exporters from the subject country are not only dumping in India, but they are also dumping in other countries.
- xiii. India is one of the high consumption market with gross demand of 1,45,000 MT. India is the largest export market for China PR. In the event of cessation of anti-dumping duty, these exports are likely to further increase. The Chinese producers have always

- exported to India in huge quantities despite anti-dumping duty.
- xiv. Current volume remained low only because of ADD.
 - xv. Reliance placed on CESTAT decision in the matter of *Dye Stuff Manufacturers Association Of India Versus Govt. Of India* is not applicable on the facts of present case.
 - xvi. Following are the factors which establish that India is the most lucrative market for the Chinese exporters and in the event of cessation of anti-dumping duty, the exports are likely to increase at dumped prices in India from China PR.
 - a) While the world is faced with sluggish demand, Indian demand has been increasing. The major NTCF producing countries are faced with change in technology and therefore the exporters are likely to increase their exports to a country like India where there is increase in demand and the gross demand is so high.
 - b) India is one of the high consumption market with gross demand of 1,45,000 MT.
 - c) India is the largest export market for China PR. In the event of cessation of anti-dumping duty, these exports are likely to further increase.
 - d) The Chinese producers have always exported to India in huge quantities despite anti-dumping duty and therefore, India has always been a lucrative market for the Chinese producers.
 - e) With over-supply in China PR, exports have been taking major share in the consumption of production. However, with anti-dumping duty imposed by India, the exports have stagnated. In the event of cessation of anti-dumping duty, these exports are likely to increase.
 - f) The producers in China PR are dumping the product which is evident from current dumping margins in India and third countries. In the event of cessation of anti-dumping duty, the Chinese exporters are likely to export the product to India at dumped prices.
 - xvii. The questionnaire responses filed by exporters/producers also clearly establish that there is a likelihood of dumping and consequent injury to the domestic industry. Responses filed by the exporters show (1) decline in production, sales and capacity utilization (b) increase in inventories (c) capacity additions.
 - xviii. The other interested parties have questioned the confidentiality of the evidence of likelihood and not refuted the claims of likelihood of the domestic industry.

J.2. Submissions by other interested parties

93. Following submissions have been made by other interested parties with regard to likelihood of continuation or recurrence of dumping and injury:
- i. There is no reliable evidence to show surplus capacities, production and exports from China PR.
 - ii. Petitioners have also failed to establish how the existence of excess capacities, if any, will lead to dumping in India.

- iii. On the issue of reliance on market research reports, the CESTAT decision in Dye Stuff Manufacturers Association Of India Versus Govt. Of India is relied on. Facts derived from journals cannot be relied upon as it is no evidence at all as per the decision. The same cannot even be used as “best information available” as per Rule 6(8). No other evidence has been submitted by domestic industry to show likelihood.
- iv. Likelihood of continuation or recurrence of both dumping and injury are required to be satisfied for the continuation of the ADD.
- v. Any likelihood of recurrence of injury shall be examined in light of the fact that such recurrence, if any, would be not because of imports but because of contraction in demand
- vi. Reduction in production, capacity utilization and domestic sales of exporters/producers is insignificant. This is due to global decline in demand. Same is the reason for increase in inventories.
- vii. Export sales to India have also declined for almost all of them. This is due to decline in demand in India. This does not establish likelihood.
- viii. The fact that imports are significant has no relevance in determining injury. Tyre industry is importing through duty-free channel.
- ix. Information on likelihood is unreliable without reliable evidence provided by petitioners. Market research report is not credible evidence or “best available information” as per CESTAT decision in Dye Stuff case. Verification of claim is not possible without disclosure of report.
- x. Argument on change in technology is also based on the report and hence, not credible and incorrect.
- xi. Petitioner has not provided any facts on individual transactions of import. India as a lucrative market argument indicates that import prices won't decline on cessation of ADD.
- xii. Unwarranted confidentiality has been claimed on third party dumping. Same cannot be calculated with Thailand as appropriate third country and selling price of just one producer cannot be taken as SRF Thailand shut down NTCF production due to high costs.
- xiii. China PR continues to export to India because it is under advance license.

J.3. Examination by the Authority

94. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A(5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure – II (vii) of the Anti-Dumping Rules, and other relevant factors brought on record by the interested parties. The Authority notes as under.
95. The present investigation is a sunset review of duties imposed on the imports of subject goods from China PR. Under the Rules, it is required to be determined whether continued imposition of antidumping duty is warranted. This also requires an examination of whether the duty imposed is serving the intended purpose.

96. Further, the Authority has also examined other relevant factors which could have a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry. The examination of the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry is as follows:

i. Rate of increase in imports during the period of investigation

97. The import details in the subject investigation are as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI	Post-POI (A)
Imports from China	MT	22,184	23,106	23,343	21,804	18,913
Trend	<i>Indexed</i>	<i>100</i>	<i>104</i>	<i>105</i>	<i>98</i>	<i>85</i>

98. The Authority notes that the volume of dumped imports of the product under consideration have increased till 2018-19 but declined slightly in POI and in Post POI. The domestic industry contended that India is the top export destination for China despite anti-dumping duty in force.

ii. Surplus capacities in subject country and ability of other export markets to absorb additional capacities

99. The Authority notes that production, domestic sales, export sales and capacity utilization of a number of Chinese producers has declined. The capacities with these producers have however remained unchanged. Decline in capacity utilization of a number of exporters has resulted in increase in unutilized capacities.

100. Huai'an Nylon Chemical Fibre Co., Ltd has enhanced its capacities in the injury period, despite declining domestic sales.

101. Analysis of the questionnaire responses filed by the responding exporters shows as follows.

Company	Volumes during POI				Unutilised capacity in POI		Capacity
	Production MT	Capacity utilisation - MT	Domestic sales MT	Export sales MT	%	MT	
Huaian Nylon Chemical Fibre Co., Ltd and Ningbo Jinlun Import & Export Co., Ltd.	***	***	***	***	***	***	***
Shenma Industrial	***	***	***	***	***	***	***
Haiyang Technology Co., Ltd	***	***	***	***	***	***	***

Hangzhou Dikai	***	***	***	***	***	***	***
Junma Tyre Cord Company Limited	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

102. It is noted that

- i. The unutilized capacities with the exporters is to the extent of ***, constituting ***% of consumption in India.
- ii. The exports of the responding exporters constitute ***% of the capacity which shows high export orientation of the exporters, constituting ***% of consumption in India.
- iii. The responding exporters have ***% of the freely disposable capacities constituting ***% of consumption in India.

iii. **Increase in Inventories**

103. The Authority notes that the responses from the exporters show that the inventories with a number of responding exporters have increased.

iv. **Level of current and past dumping margin**

104. The level of dumping margin in the original, mid-term and sunset reviews is significant. Further, the dumping margin is also positive in the Post POI period.

v. **Third country dumping and injury**

105. Following Chinese producers have filed questionnaire response in the form and manner prescribed, including questionnaire response relevant for sunset review investigation. Therefore, the Authority has examined the questionnaire response and ascertained the volume of exports by these exporters to third countries at prices below normal value (i.e., dumped) and injurious (i.e., below NIP of the domestic industry).

- i. Ningbo Jinlun Import & Export
- ii. Huai'an Nylon
- iii. Junma Tyre

106. The following Chinese producers have not filed questionnaire response in the form and manner prescribed. The questionnaire response relevant for sunset review investigation has not been filed by these companies. Therefore, the Authority has applied facts available to these companies and considered that their entirety of third countries exports are at dumped and injurious prices.

- i. Hangzhou Dikai
- ii. Haiyang Technology

- iii. Shenma Development
- iv. Shenma Industrial
- v. Jiangsu Haohui

107. The table below shows volume of exports by these exporters to third countries at dumped, attractive and injurious prices.

	Exports to India	Exports to Third country	Total
Volumes below NIP	***	***	***
Volume above NIP	***	***	***
Volumes below normal value	***	***	***
Volume above normal value	***	***	***
Demand in India	***	***	***
Imports in relation to demand	***	***	***
Volume below normal value (i.e., dumped) in %	***	***	***
Volume below NIP (i.e., injurious) in %	***	***	***

108. It is noted that

- i. ***% of the exports by responding exporters to India, constituting ***% of Indian consumption are at price below normal value, i.e., at dumped price;
- ii. ***% of the total volumes of exports by responding exporters to Third countries are at price below non injurious price of the domestic industry, i.e., at injurious price;
- iii. ***% of the total volumes of exports by the responding exporters are at injurious price, i.e. at a price below non injurious price of the domestic industry.
- iv. ***% of the total exports by responding exporters are at dumped prices, i.e., below normal value.
- v. ***% of the total volumes of exports by responding exporters to Third countries are at dumped price, i.e., below normal value.

vi. Post-POI Analysis

109. The Authority has also conducted an analysis for the Post-POI (July 2019 to Dec 2019) for the purposes of determining likelihood of continuation or recurrence of dumping and injury. The following is noted with regard to the same:

Particulars	Unit	2016-17	2017-18	2018-19	POI	Post POI (A)
Installed Capacity-Greige	MT	***	***	***	***	***
Trend	<i>Indexed</i>	100	100	100	100	100
Production - Greige	MT	***	***	***	***	***
Trend	<i>Indexed</i>	100	104	108	105	90
Capacity Utilisation - Greige	%	***	***	***	***	***
Trend	<i>Indexed</i>	100	105	108	105	91
Profit/Loss before Interest	Rs./MT	***	***	***	***	***
Trend	<i>Indexed</i>	100	107	136	130	46
Return on Capital Employed	%	***	***	***	***	***
Trend	<i>Indexed</i>	100	108	135	129	40
Inventory (Average)	MT	***	***	***	***	***
Trend	<i>Indexed</i>	100	127	134	133	174
Employment	No	***	***	***	***	***
Trend	<i>Indexed</i>	100	101	86	87	86
Productivity	MT/Day	***	***	***	***	***
Trend	<i>Indexed</i>	100	103	107	104	90

110. It is seen that production, sales, capacity utilization, profits, and ROI declined further during Post POI and the level of inventories have increased. It is thus seen that the performance of the domestic industry declined significantly in the post POI.

K. MAGNITUDE OF INJURY AND INJURY MARGIN

111. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in anti-dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP of the domestic industry has been worked out and it has been considered for comparing the landed price from the subject country for calculating injury margin. For determining NIP, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been done with the utilities. The best utilization of production capacity over the injury period has been considered. The optimum production in POI has been calculated considering the best capacity utilization and the same production has been considered for arriving per unit fixed cost. No extraordinary or non-recurring expenses have been charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. Average Net Fixed Assets plus Average Working Capital) for the product under consideration was allowed as pre-tax profit to

arrive at the NIP as prescribed in Annexure-III and being followed. The non-injurious price so determined has been compared with the landed price of imports from the subject country to determine the injury margin.

112. The non-injurious price of the subject goods produced by the domestic industry when compared with the landed value of the exports from the subject country shows following injury margin during POI.

Name of Exporter	NIP	Landed value	Injury margin	Injury margin	Injury margin
	USD/MT	USD/MT	USD/MT	%	Range
M/s Haiyang Technology Co., Ltd	***	***	***	***	Negative
Hangzhou Dikai Industrial Fabrics Co., Ltd.	***	***	***	***	Negative
Huaian Nylon Chemical Fibre Co., Ltd.	***	***	***	***	Negative
M/s Shenma Industrial China PR	***	***	***	***	Negative
Junma Tyre Cord Company Limited	***	***	***	***	Negative

113. Since the overall injury margin was found negative, the Authority ascertained the volume of exports below NIP and the volume of exports above NIP to ascertain the likelihood of injury to the domestic industry in the event of cessation of antidumping duty. It is seen that significant volume of imports were at a price below NIP for the domestic industry.

Name of Exporter	Volume below NIP	Volume above NIP
Haiyang Technology Co.,	***	***
Hangzhou Dikai Industrial Fabrics Co.,	***	***
Ningbo Jinlun Import & Export Co.,	***	***
Shenma Industrial	***	***
Junma Tyre Cord Company Limited	***	***
Total volumes	***	***
Non cooperative producers/exporters from China	***	***
Total volumes import into India	***	***
Indian consumption	***	***
Volume of imports below NIP in relation to consumption	***	***

Conclusion on Likelihood of Dumping and Injury

114. The evidences on record show that there has been decrease in the volume of dumped imports of the subject goods, in absolute terms and in relation to production and consumption in India. Imports were neither undercutting the domestic prices in the POI, nor was the domestic industry suffering any suppressing / depressing effect on the domestic selling prices. Overall performance of the domestic industry improved in respect of various economic parameters such as production, capacity utilization, domestic sales, profits, cash profits and ROI. The domestic industry has not suffered current injury during the present period. However, it is seen that there is a likelihood of dumping and consequent injury to the domestic industry. The information on record shows that there are significant surplus capacities in China to the extent that unutilized capacities are to the tune of ***% (constituting ***% of consumption in India), the exports constitutes ***% of the capacity (constituting ***% of consumption in India), responding exporters have ***% of the capacities freely disposable capacities (constituting ***% of consumption in India). Domestic sales of the Chinese producers constitute a meagre ***% of installed capacities. The responding exporters exported about ***% of their production to a number of third countries, majority of which was at a price below normal value in China and selling price & NIP of the domestic industry in India. ***% of the exports (constituting ***% of Indian consumption) were at a price below normal value, i.e., at dumped price; ***% of the exports were at price below non injurious price of the domestic industry, i.e., at injurious price. The inventories with a number of responding exporters have increased. Surplus capacities are likely to result in increase of exports at dumped prices in the event of expiry of present duties. Production, sales, capacity utilization, profits, and ROI declined significantly in Post POI and the level of inventories increased. Thus, all these parameters indicate that in the event of cessation of ADD, the exporters in the subject country are likely to intensify export of the product in India at dumped prices, leading to injury to the Domestic Industry.

L. POST DISCLOSURE COMMENTS

115. Post- disclosure submissions have been received from the interested parties. The Authority has examined the post-disclosure submissions made by the interested parties including reiterations which have already been examined suitably and addressed adequately in the relevant paras of these final findings. The issues raised for the first time in the post disclosure comments/submissions by the interested parties and considered relevant by the Authority are examined below

L.1 Submissions made by the domestic industry

116. The submissions made by the domestic industry on the disclosure statement are as follows

- i. No reasoning is provided for rejection of Di's claim of normal value. The reasons given by other parties against the DI's claim are insufficient and inappropriate. The Authority may consider prices from Thailand or Taiwan to India for determination of NV.
- ii. The NV should not be based on normated cost of production because Price payable in India duly adjusted for profits implies cost of production with reasonable profits. Annexure I prescribe actual cost of production and not normated one. There is no inefficiency within the DI and there should not be a presumption that DI is inefficient and foreign producers are efficient.
- iii. NV should be calculated separately for Nylon 66 based NTCF because (a) there is a significant price difference between Nylon 66 fabric and Nylon 6 fabric. (b) NIP for SRF's Gummidipoondi Plant is required to be considered for CNV for Nylon 66 fabric. (c) If separate normal values are found unnecessary, it is requested that the same be calculated based on data of SRF Limited as its product mix matches with that of foreign producers.
- iv. Existing ADD is requested to be continued since the case is decided on likelihood of recurrence of injury, it is not appropriate to modify the duty. The DA has applied this principle in the past. Additionally, Ahmedabad HC decision in Nirma Limited v. UoI is relied on. Rule 17(2) also supports the principle. When there is no injury, there is no requirement of determining the injury margin and hence the same quantum of ADD be confirmed.
- v. A fixed form of duty in USD is requested to be recommended by the DI as per past practice of the DA and the failure of the benchmark form of duty. The Designated Authority in the previous investigation also recommended a fixed form of duty.

L.2 Submissions made by other interested parties

117. The submissions of other interested parties on disclosure statement are reproduced herein below
- a. The investigation should be terminated against (i) M/s Hangzhou Dikai Industrial Fabrics Co. Ltd., and (ii) M/s Shenma Industrial China as the dumping margin is negative
 - b. For the purpose of examining eligibility vis-à-vis Domestic Industry, the imports made by M/s Century Enka must be analysed in relation to imports from the subject country i.e. China PR and not overall imports or demand
 - c. The Authority must disclose the total demand of the product prevailing in the country, combined total production and sales of all domestic producers as a whole and price underselling during the injury analysis period.
 - d. Due to technological developments, the demand of the product has contracted in India and therefore, the marginal decline in the economic parameters of the Petitioners are attributable to such developments in technology.
 - e. The examination of surplus and freely disposable capacities with exporters must be analysed keeping in view the existence of other export markets to absorb the same.
 - f. It cannot be assumed that Chinese exports will find a market in India, especially when their prices are higher than the selling price of the Petitioners. It cannot be assumed that

these inventories will be offloaded into the domestic market in India, especially in view of the contraction in demand.

- g. Unless the Authority examines whether other export markets exist which are capable of absorbing the surplus capacities and inventories with Chinese producers, no adverse conclusion ought to be drawn in view of the abovesaid facts regarding likelihood of recurrence of injury
- h. Trade diversion to a given market has no nexus with the NIP of the Domestic Industry in that country. Otherwise, every third country whose Domestic Industry has a higher NIP than the Indian Industry would be a more attractive market for the subject country to export to. For the exporters and producers to resort to trade diversion of low-priced subject goods from their existing markets to India, the price capable of being fetched in India must be substantially higher than the price fetched in third countries. The market size should be large enough and must also have potential for further growth as these are two basic factors when evaluating market attractiveness
- i. In the absence of a price effect analysis for the Post-POI period, it must be assumed that the adverse impact on the economic parameters of the Petitioners is as a result of the 'other factors' which have been admitted by the Petitioners in their Annual Reports i.e. contraction in demand due to technological changes and shift to radial tyres which has been underscored by the interested parties.
- j. Since the very first sunset review, imports from China PR have not caused any material injury to the Domestic Industry of the subject goods in India. The DGTR must consider injury for the domestic industry as a whole (which in this case comprise of three entities) and not for individual constituents of the domestic industry
- k. Revisit the methodology of dumping margin and injury margin and make separate dumping margin and injury margin calculation by considering Nylon 66 NTCF as a separate category.
- l. Segregation of imports below NIP and normal value (1) amounts to zeroing which is prohibited (2) not appropriate when the raw material prices and the finished goods prices are fluctuated significantly.
- m. The anti-dumping duty has been terminated in the past several investigations when duty was in force more than 10 years, duty has served its purpose and DGTR should extend the duty after due care.
- n. Chinese producers are operating at the maximum capacity. There is no possibility of any shift of exports to India in case of existing anti-dumping duty is ceased. Exports of subject goods from China to other countries is at higher prices than exports to India.
- o. In the post POI as well as pre POI the domestic industry has been making bumper profits.
- p. There is no dumping in the period of investigation and post period of investigation.

L.3 Examination of the Authority

118. With regard to the claim of the domestic industry to consider Thailand as the appropriate country to determine the Normal Value for China, the Authority is of the view that the applicant domestic industry has not provided sufficient reasons/information for the selection of Thailand as the appropriate market economy country for China, the subject country.

119. Since the present investigation is a sunset review investigation, the authority notes that the fact that dumping margin and/or injury margin is negative in POI does not imply that the ADD should be allowed to cease. Being a sunset review and considering the obligation under Section 9A(5) read with Rule 23, the authority is required to recommend extension of ADD in a situation where dumping and injury is likely to recur in the event of cessation of ADD.
120. It is clarified that imports made by Birla Tyres are negligible considering imports from China, and Indian production and consumption. It is also noted that ATMA and Birla Tyre have preferred non-cooperation in as much as no information has been provided in respect of imports made by Birla Tyre. The authority has accessed information from DGCI&S and DG Systems to ascertain imports made by Birla Tyres.
121. Considering the arguments of the interested parties, the authority has disclosed gross demand in the present findings.
122. As regards claim of decline in demand for the product due to increase in use of radial tyres, the authority notes that the demand for the product during POI was 1,45,771 MT as against installed capacity of domestic industry in the region of *** MT. Further, decline in demand could have been relevant only in a situation where the domestic industry has suffered injury. However, in a situation where domestic industry has not suffered injury, this issue is not relevant.
123. The authority has examined surplus capacities after considering current exports being made from China. The authority has not determined surplus capacity as a difference between capacity and domestic sales. Surplus capacity has been determined as the difference between capacity and sales (domestic and export sales). Further, possible trade diversion from China has been examined considering only those exports to third countries which were at a price lower than the selling price of the domestic industry. No interested party has provided any cogent reason why third country low priced exports will not be diverted to India in the event of cessation of ADD.
124. The authority has not considered third country exports at a price higher than selling price of the domestic industry. It is also noted that a number of responding producers have preferred non-cooperation and have not provided relevant information in the form and manner prescribed. Trade diversion or price attractiveness has been determined based on selling price of the domestic industry, as can be seen from the table below and based on NIP of the domestic industry.

	Exports to India	Exports to Third country	Total
Volumes below DI Average Price	***	***	***
Volumes above DI	***	***	***

Average Price			
Total Export Volume	***	***	***

125. As regards existence of significantly large market in India as a requirement for possible trade diversion, it is noted that Chinese exporters are exporting ***MT to third countries at price below Indian prices and therefore Indian demand of 1,45,771 MT is significantly large enough to attract Chinese producers to divert these low priced third countries exports to India. In fact, none of the Chinese producers have contended that they will not divert their third country low priced exports to Indian market.
126. The authority considers that the likelihood of injury to the domestic industry is required to be determined based on the defined domestic industry. However, information with regard to domestic producers has also been considered for relevant parameters.
127. As regards contention of the Chinese producers and the domestic industry for separate determination of dumping margin and injury margin for nylon 6 and nylon 66 fabric, authority notes that none of these parties demanded at the stage of initiation, a separate comparison of nylon 6 and nylon 66 for the purpose of dumping margin and injury margin determination. Further, it has not been demonstrated that separate identification of the two would have led to significantly different dumping margin and injury margin.
128. The authority considers that segregation of imports into dumped and un-dumped, injurious and non-injurious, attractive and non-attractive does not amount to zeroing. It only amounts to quantifying the volume of import that is likely to be diverted to Indian market in the event of cessation of duty and the volume that is relevant for the likelihood analysis. In a situation where Chinese producers have collectively exported ***MT to various countries, it is very evident that exports to third countries which were priced higher than export to India are unlikely to be diverted to India. It is only those volumes which are priced lower than selling price and NIP in India are likely to be diverted to India. Further, this volume is also relevant only to the extent that is at dumped price. If this volume is at un-dumped price, the same again does not establish likelihood of dumping. Therefore, the authority has analysed entire third country exports for the purpose of examining likelihood of dumping and injury in the event of cessation of duty.
129. As regards wide fluctuations in raw material prices, authority notes that none of the parties have pleaded fluctuation in raw material prices as a relevant parameter during the course of the investigation. These parties have agreed to weighted average analysis.

130. As regards the duration for which ADD has been in force, authority notes that the duration of duty is irrelevant under Section 9A (5). The authority is required to examine likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry.
131. As regards the contention that Chinese producers are operating at maximum capacity and there is no possibility of trade diversion, it is noted that the authority has made the determination based on the actual capacity utilisation that has been reported by responding exporters. Further, trade diversion analysis is based on volume and price of exports to various countries.
132. The authority notes that the profit and ROI of the domestic industry in post POI is quite low and therefore the argument that the domestic industry has made bumper profits in POI and post POI is factually incorrect.

M. INDIAN INDUSTRY'S INTEREST

133. 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 re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject country/territory in any way, and, therefore, would not affect the availability of the product to the consumers.
134. It is recognized that the imposition of anti-dumping duty might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

N. CONCLUSION

135. Having regard to the contentions raised, information provided and submissions made and facts available before the Authority as recorded in the above findings and on the basis of the above analysis of the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes that:
- a. The domestic industry's performance has improved but remains vulnerable to dumping and consequent injury.
 - b. The information on record shows likelihood of continuation/ recurrence of dumping and injury in case the Anti-dumping duty in force is allowed to cease at this stage.

O. RECOMMENDATIONS

136. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspects of dumping, injury and the causal link.
137. Having concluded that there is likelihood of continuation/ recurrence of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that continuation of duty is required on the import of PUC from the subject country.
138. Under these circumstances, the Designated Authority considers it appropriate to recommend continuation of existing quantum of anti-dumping duty on the imports of subject goods from China PR. However, the Designated Authority does not recommend individual rate of duty to those foreign producers/exporters who had been granted an individual rate of duty in the original investigation but have not participated in the subject sunset review investigation. Further, the cooperative producers in the present sunset review investigation that did not participate in the earlier investigation have been granted individual rate(s) of duty granted to cooperative producers/ exporters in the earlier investigation. The Authority, thus, considers it necessary to recommend continuation of definitive anti-dumping duty equal to the amount indicated in Col. 7 of the duty table below for a period of five (5) years on all imports of the subject goods from the subject country.

DUTY TABLE

SN	Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	5902.10	Nylon Tyre Cord Fabric	China PR	Any Country including China PR	Haiyang Technology Co., Ltd.	520	Per MT	US\$
2	- do -	- do -	China PR	Any Country including China PR	Hangzhou Dikai Industrial Fabrics Co., Ltd.	520	Per MT	US\$
3	- do -	- do -	China PR	Any Country	Huaian Nylon	520	Per MT	US\$

				including China PR	Chemical Fibre Co., Ltd.			
4	- do -	- do -	China PR	Any Country including China PR	Shenma Industrial Co., Ltd.	520	Per MT	US\$
5	- do -	- do -	China PR	Any Country including China PR	Junma Tyre Cord Company Limited	520	Per MT	US\$
6	- do -	- do -	China PR	Any Country including China PR	Any other than at S No. 1 to 5	1100	Per MT	US\$
7	- do -	- do -	Any Country other than China PR	China PR	Any	1100	Per MT	US\$

Note - Customs classification mentioned above is only indicative, and the determination of anti-dumping duty shall be made as per the description of the product under consideration. The product under consideration mentioned above should be subject to above ADD even when it is imported under any other HS code.

P. FURTHER PROCEDURE

139. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the with the relevant provisions of the Act.


(B.B.Swain)

Special Secretary & Designated Authority