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F. No. 6/04/2025-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building 5, Parliament Street, New Delhi – 110001

Dated: 29th March 2025

INITIATION NOTIFICATION

CASE No. AD (OI) – 04/2025

Subject: Initiation of anti-dumping investigation concerning imports of “Viscose Rayon Filament Yarn (VFY) above 75 deniers” originating in or exported from China PR.

1. **F. No. 6/04/2025-DGTR:** Having regards to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred 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 referred to as the ‘Rules’), Association of Man-Made Fibre Industry of India (hereinafter referred to as the ‘applicant association’) and Grasim Industries Limited (hereinafter referred to as ‘domestic industry’ or ‘petitioner’) have filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), for initiation of an anti-dumping investigation on imports of “Viscose Rayon Filament Yarn (VFY) above 75 deniers” (hereinafter referred to as the ‘product under consideration’ or ‘subject goods’ or ‘PUC’) originating in or exported from China PR (hereinafter referred to as ‘subject country’).
2. The petitioner has alleged that material injury is being caused due to the dumped imports of the subject goods from the subject country and has requested for the imposition of the anti-dumping duties on the imports of the subject goods, originating in or exported from the subject country.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration (PUC) in the present investigation is ‘Viscose Rayon Filament Yam/Thread above 75 deniers’ classifiable under customs classification 5403, excluding yarn produced through Spool Spun Technology.

Exclusion

4. Only ready to use embroidery thread on small bobbin that can be installed on embroidery machine, and which is classifiable under customs classification 5401, is excluded from the scope of the present investigation.
5. The product is classified under the Chapter 54 of the Customs Tariff Act, 1975 (51 of 1975) under subheadings of the tariff custom classification as 5403. The product is majorly imported under 54031090, 54033100, 54033200, 54033300, 54033990, 54034110, 54034150, 54034190, 54034911, 54034912, 54034913, 54034919 and 54034990. The customs classification is only indicative and is not binding on the scope of the product under consideration.
6. The applicant has proposed following product control numbers (PCN) methodology for the product under consideration in the present investigation.

Parameters	Proposed PCN
Technology	a. PSY
	b. CSY
Denier of yarn	Actual denier
Twisting	a. Untwisted
	b. One-time twisted
	c. Double twisted
Dyed/Undyed	a. Dyed
	b. Undyed

7. The parties to the present investigation may provide their comments on the scope of product under consideration and proposed PCN methodology, if any, within 15 days of circulation of the intimation of initiation of the investigation.

B. LIKE ARTICLE

8. The petitioner has claimed that the subject goods which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. The product produced by the domestic industry and those imported from the subject country are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process & technology, functions & usage, product specifications, pricing, distribution & marketing and tariff classification of the goods. The Authority notes that the two are *prima facie* technically and commercially substitutable. Therefore, for the purpose of this investigation, the subject goods produced by the petitioner in India are being treated as 'like article' to the subject goods being imported from the subject country under the Rules.

C. SUBJECT COUNTRY

9. The subject country in the present investigation is **China PR**.

D. PERIOD OF INVESTIGATION

10. The proposed period of investigation (POI) adopted by the Authority for this investigation is from 1st October 2023 – 30th September 2024 (12 months). The injury examination period covers the periods 1st April 2021 – 31st March 2022, 1st April 2022 – 31st March 2023, 1st April 2023 – 31st March 2024 and the POI.

E. DOMESTIC INDUSTRY & STANDING

11. The application has been filed by the Association of Man-Made Fibre Industry of India. Grasim Industries Limited has provided data relating to injury to the domestic industry. M/s Grasim Industries Limited has claimed that it has neither imported the subject goods from the subject country nor is related to any exporter or producer of the subject goods in the subject country
12. On the basis of the information available, the production of the Grasim Industries Limited accounts for a major proportion in the domestic production of the like article in India. Accordingly, on the basis of the information contained in the application, the Authority is *prima facie* satisfied that the application has been made by or on behalf of the domestic industry in terms of the provisions of Rule 2(b) and Rule 5(3) of the Rules.

F. BASIS OF ALLEGED DUMPING

a. Normal value for China PR

13. The applicant has claimed that in terms of Article 15(a) (i) of China's Accession Protocol and Para 7 of Annexure-I to the Anti-Dumping Rules, 1995, the normal value for Chinese producers may be determined based on the cost of domestic selling price prevailing in China PR, only if the responding Chinese producers demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of paras 1 to 6 of Annexure-I to the AD Rules, failing which, normal value for Chinese producers must be determined based on paras 7 and 8 of Annexure-I to the Rules.
14. The applicant has also claimed that the data relating to cost or price in market economy third country or recourse to other alternative methods are not available. The normal value has been, thereby, constructed based on the best estimates of the cost of production of the domestic industry of the subject goods as per the best information available after duly adjusted the selling, general and administrative expenses, with reasonable profit.

b. Export price

15. The export price for the subject goods has been computed based on the DG System transaction wise import data. Appropriate price adjustments have been claimed to make prices at ex-factory levels so that they become comparable with normal value.

c. Dumping margin

16. The normal value and the export price have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin with respect to the product under consideration imported from the subject country is above the *de minimis* level. Thus, there is sufficient *prima facie* evidence that the product under consideration is being dumped in the domestic market of India by the exporters from the subject country.

G. EVIDENCE OF INJURY AND CAUSAL LINK

17. Information furnished by the domestic industry has been considered for assessment of injury to the domestic industry. The domestic industry has furnished evidence with respect to the injury suffered because of the alleged dumped imports. The volume of imports from the subject country has shown an increase in absolute terms in the period of investigation and it is a significant share of total demand and production. The dumped imports are suppressing the prices of the domestic industry. As a result, the domestic industry has incurred losses, cash losses, loss before interest and tax and negative return on capital employed. The inventories with the domestic industry sharply increased over the injury period. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

18. On the basis of the duly substantiated written application submitted by the applicant and having reached satisfaction based on the *prima facie* evidence submitted by the applicant and the domestic industry concerning the dumping of the product under consideration originating in or exported from the subject country, the consequential injury to the domestic industry as a result of the alleged dumping of the product under consideration and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree, and effect of the dumping with respect to the product under consideration originating in or exported from subject country and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

19. The provisions stipulated in Rule 6 of the anti-dumping rules shall be followed in this investigation.

J. SUBMISSION OF INFORMATION

20. All communication should be sent to the Designated Authority via email at email addresses dd16-dgtr@gov.in and dd12-dgtr@gov.in with a copy to adv13-dgtr@gov.in and consultant-dgtr@nic.in. It must be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
21. The known producers/exporters in subject country, the government of subject country through its Embassy in India, and the importers and users in India who are known to be associated with the product under consideration are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
22. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
23. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
24. Interested parties are further directed to regularly visit the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in/>) to stay updated and apprised with the information as well as further processes related to the investigation.

K. TIME LIMIT

25. Any information relating to the present investigation should be sent to the Designated Authority via email at the following email addresses dd16-dgtr@gov.in and dd12-dgtr@gov.in with a copy to adv13-dgtr@gov.in and consultant-dgtr@nic.in. within 30 days from the date on which the non-confidential version of the documents filed by the applicant would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Rules.

26. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification.
27. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules, 1995 and such request must come within the time stipulated in this notification.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

28. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
29. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
30. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information which is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
31. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
32. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 7 of the Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.
33. The interested parties can offer their comments on the issues of confidentiality within 7 days from the date of circulation of the non-confidential version of the documents.

34. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
35. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
36. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.

M. INSPECTION OF PUBLIC FILE

37. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties.

N. NON-COOPERATION

38. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.



(Darpan Jain)
Designated Authority