NON-CONFIDENTIAL

<u>Case No. CVD (OI) – 04/2025</u>

Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies

<u>FINAL FINDINGS</u>
<u>(Non-Confidential Version)</u>

"Countervailing Duty Investigation concerning imports of "Jute Products" originating in or exported from Bangladesh and Nepal"

Pictographic Representation of Jute Products

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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF TRADE REMEDIES
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Dated 28th September, 2026

FINAL FINDINGS
(Case No. CVD (OI)-04/2025)

Subject: Countervailing Duty investigation concerning imports of "Jute Products" originating in or exported from Bangladesh and Nepal

No. 6/35/2025-DGTR: In terms of the Customs Tariff Act, 1975, as amended from time to time, and the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidised Articles and for Determination of Injury) Rules, 1995, as amended from time to time, the Designated Authority hereby records its final findings in the subject investigation.

A. BACKGROUND OF THE CASE

2. M/s Indian Jute Mills Association (IJMA) and M/s A.P. Mesta Twine Mills Association (AJMA) (hereinafter referred to as the "applicants" or "applicant associations") filed an application before the Designated Authority (hereinafter referred to as the "Authority") on behalf of the domestic industry, in accordance with Section 9 of the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the "Act"), read with the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidised Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the "Rules" or "CVD Rules"), for initiation of an anti-subsidy/countervailing duty investigation concerning imports of "Jute Products" (hereinafter referred to as the "subject goods" or "product under consideration" or "PUC") originating in or exported from Bangladesh and Nepal (hereinafter referred to as the "subject countries").

3. In terms of Article 13.1 of the Agreement on Subsidies and Countervailing Measures (ASCM) read with Rule 6A of the Rules, the Government of Bangladesh and the Government of Nepal were invited for consultations prior to initiation, by scheduling a consultation meeting on 1st September 2025. The Government of Nepal did not respond to the invitation. The Government of Bangladesh, vide email dated 29th August 2025, sought additional time of sixty days to prepare for the consultations. In the absence of any evidence regarding non-countervailability of the

alleged programmes at that stage, the Authority proceeded on the basis that the existence of the alleged programmes and the quantification of the countervailable subsidies were required to be analysed through an investigation, while keeping the opportunity of consultations open during the course of the investigation.

4. The Authority, on the basis of sufficient prima facie evidence submitted by the applicants, issued a public notice vide Notification No. 6/35/2025-DGTR dated 29th September 2025, published in the Gazette of India, initiating the subject investigation in accordance with the Rules, to determine the existence, degree and effect of the alleged subsidisation and consequent injury to the domestic industry, and to recommend the amount of countervailing duty which, if levied, would be adequate to remove the injury to the domestic industry.

5. The subject goods are already subject to anti-dumping duty. An anti-dumping investigation concerning imports of "Jute Products" from Bangladesh and Nepal was initiated vide Notification No. 14/19/2015-DGAD dated 21st October 2015, and definitive anti-dumping duties were recommended vide final findings dated 20th October 2016, implemented by the Ministry of Finance vide Notification No. 01/2017-Customs (ADD) dated 5th January 2017, as amended by Notification No. 11/2017-Customs (ADD) dated 3rd April 2017. An anti-circumvention investigation concerning imports of jute sacking cloth from Bangladesh was initiated vide Notification No. 7/3/2018-DGAD dated 20th March 2018, and the final findings dated 19th March 2019 recommending extension of the anti-dumping duty on jute sacking bags to jute sacking cloth were implemented vide Notification No. 24/2019-Customs (ADD) dated 18th June 2019. Pursuant to a sunset review, continuation of the anti-dumping duty was recommended vide Notification No. 7/09/2021-DGTR dated 30th September 2022, implemented vide Notification No. 33/2022-Customs (ADD) dated 30th December 2022.

6. A mid-term review of the anti-dumping duty so imposed, concerning imports of the subject goods from Bangladesh and Nepal, was initiated vide Notification No. 7/11/2024-DGTR dated 30th June 2025. The final findings in the said mid-term review (Case No. AD (MTR)-02/2024) have been issued on 25th June 2026, recommending re-quantified anti-dumping duties for the remaining period of the duty imposed vide Notification No. 33/2022-Customs (ADD) dated 30th December 2022. The period of investigation in the said mid-term review, that is, April 2024 to March 2025, is the same as the period of investigation in the present investigation.

B. PROCEDURE

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

B.1. Initiation

i. The Authority, under the above Rules, received a written application from the applicants, contending existence of subsidised imports and injury to the domestic industry on imports of the product under consideration in India.
ii. The Authority notified both the Embassies of Bangladesh and Nepal, in India about the receipt of the application before initiating the investigation in accordance with Rule 6(5).

iii. The Authority in terms of Article 13 of WTO Agreement on Subsidies and Countervailing Measures (ASCM) provided opportunity to Government of Bangladesh (“GoB”) and Government of Nepal (“GoN”) for pre-initiation consultations on 1st September 2025. However, GoB and GoN did not participate in the said consultation meetings offered.

iv. The Authority issued a public notice dated 29th Sept., 2025, published in the Gazette of India, Extraordinary, initiating an anti-subsidy investigation concerning imports of the subject goods originating in or exported from the subject countries.

v. The Authority sent a copy of the initiation notification dated 29th Sept., 2025 to the Embassies in India, the known producers and exporters from Bangladesh and Nepal, known importers/users in India and other interested parties, as per the available information. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time limit.

B.2. Circulation of non-confidential version of the application

i. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters in the subject countries and to the Embassies of Bangladesh and Nepal in accordance with Rule 7(3) of the Rules supra.

B.3. Participation by Governments and Exporters of the Subject Countries

i. The Authority sent a questionnaire to the GoB and GoN, seeking relevant information in the form and manner prescribed with regard to various schemes/programs where countervailable benefit might have been conferred onto the Bangladeshi and Nepalese producers/exporters of the product under consideration. The GoB filed a consolidated response to the government questionnaire on 20th November 2025 and an additional response on 24th November 2025, as recorded in Section F.3 below. The GoN did file a questionnaire response, however, that was at a very belated stage.

ii. The Authority sent exporter’s questionnaire to the following producers/exporters to elicit relevant information to the known producers/exporters in Bangladesh and Nepal, in accordance with Rule 7(4) of the Rules.

S.N.	Producers/Exporters	S.N.	Producers/Exporters
Bangladesh			
1	Afzal Fibers	2	Alijan Jute Mills
3	Alina Jute Mills	4	Amin Jute Mills
5	And lmpex	6	Asha Jute Industries
7	Aziz Fibres	8	Bagdad Dhaka
9	Bogra Jute Mills	10	Daulatpur Jute
11	Delta Jute Mills	12	Glory Jute Ltd
13	Golden Jute Mills	14	Hasan Jute Mills
15	Hazrat Shah Chandrapuri	16	Jaman Jute Mills
17	Janata Jute Mills	18	Jatio Jute Mills

19	Jessone Jute Industries	20	Jobaida Karim Jute
21	Joy Jule Mills	22	Jute Textile
23	Karnafully Jute	24	Keraniganj Jute Fibres
25	Khalishpur Jute	26	Laxman Jute Mills
27	M. M. Jute Fibre	28	Mouna Jute Mills
29	N. Abdul Malek	30	Nabrun Jute Mills
31	Natore Jute Mills	32	Nawhata Jute Mills
33	Northern Jute Mtg	34	Nowapara Jute Mills
35	Partex Jute Mills	36	Platinum Jubilee
37	Poddar Agro Industries	38	Pride Jute Mills
39	Purabi Trading	40	R. M. Jute Diversification
41	Rabeyu Jute Mills	42	Rajbari Jute Mills
43	Ranu Agro Industries	44	Reliance Jute Mills
45	Roman Jute Mills	46	Rupali Bangla
47	S Jute Industries	48	Sagar Jute Spinners
49	Shah Ismail Gazi	50	Shidlow Textile
51	Sonali Ansh Industries	52	Star Jute Mills
53	The Crescent Jute	54	Uttara Jute Fibres
Nepal			
1	Ambika	2	Trans Trade Service
3	Asahi Overseas Traders	4	General Overseas Agency
5	Ashok Trading Concern	6	Ghorashyar Enterprises
7	Atlantic Trading Concern	8	Golchha Organization
9	B.K. International	10	Greentex Enterprises
11	Baba Enterprises	12	Gupta Enterprises
13	Balaju Enterprises	14	Him Interntaional (P) Ltd
15	Bhudeo Khadya Udyog	16	Indra Trade Concern
17	Bijaya Enterprises	18	Jalnex Enterprises
19	Sangam International Enterprises	20	Binit Enterprises
21	Khatu International	22	Brighter Industries (P) Ltd
23	Laxmi Concern	24	Chhagan Mall Traders
25	Madan Lal Chiranjibi Lal Chhyangle Trade Links	26	Mahesh Overseas Enterprises
27	Diamond Nepal Enterprises	28	Nepal United Company (P) Ltd
29	Digo International (P) Ltd	30	New Trade Centre
31	Dugar Brothers & Sons	32	Paban Overseas Concern
33	Dugar Organization	34	R & R Enterprises Pvt. Ltd
35	Exportex Trading	36	Rajshree Enterprises
37	Gaurav Impex		

iii. In response to the notification and the request for questionnaire response, following producers/exporters filed questionnaire response and/or submissions:

SN	Producer/Exporter
Bangladesh	
1	AM Jute
2	Ahyan Jute Mills Limited
3	Alijan Jute Mills Limited
4	Asha Jute Industries Limited
5	Bogra Jute Mills Limited
6	Ecotrade International
7	Golden Jute Industries Limited
8	Hasan Jute & Spinning Mills Ltd.
9	Hasan Jute Mills Limited
10	Jamuna Jute Industries
11	Janata Jute Mills Limited
12	Mirza Jute Mills Ltd.
13	Mouna Jute Mills Ltd.
14	Natore Jute Mills
15	Nawhata Jute Mills Ltd.
16	Oriental Jute Mills Ltd.
17	Rahman Jute Mills Pvt. Ltd.
18	Rajbari Jute Mills Limited
19	Ranu Agro Industries Ltd.
20	Sadat Jute Industries Limited
21	Sagar Jute Spinning Mills Ltd.
22	Sidlaw Textiles (Bangladesh) Limited
23	Sonali Aansh Industries Limited
24	Wahab Jute Mills Ltd.
Nepal	
1	Arihant Multi-Fibres Ltd.
2	Baba Jute Mills Pvt. Ltd.
3	Shree Pashupatinath Jute Mills Pvt. Ltd.
4	Shree Raghupati Jute Mills Ltd.
5	Swastik Jute Mills Pvt. Ltd.

iv. Considering the number of responding exporters/producers from the subject countries, the Authority proposed sampling of producers from the subject countries, vide notification dated 2nd January 2026. After receiving comments from the interested parties, the Authority notified the following sample, vide notification dated 10th February 2026. The sample was determined on the basis of the largest percentage of the volume of exports to India during the investigation period.

SN	Particulars
Bangladesh	
1	Hasan Jute Mills Ltd. & Hasan Jute & Spinning Mills Ltd.

2	Janata Jute Mills Ltd. & Sadat Jute Industries Ltd.
3	Sagar Jute Spinning Mills Ltd. & Oriental Jute Mills Ltd.
Nepal	
1	Arihant Multi-Fibres Ltd. & Shree Raghupati Jute Mills Ltd.
2	Swastik Jute Mills Pvt. Ltd.

B.4. Participation by Importers/Users

i. Questionnaires were sent to the following known importers/ users/ associations of subject goods in India calling for necessary information in accordance with the Rules.

SN	Importer	SN	Importer
1	Ahmed Exports	2	Alamin Enterprise
3	Ashim Kar & Industries Pvt. Ltd.	4	B.G.Udyog
5	Bengal Jute & Bag Co.	6	Bhagtara Jute Industries Pvt. Ltd.
7	Birla Corporation Ltd.	8	Chamundi Explosives Pvt.
9	Chiranjilal Gourishanker & Co.	10	Clifton Business Pvt. Ltd.
11	Eskay International	12	Golden Floor
13	Grover International	14	G.N.Commercial Company
15	Gaba Overseas Pvt. Ltd.	16	Gyaniram Agarwal & Company
17	Industrial Associates	18	Industrial Associates Jute Pvt.
19	J.J.Patel and Brothers	20	J.K.Sons & Company
21	J.K.Sons Jute Company Pvt. Ltd.	22	K.L.Jute Products Pvt. Ltd.
23	Knap International	24	Kosmic Hitech Motors Pvt. Ltd.
25	Mohan Jute Ltd.	26	Nav Durga
27	Navin International	28	Pacific Jute Ltd.
29	Privi Exports Pvt. Ltd.	30	R. Harilal & Company (Calcutta)
31	Ramsaran & Sons	32	Romy Enterprises
33	Sarvamangla Pratishthan	34	Satyam lmpex
35	Satyendra Packaging Pvt. Ltd.	36	SDJ International
37	Srijoni lmpex	38	Tuhin Kanz & Co.
39	Unnati Overseas	40	Veer International
41	Vishwatma Commercial Pvt. Ltd.	42	Yucon Overseas Pvt. Ltd.

ii. In response to the notification and the request for questionnaire response, none of the importers or consumers filed questionnaire response and/or submissions.

iii. Exporters, producers and other interested parties who have not responded to the Authority nor supplied information relevant to this investigation, have been treated as non-cooperative.

B.5. Period of Investigation (POI) and Injury Period

i. The period of investigation for the purpose of the present investigation is April 2024 - March 2025 (12 months). However, injury analysis covers the period 2021-22, 2022-23, 2023-24 and the POI.

B.6. Import Data

i. Transaction-wise import data for the injury period, including the period of investigation, was procured from the Directorate General of Systems and Data Management (DG Systems) and relied upon

B.7. Economic Interest Questionnaire

i. The Authority issued an Economic Interest Questionnaire to the Embassy of the subject countries, all the known exporters/producers, importers/users, and the domestic industry. The responding producers/exporters have filed responses to the EIQ.

B.8. Oral Hearing

i. In accordance with Rule 7(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing held on 6th March 2026. The parties which presented their views in the oral hearing were requested to file written submissions and rejoinder submissions thereafter.

B.9. Further Procedure

i. The High Commission of Bangladesh, vide email dated 29th October 2025, requested consultations under Article 13 of the ASCM. A consultation meeting with the Government of Bangladesh was scheduled on 4th December 2025. Further, a meeting was held with the Government of Bangladesh on 19th May, 2026. On the request of the Embassy of Nepal, a consultation meeting with the Government of Nepal was held on 16th April 2026. The Government of Bangladesh filed a consolidated response to the government questionnaire on 20th November 2025 and an additional response on 24th November 2025. It also filed post-hearing written submissions on 11th March 2026 and comments on the disclosure statement on 17th September 2026.

ii. On examination of the injury information filed by the domestic industry, the Authority sought clarification on the identity of the economic parameters and import data furnished in the present investigation with those furnished in the mid-term review of the anti-dumping duty, having regard to the difference in product scope. The domestic industry filed its replies along with revised annexures, the non-confidential versions of which were circulated to the interested parties.

iii. In accordance with Rule 18 of the Rules, the Authority issued a disclosure statement on 10th September 2026 disclosing the essential facts under consideration and invited comments of the interested parties within the time allowed. Comments on the disclosure statement were received from the interested parties. The comments received have been examined and addressed in these final findings to the extent they are relevant and supported by evidence.

iv. Exporters, producers and other interested parties who have not responded to the Authority, or not supplied information relevant to the investigation, have been treated as non-cooperating interested parties, and the Authority has recorded its findings in respect of such parties on the basis of facts available, in terms of Rule 7(8) of the Rules.

v. In accordance with Rule 8, information provided by the interested parties on a confidential basis was examined by the Authority with regard to the sufficiency of the confidentiality claimed. 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 a non-confidential summary of the information filed on confidential basis.

vi. In accordance with Rule 9, the Authority conducted verification of the data provided by the applicant and other interested parties to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.

vii. The Authority calculated the non-injurious price (“NIP”) for the product under consideration so as to ascertain whether duties lower than the subsidy margin would be sufficient to remedy the injury being suffered by the applicant. The NIP has been calculated based on the optimum cost of production and cost to produce and sell the domestic like article in India, based on the information furnished by the applicant and having regard to the Generally Accepted Accounting Principles (“GAAP”).

viii. The submissions made by the interested parties during the course of the investigation, to the extent supported by evidence and considered relevant to the investigation, have been appropriately considered by the Authority in these final findings.

ix. ***in these final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

x. The exchange rate adopted by the Authority for the subject investigation is 1 US$ = Rs. 85.43, being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the POI. The same rate has been applied throughout this disclosure statement.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of the producers/exporters and other interested parties

8. The other interested parties have made the following submissions with regard to product under consideration and like article:

i. Scope of the product under consideration is clearly understood from paragraphs 5 and 7 of the initiation notification, which identifies jute yarn/twine, jute sacking bags and cloth, and jute hessian bags and fabrics to be part of the scope and products in paragraph 7 to be outside of the scope.

ii. “Diversified jute products” under the Jute Act, 2017 does not lay down an exhaustive definition and provides the GoB the power to include or exclude items within the scope of the PUC, through delegated legislation.

iii. Exporters/producers from Nepal are not subject to the laws and regulations of the GoB and therefore the definition of "diversified jute products" and any notifications issued by the GoB do not have any relevance to Nepal.
iv. Definition of the PUC is required to be determined by the Authority, and no foreign government shall be granted the power to prescribe the scope of the PUC.
v. Incorporating Article 2(9) of the Jute Act 2017 into the definition of the PUC would create inconsistency and confusion in the scope of the PUC since "diversified jute products" which covers "carpet backing cloth, and geo-textiles", which have been excluded in Paragraph 7 of the initiation notification.
vi. Present countervailing duty investigation expands the scope of the PUC to beyond that considered in the mid-term review investigation.
vii. Despite the product scope being broader in the present investigation than the mid-term review investigation, the data is identical and hence is fundamentally inconsistent with the principles governing trade remedy investigations.
viii. The Government of Bangladesh could specify the jute yarn count and exclude goods below a minimum jute content in the present investigation through delegated legislation.
ix. Scope of the PUC is broader than that of the mid-term review inasmuch as it includes diversified jute products as defined under Article 2(9) of the Bangladesh Jute Act, 2017 and jute products containing mineral or vegetable oil, and yet the production, sales, and import data furnished for both proceedings is identical.
x. Reliance has been placed on WTO Panel and Appellate Body reports concerning the consistency of the domestic industry and injury data with the product scope.
xi. Domestic industry's claims of like article and detailed examination of product characteristics, manufacturing processes, quality parameters and end uses is required.
xii. PCN must be designed with reference to the specific characteristics of the product under consideration in the present investigation and should not group products with significantly different cost structures, technical specifications, or pricing patterns.

C.2 Views of the domestic industry

9. The domestic industry has made the following submissions with regard to product under consideration and like article:

i. Product under consideration is "Jute Products", comprising jute yarn/twine (single, multiple folded or cabled), jute hessian fabrics and bags, and jute sacking cloth and bags.
ii. The scope of the PUC also covers the subject goods when imported as jute products containing mineral or vegetable oil and when imported as "diversified jute products", as notified and described under Jute Act 2017.
iii. Reference to the definition of the scope of the PUC in Bangladeshi law is merely a clarificatory description, which further states that the PUC also includes the subject goods "when imported as" certain products.
iv. Clarification is made with reference to imports originating in or exported from Bangladesh and cannot be construed as requiring Nepalese exporters to adhere to or comply with Bangladeshi law.

v. Clarification is to ensure that the scope of the PUC appropriately captures relevant forms of subject goods imported from Bangladesh without imposing any obligation on exporters from Nepal under Bangladeshi legal provisions.

vi. Scope of the PUC specifically excludes blanket, decorative fabrics, floor coverings, hand & shopping bags, handicrafts, carpet backing cloth, geo-textiles and other gift novelty items.

vii. The PUC is classifiable under Chapters 53 and 63 of the Customs Tariff Act, 1975, including tariff headings 53071010, 53072000, 53101012, 53101013 and 63051040. The customs classification is indicative only and does not restrict the scope of the PUC.

viii. The subject goods imported from Bangladesh and Nepal are identical to the goods produced by the domestic industry in physical characteristics, production process, quality, specifications, end-uses, pricing and channels of distribution. The domestic product is technically and commercially substitutable with the imported goods, and consumers use them interchangeably and accordingly the goods produced by the domestic industry constitute a like article to the subject goods within the meaning of the Rules.

ix. PCN methodology adopted in the ongoing mid-term review [No. 7/11/2024-DGTR] should also be adopted for the purpose of the present investigation. Accordingly, the applicant companies have submitted information in accordance with the said notification.

x. Assertion of broadening of scope of PUC is incorrect and present investigation merely provides necessary clarification regarding the forms in which subject goods are imported.

xi. Vegetable oil and JB oil are used as inputs in the production of the subject goods, as also acknowledged by the exporters in their submissions in the parallel MTR investigation.

xii. Goods imported as oil-treated variants continue to remain within the scope of the PUC. It is therefore expressly clarified that jute goods treated with vegetable oil or mineral oil fall within the ambit of the subject goods.

xiii. Transactions being made with, as an example, ‘VOT’ in the description means “vegetable oil treated”, which is simply a description of the jute product itself. The example above shows where ‘VOT’ is added to describe jute sacking bags. The domestic industry also produces jute goods with vegetable oils, and therefore such additions to the description do not make it a different product.

xiv. Notification issued by the Government of Bangladesh defines diversified jute goods from which it is evident that hessian, sacking, and jute yarn qualify as diversified jute goods where the prescribed minimum jute content is met (currently 50%). It is clarified that such products, being essentially the same as the core PUC, remain within scope where they are “imported as” diversified jute products.

xv. Reference to diversified jute products does not expand the scope of the PUC but merely ensures that the subject goods, when presented or classified under alternate descriptions or forms, are appropriately captured within the scope of the investigation.

xvi. The intent of the clarification of PUC is only to ensure that the scope of the PUC appropriately captures the relevant forms in which the subject goods are imported from Bangladesh, and not to impose any obligation on exporters from Nepal under Bangladeshi legal provisions.

C.3 Examination by the Authority

10. The product under consideration, as defined in the initiation notification, is "Jute products" comprising of jute yarn/twine (single, multiple folded, or cabled), jute sacking bags and cloth, and jute hessian bags and fabrics. The scope of the product under consideration also covers the subject goods when imported as jute products containing mineral oil or vegetable oil, and as "diversified jute product" as defined by the Government of Bangladesh under Article 2(9) of the Jute Act, 2017. The product scope specifically excludes blanket, decorative fabrics, floor coverings, hand and shopping bags, handicrafts, carpet backing cloth, geo-textiles and other gift novelty items.

11. The product under consideration is classifiable under Chapters 53 and 63 of the Customs Tariff Act, 1975 under headings 5307, 5310 and 6305, jute twine also being classifiable under heading 5607. The customs classifications are indicative only and are in no way binding on the scope of the present investigation.

12. As regards the contention of the producers/exporters from Nepal, the Authority notes that the reference to "diversified jute product" as defined under Article 2(9) of the Bangladesh Jute Act, 2017 is a clarificatory description intended to capture the forms and descriptions under which the subject goods are imported from Bangladesh, having regard to the categorisation adopted by the Government of Bangladesh for its own fiscal and regulatory purposes. The said reference does not enlarge the scope of the product under consideration beyond jute yarn/twine, jute sacking bags and cloth, and jute hessian bags and fabrics, and does not impose any obligation upon the producers/exporters from Nepal under the laws of Bangladesh. The goods expressly excluded under the initiation notification, including carpet backing cloth and geo-textiles, remain excluded irrespective of their treatment under the laws of Bangladesh. The apprehension of the producers/exporters from Nepal is therefore misplaced.

13. As regards the PCN methodology, the Authority notes that the PCN methodology notified in the mid-term review investigation No. 7/11/2024-DGTR, in respect of jute yarn/twine, has been adopted for the present investigation, and the interested parties have filed their information accordingly.

Type of Yarn	1st Digit for type of yarn	Weight of Yarn	2nd Digit for weight of yarn
Sacking	1	Upto 14 LBS	A
		More than 14 LBS and upto 20 LBS	B
		More than 20 LBS and upto 24 LBS	C
		More than 24 LBS and upto 28 LBS	D
		More than 28 LBS	E
		Upto 8 LBS	A

Hessian	2	More than 8 LBS and upto 12 LBS	B
		More than 12 LBS and upto 16 LBS	C
		More than 16 LBS and upto 20 LBS	D
		More than 20 LBS and upto 24 LBS	E
		More than 24 LBS and upto 28 LBS	F
CB	3	Upto 8 LBS	A
		More than 8 LBS and upto 12 LBS	B
		More than 12 LBS and upto 16 LBS	C
		More than 16 LBS and upto 20 LBS	D
		More than 20 LBS and upto 24 LBS	E
		More than 24 LBS and upto 28 LBS	F
CRT/CRX	4	Upto 8 LBS	A
		More than 8 LBS and upto 12 LBS	B
		More than 12 LBS and upto 16 LBS	C
		More than 16 LBS and upto 20 LBS	D
		More than 20 LBS and upto 24 LBS	E
		More than 24 LBS and upto 28 LBS	F
CRM	5	Upto 8 LBS	A
		More than 8 LBS and upto 12 LBS	B
		More than 12 LBS and upto 16 LBS	C
		More than 16 LBS and upto 20 LBS	D
		More than 20 LBS and upto 24 LBS	E
		More than 24 LBS and upto 28 LBS	F

14. The subject goods produced by the domestic industry and the subject goods imported from the subject countries are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification. No interested party has placed on record any evidence of material differences between the imported subject goods and the goods produced by the domestic industry. The two are technically and commercially substitutable and the consumers use the two interchangeably. The Authority holds that the subject goods produced by the domestic industry

are like article to the product under consideration imported from the subject countries, within the meaning of Rule 2(ca) of the Rules.

D. DOMESTIC INDUSTRY AND STANDING

D.1 Views of the producers/exporters and other interested parties

15. The other interested parties have made the following submissions with regard to scope of domestic industry and standing:

    i. Applicants have considered domestic consumption of jute goods as published by the office of the jute commissioner to determine total Indian production.
    ii. Applicants do not account for at least 25% of the total domestic production of the like product in India and have sought to justify their standing by providing a convoluted methodology for considering domestic consumption as total domestic production.
    iii. Authority must adopt the total domestic production as is and determine the share of the domestic industry's production based on this total domestic production.
    iv. Inconsistent data has been relied upon, where total production has been considered for earlier years, however, domestic consumption has been used for the POI. Such inconsistency undermines the standing of the domestic industry.
    v. Neither the CVD Rules nor the ASCM permit the Authority to consider only production meant for domestic consumption as the total domestic production for the purposes of determining standing of the domestic industry.
    vi. Authority must verify the production details provided by each of the applicant companies and determine whether such companies fulfil the requirements of standing.
    vii. Reliance has been placed on the report of the WTO Panel in EC - Salmon (Norway) (WT/DS337/R, paragraph 7.115) to submit that any enterprise producing any form of the like product should be considered a producer of the like product and part of the domestic industry
    viii. Standing claim of the applicants' rest on aggregated or indexed information without disclosure of the underlying figures or methodology and in the absence of meaningful non-confidential summaries the interested parties are unable to test the claimed production shares or the extent of support. The claim requires strict verification by the Authority on the basis of disclosed and testable data.

D.2 Views of the domestic industry

16. The domestic industry has made the following submissions with regard to scope of domestic industry and standing:

    i. The application was filed by IJMA and AP Mesta Twine Mills Association with the following applicant companies:
        a. Bowreah Jute Mills Pvt. Ltd.
        b. Caledonian Jute & Industries Ltd
        c. Cheviot Company Ltd.

d. Gloster Ltd.
e. Hoogly Infrastructure Pvt. Ltd.
f. Ludlow Jute & Specialities Ltd.
g. The Naihati Jute Mills Co. Ltd.
h. Neelam Jute Co. Ltd.

ii. Application was supported by 11 producers of one of the applicant associations, IJMA.
iii. Applicant companies are not importers of the subject goods nor are related to exporters/importers thereof from the subject countries. Production by the applicant companies constitute a major proportion of total domestic production. Thus, applicant companies constitute eligible domestic industry, and standing is met, as per the Rules.
iv. Production figures reported by the Jute Commissioner have not been relied upon for the purposes of determining total Indian production as this data includes export volumes.
v. Domestic consumption figures reported by the Jute Commissioner are significantly lower than the actual total consumption, indicating that imports are not captured therein and that such figures reflect only domestically produced goods.
vi. Even if the production data as reported by the Jute Commissioner is taken into account, the requirements relating to standing remain duly satisfied.

D.3 Examination by the Authority

17. The application has been filed by IJMA and AJMA on behalf of the domestic producers of the subject goods. The following eight producers have participated as applicant domestic producers and furnished injury information. Their production, as a share of total Indian production during the period of investigation is as under:

SN	Particulars	Volume (MT)	Share in production (%)
A	Production by applicant producers		
1	Bowreah Jute Mills Private Limited	***	***
2	Caledonian Jute & Industries Ltd	***	***
3	Cheviot Company Limited	***	***
4	Gloster Limited	***	***
5	Hooghly Infrastructure Private Limited	***	***
6	Ludlow Jute & Specialities Limited	***	***
7	The Naihati Jute Mills Co. Limited	***	***
8	Neelam Jute Co. Limited	***	***

	Total Production of applicant producers	2,71,448	26.03%
B	**Production of supporting producers**		
1	Bally Jute Companies	***	***
2	Anglo India Jute & Textile	***	***
3	Budge Budge Company	***	***
4	Birla Corporation	***	***
5	Ambica Jute Mills	***	***
6	Kamarhatty Company	***	***
7	Jagatdal Jute & Indus	***	***
8	Mahadeo Jute & Indus	***	***
9	Calcutta Jute Manufacturing	***	***
10	The Hooghly Mills Co Ltd	***	***
11	Vijai Shree Pvt Ltd.	***	***
	Total production of Supporting Producers	1,72,860	16.57%
C	**Production of other domestic producers**	5,95,223	57.07%
D	**Total Indian production**	10,43,000	100.00%

18. The applicant producers accounted for 26.3% of total Indian production of the subject goods during the period of investigation as per the revised statement, which adopts a total Indian production of 10,43,000 MT consistent with the production published by the Office of the Jute Commissioner and incorporates hessian bags. The applicant producers together with the supporting producers accounted for 43% of total Indian production. The standing is computed on the basis of production and not consumption, and the contention of the producers/exporters that the applicants adopted consumption as production, and that standing was accordingly not established, therefore no longer survives on the revised record. The share of the applicant producers being above 25% of total Indian production, and the application being supported by producers accounting for a further 17%, the requirement of standing is satisfied. No domestic producer has opposed the application. The producers supporting the application therefore account for more than 50% of the production of the producers expressing support for or opposition to the application and for not less than 25% of the total Indian production of the like article.

19. The applicant producers have not imported the subject goods, and that they are not related to any exporter or producer of the subject goods in the subject countries or to any importer of the subject goods in India. The volumes of production of the applicant producers, of the supporters and of the other Indian producers have been disclosed in absolute terms, and the production of the applicant producers has been examined with reference to their financial information; the demand of the producers/exporters for verification of standing thus stands addressed. On the basis of the

information on record, the Authority holds that the production of the applicant producers constitutes a major proportion of the total domestic production of the like article, that the applicant producers constitute the domestic industry within the meaning of Rule 2(b) of the Rules, and that the application satisfied the requirements of Rule 6(3) of the Rules at the time of initiation.

E. CONFIDENTIALITY

E.1 Views of the producers/exporters and other interested parties

20. The other interested parties made the following submissions on confidentiality:

i. Excessive confidentiality has been claimed by the domestic industry. Key information relating to production, sales, costs, pricing, and profitability has been disclosed only in indexed or aggregated form without meaningful non-confidential summaries. Such disclosure is stated to prevent understanding of the underlying data and methodology and restrict the ability to verify and respond to the allegations, thereby affecting transparency and the right of defence.
ii. Complete questionnaire responses have been filed, and no deficiencies have been identified.
iii. Interested parties have cooperated with the Authority in its entirety and have submitted all relevant information.
iv. Confidentiality claims are in accordance with the Rules and are supported by meaningful non-confidential summaries.
v. Several annexures filed by the domestic industry, in particular the list of jute mills claimed to be located in Export Processing Zones and Economic Zones (Annexures 3 and 4 to the written submissions of the domestic industry), have not been adequately disclosed in the non-confidential version.
vi. Questionnaires of the producers/exporters from Nepal comply with Rule 8 of the Rules and Trade Notice No. 10/2018, that the right to claim confidentiality belongs to the supplier of the information as recognised by the Supreme Court in Union of India Meghmani Organics Ltd., and that the confidentiality comments filed by the applicants deserve to be disregarded; a point-wise reply to the said comments has also been furnished.

E.2 Views of the domestic industry

21. The domestic industry made the following submissions with regard to confidentiality:

i. All volume parameters have been disclosed, while value parameters have been provided in indexed form, in accordance with the established practice of the Authority. The same approach has been consistently adopted in the parallel ADD investigation as well as in the most recent final findings of the sunset review investigation.
ii. Respondents are required to comply with the prescribed standards for confidentiality, including provision of meaningful non-confidential summaries. In the event of non-compliance, the Authority is not obligated to seek additional information or clarifications and may, in accordance with the Rules, disregard or reject such responses.

iii. Majority of the responding exporters claimed the details of the goods being produced by them as confidential, depriving the domestic industry of an opportunity to make meaningful comments.

iv. Jamuna Jute Industries disclosed only Rahman Jute Mills as a related party, however, online research showed that there existed multiple other related parties, some engaged in the production of the raw material of the subject goods, which were not disclosed by the exporter.

v. While the documents itself may be confidential, names of the documents provided to the Authority as sample export sales documents cannot be confidential.

vi. Jamuna Jute Industries and Rahman Jute Mills have claimed Formats C and D as entirely confidential and have not provided a meaningful summary, depriving the domestic industry of the opportunity to make any effective comments.

E.3 Examination by the Authority

22. The Authority has examined the confidentiality claims of the interested parties. Information which is by nature confidential, or which has been furnished on confidential basis with good cause shown, has been treated as confidential in terms of Rule 8 of the Rules. The parties furnishing information on confidential basis were required to file non-confidential summaries in sufficient detail to permit a reasonable understanding of the substance of the information. The Authority notes that the confidentiality claims of the parties, including the domestic industry and the responding producers/exporters, have been accepted and that the non-confidential versions filed by the parties have been placed in the public file and exchanged among the interested parties.

23. Insofar as the third-party market intelligence relied upon by the domestic industry in respect of the location of jute mills in zones in Bangladesh is concerned, the substance of the claim, namely the existence of jute enterprises in the zones as reflected in the published BEPZA Annual Report and on the official websites of BEPZA and BEZA, is available in the non-confidential record and the interested parties have had adequate opportunity to respond thereto.

F. MISCELLANEOUS SUBMISSIONS

F.1 Views of other interested parties

24. The other interested parties have made the following submissions:

i. Same sample as ADD investigation should be adopted, since POI also is the same in both investigations.

ii. Present sample not reflective of prevailing conditions of producers/exporters in Bangladesh as a whole, as sampled producers/exporters attract NIL ADD on jute products and have an advantage to export higher volumes as compared to others. Therefore, a sample based on largest export volume gets skewed.

iii. Sampling approach that excludes largest cooperating exporters at this stage creates avoidable procedural inefficiency and prejudice.

iv. Under the WTO SCM Agreement, any exporter subject to a definitive CVD but was not actually investigated is entitled to an expedited review for an individual duty. To ensure efficiency and due process, principal cooperating exporters should be included in the sample at the stage of investigation, rather than deferring till a post-imposition review.

v. Only three groups of exporters have been selected from Bangladesh in the sample size, out of 24 cooperating exporters. All exporters/producers have submitted complete and timely responses and excluding them would be contrary to natural justice and procedural fairness, especially since individual examination remains feasible.

vi. In contrast, 3 exporters out of 5 cooperating exporters from Nepal have been proposed to be selected in the sample.

vii. Sampling should be proportionate to (i) number of cooperating exporters and, (ii) their export volumes during the POI, to reflect dominant trade flows.

viii. Only 3 out of 24 exporters being selected in the sample from Bangladesh, while 2 out of 5 exporters have been selected from Nepal, is prima facie disproportionate and not representative.

ix. Authority is requested to expand to include largest cooperating exporters from Bangladesh by POI export volume and thus, increase the sample size to at least 10 producers.

x. Sampling in CVD investigation is legally impermissible, as neither the CVD Rules nor the WTO SCM Agreement provide for sampling in an original investigation.

xi. Reliance on Rule 23A is misconceived since it applies only to review proceedings and new shipper cases. This renders the sampling exercise ultra vires the CVD Rules and requires individual subsidy and injury margins to be determined for all cooperating exporters.

xii. Assuming that sampling may be legally undertaken it is unwarranted, since only five Nepalese exporters and two subsidy schemes are involved, individual examination would not be burdensome.

xiii. In the parallel MTR investigation, the Authority has not sampled producers/exporters from Nepal. Verification of all exporters from Nepal can be efficiently undertaken alongside the ongoing ADD MTR without additional administrative or logistical constraints.

xiv. Even if sampling in a CVD investigation is assumed to be derived from ADD practice, corresponding principle of granting individual margins must also apply, as only 2 exporters remain outside the sample. Individual subsidy and injury margins should be determined for them and shouldn’t affect the timely completion of the investigation.

xv. Cash grant on exports under Programme No. 8 of Bangladesh cannot be countervailed, as the same exports are already under examination in the parallel anti-dumping mid-term review covering the same period of investigation and any impact of such grants is already reflected in the export price and dumping margin.

xvi. Imposition of countervailing duty on the cash grant programme alongside anti-dumping measures would amount to addressing the same situation of dumping or export subsidisation twice and would be contrary to the proviso to Section 9B(1)(a) of the Act.

xvii. Nepal is a least developed country covered under Article 27.2(a) read with Annex VII of the ASCM and, therefore, the prohibition on export subsidies under Article 3.1(a) does not apply to Nepal.

xviii. In view of the special and differential treatment available under Article 27 of the ASCM, countervailing measures against export subsidies maintained by Nepal are impermissible and the investigation, insofar as Nepal is concerned, ought to be terminated.

xix. Export competitiveness under Article 27.6 of the ASCM can be established only through notification by the developing country member concerned or computation by the WTO Secretariat; no such notification or computation exists in respect of Nepal and, in any event, Article 27.5 provides Annex VII Members an eight-year phase-out period.

xx. The Government of Bangladesh has justified its cash incentive schemes under Article 27 of the ASCM.

xxi. References to past proceedings, consultations, general market conditions, or allegations relating to circumvention and routing do not establish the existence of countervailable subsidies, and such allegations are unsubstantiated and speculative.

xxii. Any determination of subsidisation must be based on examination of financial contribution, benefit and specificity on the basis of current-period evidence.

F.2. Views of the Domestic Industry

25. The domestic industry has made the following submission:

i. The domestic industry has accepted the Authority's decision of sampling and to determine the subsidy margins for non-sampled cooperating exporters on the basis of the margins established for the sampled producers.

ii. The GoB has not filed a response to the government questionnaire and has only made a presentation at the oral hearing which was not circulated or placed on record at any point.

iii. The response of the GoN was filed on 9th January 2026, much after the prescribed deadline of 24th November 2025. The same was circulated to all interested parties on a much later stage, 5th March 2026, a day before the scheduled oral hearing.

iv. The special and differential treatment under Article 27 is neither unconditional nor indefinite and that the sustained and significant exports of jute products from Bangladesh demonstrate export competitiveness within the meaning of Article 27.6, making continued export subsidisation a conscious policy choice.

F.3. Examination by the Authority

F.3.1. Response of the Government of Bangladesh and treatment of the response of the Government of Nepal

26. The Authority notes that the Government of Bangladesh filed a consolidated response to the government questionnaire on 20th November 2025 and an additional response on 24th November 2025. The said response and submissions have been taken on record and examined in these final findings. The response sets out the position of the Government of Bangladesh on the nature of the alleged programmes, the administering authorities and the legal instruments, including SRO No. 304 dated 5th November 2023 and the schedule of rates of export incentive issued by Bangladesh Bank. The Government of Bangladesh has stated that exporter-specific disbursement data is not maintained by it and would be furnished by the responding exporters. The Authority has therefore recorded its findings in respect of the programmes of the Government of Bangladesh on the basis

of the response of the Government of Bangladesh, the information furnished by the applicants and the information furnished by the responding producers/exporters from Bangladesh, and on the basis of facts available in terms of Rule 7(8) of the Rules to the extent the necessary information is not available on record. The disclosure statement had recorded that the Government of Bangladesh had not filed a response to the questionnaire. The response, which was not on the record of the investigation at that stage, has since been placed on record, and the statement in the disclosure statement stands corrected accordingly. Since the response does not alter any essential fact under consideration or any determination made in the disclosure statement, no fresh disclosure under Rule 18 of the Rules read with Article 12.8 of the ASCM was called for.

27. As regards the response of the Government of Nepal, the Authority notes that the response was filed on 9th January 2026, beyond the prescribed time limit. However, having regard to the fact that the response was filed before the oral hearing and substantially before the determinations herein, that the Government of Nepal is the authority administering the programmes under examination, and that acceptance of the response enables determinations on a more complete factual footing, the Authority has taken the response of the Government of Nepal on record and has examined it along with the other evidence on record.

F.3.2 Double remedy

28. The Authority notes that Section 9B(1)(a) of the Act does not bar the initiation or conduct of a countervailing duty investigation in respect of goods which are subject to anti-dumping duty. The provision addresses the manner of imposition of duties, so as to ensure that no article is subjected to both countervailing duty and anti-dumping duty to compensate for the same situation of dumping or export subsidisation. The subsidy determination in the present investigation has been made independently, on the basis of the information relating to the subsidy programmes, and is distinct from the determination of dumping in the mid-term review. Of the programmes countervailed herein, Programme 8 of the Government of Bangladesh and Programme 1 of the Government of Nepal are contingent upon export performance and operate upon the export price of the subject goods; Programme 10 of Bangladesh and Programme 2 of Nepal are not contingent upon export performance and are not remedied by the anti-dumping duty. The anti-dumping duty on the subject goods, under Notification No. 33/2022-Customs (ADD) dated 30th December 2022 and as recommended for re-quantification in the mid-term review for the same period of investigation, is expressed as a fixed amount per metric tonne by producer and product type. The Authority has accordingly determined the countervailing duty for each producer/exporter in two components, the component attributable to the export contingent programme and the component attributable to the tax concession, and has considered it appropriate, in order to ensure that the same situation of export subsidisation is not compensated twice, that the anti-dumping duty continue to be collected in full and that the export subsidy component of the countervailing duty be collected only to the extent that it exceeds the anti-dumping duty leviable on the same consignment, the tax concession component being collected in full. The manner in which this is to be given effect is given below in the recommendation.

F.3.3 Claims based on the status of the subject countries as least developed countries.

29. The Authority notes that the exemption of least developed country members from the prohibition of Article 3.1(a) of the ASCM under Article 27.2(a) operates in respect of the prohibition and the remedies under Part II of the ASCM. It does not immunise subsidised imports from countervailing action under Part V of the ASCM and Section 9 of the Act, where the subsidies are otherwise countervailable and are causing injury to the domestic industry. Article 27.10 of the ASCM provides, in respect of developing country members, higher de minimis and negligibility thresholds for the purposes of countervailing duty investigations. The imports from each of the subject countries are individually far above the negligibility threshold, and the subsidy margins determined for the sampled producers/exporters, is above the applicable de minimis level. The question whether Bangladesh or Nepal has attained export competitiveness under Article 27.6 is accordingly not determinative of the maintainability of the present countervailing action, and the request for termination on this ground is not acceded to.

F.3.4 Sampling

30. The submissions on sampling were examined by the Authority at the time of confirmation of the sample vide notice dated 10th February 2026. The Authority reiterates that although the Anti-subsidy Rules do not expressly provide for sampling in an original countervailing duty investigation, Rule 23A(3) of the Rules recognises, by necessary implication, a situation in which original countervailing duties are determined for a limited set of producers/exporters, and cooperative producers/exporters not originally investigated are extended the duty determined for the examined producers. A countervailing duty investigation is scheme-centric and evidentiary-intensive, involving examination of the existence, nature and specificity of subsidy programmes, government measures, financial contributions, benefit and allocation. Individual examination of all cooperating producers/exporters would not have been feasible within the statutory time limits.

31. The Authority limited detailed examination to the producers/exporters accounting for the largest representative share of exports, selected three groups from Bangladesh and two groups from Nepal, invited and considered comments of the interested parties, and confirmed the sample. The selection of producers attracting nil anti-dumping duty ensures that the data examined is unaffected by the imposition of anti-dumping duties and provides a reliable basis for assessing subsidisation. Non-sampled cooperating producers/exporters are not denied due process, as they are accorded a duty based on the sampled producers, which would have been absent had complete responses not been filed.

32. The request of the producers/exporters from Nepal for individual margins for all five participating producers, notwithstanding the confirmed sample, is not acceded to for the same reasons. The request of the producers/exporters from Bangladesh that the Authority retain flexibility to replace

a sampled producer/exporter in the event of withdrawal or non-cooperation is noted; no such occasion has arisen.

G. SUBSIDY AND SUBSIDY MARGIN

G.1 Subsidy programmes alleged in the application

33. The applicants alleged that the producers/exporters of the subject goods in the subject countries have benefitted from the following programmes of the Government of Bangladesh (GOB) and the Government of Nepal (GON):

Bangladesh:
(1) Exemption from Dividend Tax
(2) Provision of Electricity at Less than Adequate Remuneration
(3) Accelerated Depreciation
(4) Ten-year Tax Holiday
(5) Exemption of duty on import of raw material, construction material etc.
(6) Exemption of Stamp Duty and land registration fee
(7) Exemption of VAT on utilities consumed inside the zone
(8) Cash Grants on export of jute products
(9) Exemption from Import Duty and VAT on importation of capital machinery and spares for 100% export-oriented enterprises
(10) Preferential tax rate for companies in the jute industry
(11) Export Credit Facilities
(12) Various policies under the National Jute Policy, 2018

Nepal:
(1) Cash Grants on export of jute products
(2) Tax Subsidies for jute industries

G.2 Views of the Governments of the subject countries, producers/exporters and other interested parties

34. The other interested parties have made the following submissions with regard to determination of subsidy and subsidy margin:

   i. Mere existence of an export incentive or tax incentive scheme does not establish a countervailable subsidy; the investigating authority must separately establish financial contribution, benefit and specificity.
   ii. The Bangladesh export incentive scheme is a broad-based export promotion measure available across numerous export sectors and is not limited to producers or exporters of jute products.
   iii. Participation by jute exporters in a programme that is available to multiple sectors does not render the programme specific to the jute industry.

iv. The process for obtaining incentives under the Bangladesh export incentive scheme is documentation-based, requiring export-related documents and proof of realization of export proceeds through banking channels.

v. The administration of the Bangladesh export incentive scheme is rules-based and non-discretionary, involving no negotiated benefits, discretionary approvals or enterprise-specific allocation.

vi. Incentive rates under the Bangladesh export incentive programme have been periodically revised as part of broader fiscal, macroeconomic and trade policy considerations, reflecting its nature as a general export promotion measure.

vii. Any receipts under the Bangladesh export incentive programme are transparently reflected in audited financial statements and are subject to statutory audit requirements.

viii. The allegation that exporters receive a 100% exemption from import duty and VAT on capital machinery is factually incorrect, as the applicable framework provides for concessional duty treatment rather than total exemption.

ix. Documentary evidence placed on record demonstrates that customs duties were assessed and paid on imports of capital machinery, contradicting the allegation of complete duty exemption.

x. The tariff treatment applicable to capital machinery imports forms part of the general customs regime applicable across industries and is not specific to the jute sector.

xi. The alleged preferential corporate tax rate applicable to jute manufacturers arises from a statutory provision forming part of Bangladesh's fiscal policy framework and not from a discretionary subsidy programme.

xii. The corporate tax measure applies uniformly across eligible enterprises engaged in jute manufacturing and is not contingent upon export performance, export earnings or export orientation.

xiii. No methodology has been demonstrated linking the alleged tax benefit to exports of the product under consideration or quantifying any export-related advantage accruing during the POI.

xiv. Export credit facilities such as pre-shipment and post-shipment credit are banking instruments that become relevant only when an exporter actually contracts such financing through a commercial bank.

xv. The existence of export financing or refinance schemes within the banking system does not by itself demonstrate receipt of a financial contribution or benefit by an exporter.

xvi. The Bangladesh respondents submitted that they had not availed any export-linked financing, refinance-backed credit, pre-shipment credit or post-shipment financing during the POI, and therefore no benefit could be attributed under the alleged programme.

xvii. The National Jute Policy is a general sectoral policy framework intended to promote development, sustainability and competitiveness of the jute sector and does not itself constitute a financial contribution.

xviii. No specific implementing measure, programme notification or governmental action under the National Jute Policy has been identified as conferring a measurable benefit upon exporters of the PUC.

xix. The alleged Nepal export subsidy programme has been non-operational since October 2022, with no budgetary allocations or disbursements made thereafter, and the Government of Nepal has formally repealed the programme.

xx. The Nepal income tax concession is available to all qualifying "special industries" based on objective criteria such as the number of Nepali citizens employed, applies automatically without discretion, is horizontal in application, and is therefore not specific to the jute industry.

xxi. Bangladeshi producers/exporters’ factories are located outside any Export Processing Zone or Economic Zone as certified by the local authorities, and the certifications are on record.

xxii. Cash incentive cannot be countervailed in view of Section 9B(1)(a) of the Act and Article VI:5 of the GATT 1994.

xxiii. Subsidy rate should be computed on a constructed CIF denominator.

xxiv. No applications are being accepted under the Programme 1 by the Govt. of Nepal for 24-25 and decided to repeal the program for providing subsidies on exports whereby in terms of Article 19.1 of the ASCM, the subsidy is withdrawn.

xxv. Any accruals for 24-25 were reversed in the books following the 9th October 2025 notification and that amounts credited by their banks remain under lien pending reimbursement by the Nepal Rastra Bank and were not available for utilisation, and that no benefit was accordingly conferred during the period of investigation.

xxvi. Programme 2 of Nepal comprises Sections 11(2b) and 11(3)(a) of the Income Tax Act, 2058 of Nepal, providing a twenty per cent concession on the tax leviable on the income of an entity operating as a "special industry" and graduated employment-linked concessions.

xxvii. The term "production-based industry" covers any manufacturing industry across all sectors and the number of employees is expressly recognised in footnote 2 to Article 2 of the ASCM as an objective criterion, economic in nature and horizontal in application.

xxviii. Under governing procedures, Nepalese exporters are required to record the cash incentives receivable from the government in their financial records in the same year in which the export was made so that the commercial banks handling the export transactions may credit the corresponding amount to the account of the exporter, however these funds so credited are not permitted to be used or withdrawn until approval and release authorisation are issued by the Nepal Rastra Bank.

xxix. Effective tax rate for an eligible special industry employing more than 1,000 Nepali citizens is reduced from 25% to 14% and records are not maintained of revenue foregone by the Government but may be kept by exporters.

xxx. Government of Nepal holds 33.27% of the shareholding of Shree Raghupati Jute Mills Limited however does not exercise control over the company or its operations.

G.3 Views of the domestic industry

35. The domestic industry has made the following submissions with respect to determination of subsidy and subsidy margin:

i. The allegation of double remedy is misplaced as anti-dumping duty and countervailing duty address distinct wrongs of dumping and subsidisation and may lawfully coexist where warranted.
ii. Adequate safeguards exist to avoid duplication, as duties may be structured such that only the higher of ADD or CVD is collected for a given import, and concerned governments may also offer undertakings to cease subsidising exports to India.
iii. The special and differential treatment available to LDCs under Article 27 of the ASCM is not perpetual, and under Article 27.6, once a product attains export competitiveness which is defined as a 3.25% share in world exports for two consecutive years, export subsidies are required to be phased out within the prescribed period.
iv. Bangladesh and Nepal have long attained export competitiveness in jute products. Nevertheless, export-contingent incentives continue to be provided, contrary to ASCM obligations, noting that export subsidies are prohibited per se and cannot be treated as de minimis.
v. The Government of Bangladesh maintains a range of countervailable measures for the jute sector, including tax incentives, grants, preferential credit and provision of goods and services at less than adequate remuneration, many of which are export-specific, region-specific or industry-specific.
vi. Programs 1–3 applicable in Export Processing Zones (EPZs) provide exemption from dividend tax, provision of electricity at less than adequate remuneration, and accelerated depreciation. These are export and region-specific incentives and are countervailable.
vii. Publicly available evidence establishes that jute mills are located within EPZs, including Mongla, Chittagong and Adamjee, and BEPZA's own reporting confirms the presence of jute-product enterprises in EPZs.
viii. In the absence of substantiated rebuttal by the Government of Bangladesh, the Authority is required to proceed on the basis of facts available and treat these EPZ-linked incentives as having been availed by jute producers.
ix. Programs 4–7 administered by the Bangladesh Economic Zone Authority provide region-specific incentives such as tax holidays, exemptions on raw and construction materials, relief from stamp duty and land registration charges, and VAT exemptions on utilities, and jute mills are located in notified economic zones such as Feni.
x. The Government of Bangladesh has not filed any questionnaire responses or any other formal response in the present investigation and only made a presentation during the course of the oral hearing, which was not circulated or placed on record prior to the hearing.
xi. Despite making oral submissions during the hearing, no submissions have been circulated to interested parties and hence submissions made during the hearing without being placed on record cannot substitute a formal response nor can it be treated as valid basis for examination of subsidy schemes under investigation.
xii. Authority should rely on the principle of facts available and make a determination.
xiii. ADD and CVD address distinct forms of unfair trade practices, dumping and subsidisation respectively, and both remedies may coexist where the circumstances so warrant.
xiv. The duties may be structured such that only the higher of the two duties is collected in respect of any given import, thereby ensuring that no double remedy arises.

xv. Concerned Governments may, if they so choose, offer appropriate undertakings that subsidies will not be granted in respect of exports to India.

xvi. Authority may determine the extent of subsidisation independently and compare the same with the applicable duty levels, including the injury margin determined in the anti-dumping proceedings, and ensure that the final duty imposed appropriately addresses the subsidisation without resulting in any duplication of remedies.

xvii. Export subsidies being provided by the Governments of Bangladesh and Nepal cannot claim perpetual protection under Article 27 of the ASCM as the special and differential treatment available to Least Developed Countries is not unconditional or indefinite.

xviii. A Member, as per ASCM, is deemed to have achieved export competitiveness in a product once its share in world exports of that product reaches 3.25% for two consecutive years, following which export subsidies in respect of such product are required to be phased out within the prescribed period.

xix. Exports of jute products from Bangladesh and Nepal have been significant and sustained over a long period, clearly demonstrating export competitiveness in the product concerned, despite which the respective Governments have continued to provide export incentives to their jute sectors reflecting a deliberate continuation of export subsidies even after such subsidies should have been phased out.

xx. Export subsidies being provided by the Govt of Bangladesh, are prohibited even for Least Developed Countries (LDCs) and other developing country members as per Annex VII of the ASCM.

xxi. According to Article 27.6 of ASCM, a member has reached export competitiveness in a product if the member’s share in world trade of that product is at least 3.25% for two consecutive years, which time limit Bangladesh has crossed and accordingly the export subsidies should have been phased out.

xxii. Continued provision of such subsidies despite attainment of export competitiveness reflects a conscious policy choice of the Governments concerned to maintain export subsidies, contrary to the obligations envisaged under the ASCM.

xxiii. In respect of Programme 1 of Nepal, claimed termination of the cash grant programme is a matter for verification. The notification relied upon only records that applications are not being received.

xxiv. In respect of Programme 2 of Nepal, the same is not confined to the income tax concession, but comprises multiple incentives under the Industrial Enterprises Act of Nepal, including income tax concessions, customs duty concessions, incentives for export-oriented and priority industries and land-related concessions, which have remained unanswered by the Government of Nepal and the producers/exporters

G.4 Examination by the Authority

36. In terms of Section 9 of the Act read with the Rules and the ASCM, a countervailable subsidy exists where there is a financial contribution by a government or any public body, or any form of income or price support, whereby a benefit is conferred, and where the subsidy is specific within the meaning of the Rules. Subsidies contingent upon export performance are deemed to be specific. The Authority has examined each alleged programme with reference to (a) the existence

of a financial contribution, (b) the conferment of benefit, and (c) specificity, on the basis of the questionnaire responses of the sampled producers/exporters, their replies to the supplementary questionnaires/clarification letters issued to each sampled group together with the annexures and exhibits thereto, the verification record, the response of the Government of Nepal, the submissions and evidence of the domestic industry, and, in respect of the programmes of the Government of Bangladesh, facts available in terms of Rule 7(8) of the Rules.

37. The detailed programme-wise examination of the record of each sampled group and the benefit under each countervailable programme has been determined for the period of investigation and allocated as follows: benefits contingent upon or attributable to exports have been allocated over the FOB value of the relevant exports, and benefits not contingent upon exports have been allocated over total turnover, the export-attributable portion being carried to the margin. The subsidy margin has been expressed as a percentage of the FOB export value. The constructed CIF denominators proposed by certain sampled producers/exporters, incorporating notional freight and insurance have not been accepted, and the FOB invoice value as reported in Format E and reconciled with the audited accounts has been adopted as the denominator. The amount of subsidy has been calculated in terms of Rule 12 of the Rules read with the guidelines laid down in Annexure IV thereto.

G.5 Examination by the Authority - programmes of the Government of Bangladesh

G.5.1. Programmes 1 to 7 (Export Processing Zones and Economic Zones)

38. The evidence on record, including the BEPZA Annual Report 2022-23 and the official publications of BEPZA and BEZA relied upon by the domestic industry, indicates the existence of the zone-based programmes and the presence of jute enterprises in certain zones. However, on examination and verification of the questionnaire responses and supplementary replies of the sampled producers/exporters from Bangladesh, it is noted that none of the sampled producers/exporters is located in an Export Processing Zone or an Economic Zone. Each sampled group has stated on record that it has not availed any assistance or grant under Programmes 1 to 7, and no material on record contradicts these statements. Accordingly, countervailability of the following programmes and possible benefit under Programmes 1 to 7 has not been determined for the purposes of the present investigation.

i. Program No. 1: Exemption from Dividend Tax
ii. Program No. 2: Provision of Electricity at Less Than Adequate Remuneration
iii. Program No. 3: Accelerated Depreciation
iv. Program No. 4: 10-year Tax Holiday
v. Program No. 5: Exemption of duty on import of raw material, construction material etc.
vi. Program No. 6: Exemption of Stamp Duty and land registration fee
vii. Program No. 7: Exemption of VAT on utilities consumed inside the zone

G.6 Export Contingent Incentives

39. The Authority has examined the following programmes that provide export contingent incentives:

i. Program No. 8: Cash Grants on Export of Jute Products
ii. Program No. 9: Exemption from Import Duty and VAT on importation of Capital Machinery and Spares for 100% export-oriented enterprises
iii. Program No. 11: Export Credit Facilities

40. Programme 8: Cash grants on export of jute products: It is seen that the programme is administered through Bangladesh Bank, which is the central bank of Bangladesh and a public body, under FE Circular No. 05 dated 12.02.2024 (applicable to exports during 01.04.2024 to 30.06.2024) and FE Circular No. 12 dated 30.06.2024 (applicable to exports during 01.07.2024 to 31.03.2025). The rates applicable under the said circulars were 15% and 10% respectively for diversified jute products, 7% and 5% for hessian, sacking and carpet backing cloth, and 5% and 3% for jute yarn/twine, on the repatriated export value. The disbursement of the cash incentive constitutes a direct transfer of funds and hence a financial contribution within the meaning of Section 9 of the Act and Article 1.1(a)(1)(i) of the ASCM, conferring a benefit equal to the amount of the grant. The incentive is contingent in law upon export performance and is therefore deemed to be specific; the Government of Bangladesh has itself acknowledged the export-contingent character of the programme.

41. The contention of the producers/exporters that the programme is a horizontal export promotion measure and hence not specific is misconceived: a subsidy contingent in law upon export performance is deemed to be specific, and the availability of export-contingent cash incentives to several product sectors does not detract from such deemed specificity. The contention in rejoinder that the domestic industry has not demonstrated any identifiable receipt, nexus or allocation is inapposite: the benefit has been determined on the cash incentive amounts reported and reconciled in the questionnaire responses and supplementary replies of the sampled producers/exporters themselves, in respect of their own exports of the subject goods to India during the period of investigation.

42. The sampled producers/exporters claimed and accrued the incentive on their shipments to India at the rates applicable to diversified jute products, on the footing that their products contain at least 50% jute by value in terms of the Jute Act, 2017. The programme being recurring and shipment-linked, the benefit has been determined on the basis of the incentive accrued on exports made during the period of investigation, the sampled producers/exporters having themselves submitted that the accrual basis is appropriate, net of the bank charges deducted at disbursement as claimed. On this basis, and on the FOB denominator, the Programme 8 margin has been determined.

43. Programme 9: Exemption from import duty and VAT on importation of capital machinery and spares for 100% export-oriented enterprises. As regards the legal defence of exporters, the Authority notes that footnote 1 to Article 1.1 of the ASCM and paragraphs (h) and (i) of Annex I read with Annex II concern the exemption or remission, not in excess, of duties or taxes borne by the like product for domestic consumption, and of import charges on inputs consumed in the production of the exported product; capital machinery and spares are not inputs consumed in production, and the contention that the programme is per se non-countervailable is not accepted. On the facts, however, the sampled producers/exporters have stated, and their import

documentation indicates, that their imports of capital machinery for textile were assessed at the rate of 1% customs duty generally applicable to imports of capital machinery, and that no exemption specific to 100% export-oriented enterprises was claimed or availed. No benefit under Programme 9 has accordingly been determined for the sampled producers/exporters for the period of investigation.

44. Programme 11: Export credit facilities. The applicants have alleged, with reference to the circulars of Bangladesh Bank (including BRPD Circular Letter No. 33 concerning the refinance scheme for pre-shipment credit), that exporters obtain loans at a concessional interest rate of 5% while the participating banks access refinance at 2%. Export-contingent financing at below-market rates confers a benefit equal to the difference between the interest actually paid and the interest payable on a comparable commercial loan. The sampled producers/exporters have confirmed on record that no export credit under the programme was availed during the period of investigation. No benefit under Programme 11 has accordingly been determined for the sampled producers/exporters.

G.6.1. Tax and VAT Incentives

45. Programme 10: Under SRO No. 304-Law/Income Tax-18/2023, the rate of income tax on income from jute products is fixed at 10% for the tax years 2023-24 to 2025-26, as against the standard rate of 27.5% applicable to a private limited manufacturing company under the Income Tax Act, 2023 of Bangladesh. In addition, advance income tax collected on export realisation under Section 123 of the said Act operates as the final discharge of tax on export income, and tax deducted at source at 10% on disbursement of the cash incentive operates as the final discharge of tax on such receipts. The revenue so foregone is a financial contribution within the meaning of Section 9 of the Act and Article 1.1(a)(1)(ii) of the ASCM, and the concession, being limited by law to the jute industry, is specific. The contention that the rate is a uniform statutory rate applicable to the entire jute sector and not export contingent does not hold merit: a subsidy limited by law to an industry or group of industries is specific, irrespective of uniformity within the sector and irrespective of export contingency. The contention of the sampled producers/exporters that no benefit arises because 10% is the rate applicable to them assumes the very concession under examination and is rejected.

46. The sampled producers/exporters have contended, in their comments on the disclosure statement, that the cash incentive received under Programme 8 has been countervailed in full and gross of the tax deducted at source thereon, and that the tax saving on the same cash incentive income cannot thereafter be countervailed again under Programme 10 without countervailing the same economic benefit twice. The Authority has examined the contention. Under Programme 8 the cash incentive has been countervailed at the full amount of the entitlement accruing on exports made during the period of investigation, without deduction of the tax deducted at source on it. The tax concession measured on the cash incentive income stream under Programme 10 in the disclosure statement was the difference between tax at the benchmark rate of 27.5% and tax actually borne on that same amount. Where the incentive has been countervailed gross of tax, the tax which the recipient would have borne on it at the benchmark rate is already comprised in the amount

countervailed, and to measure the concession on that stream a second time would count the same revenue twice. The Authority has therefore excluded the cash incentive income stream from the determination of benefit under Programme 10 and has determined the benefit on the export income and domestic income streams alone. The tax concession on those streams is a benefit independent of the cash incentive and remains countervailable, and the contention that no benefit at all arises under Programme 10 is not accepted.

47. The benefit under Programme 10 has accordingly been determined as the difference between the tax payable at the benchmark rate of 27.5% on the export income and domestic income of each sampled entity and the tax actually borne on that income, for FY 2023-24 and FY 2024-25 (July to June years), apportioned to the period of investigation in the ratio of months (three months of FY 2023-24 and nine months of FY 2024-25). The cash incentive income and the tax deducted at source thereon have been excluded from the income and from the tax borne respectively. Where the income of an entity excluding the cash incentive is a loss, or the tax actually borne on the remaining income exceeds the tax at the benchmark rate on that income, no benefit has been determined for that year. The same method has been applied to every sampled entity. The concession not being contingent upon export performance, the benefit so determined for the entity as a whole has been allocated over the total turnover of the entity during the period of investigation, and the rate so determined has been applied to the exports of the subject goods to India.

G.6.2. Provision of Goods and Services at Less than Adequate Remuneration

48. The domestic industry has, by its letter dated 24th December 2025 and its post-hearing submissions, expanded upon the allegation in the application and contended that the Jute Act, 2017 and the National Jute Policy, 2018 confer on the Government of Bangladesh pervasive control over the raw jute market, and that raw jute is thereby made available to producers of the subject goods in Bangladesh at prices below an undistorted market benchmark, for which the export price of raw jute from Bangladesh has been proposed as the benchmark. The producers/exporters have contended that the National Jute Policy, 2018 is a policy framework without an identified implementing instrument and involves no financial contribution. The sampled producers/exporters have stated on record that they have not availed any assistance or grant under the programme, and no benefit under Programme 12 has been determined for the sampled producers/exporters.

G.7. Examination of the responses of the sampled producers/exporters from Bangladesh and determination of subsidy margin

G.7.1. Hasan Group: Hasan Jute Mills Limited (HJML) and Hasan Jute & Spinning Mills Limited (HJSML)

49. Hasan Jute Mills Limited (HJML) and Hasan Jute & Spinning Mills Limited (HJSML) were sampled as a single group of producers/exporters from Bangladesh. The two companies are under common management and a common promoter group, with the same Managing Director holding *** % of the shares of HJML and *** % of the shares of HJSML. Both companies filed exporter

questionnaire responses. Upon examination of the responses, the Authority issued a supplementary questionnaire/clarification letter and the reply was received.

50. M/s Hasan Jute Mills Limited, Bangladesh, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of jute yarn/twine and *** MT of sacking bags and cloth, for an invoice value of US$ *** lakh. The exports were made directly to unrelated customers in India on CFR/CPT terms, without involvement of any related or unrelated intermediary. The goods were invoiced in US dollars.

51. M/s Hasan Jute & Spinning Mills Limited, Bangladesh, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of jute yarn/twine and *** MT of sacking bags and cloth, for an invoice value of US$ *** lakh. The entire exports were made directly to unrelated customers in India on CPT terms and were invoiced in US dollars.

Programme 8: Cash incentive on export of jute goods

G.7.1.1. Submissions of the exporters

52. The exporters have confirmed availing cash incentive on exports of jute goods under the Foreign Exchange Policy Department circulars of Bangladesh Bank, namely FE Circular No. 05 dated 12.02.2024 (applicable to exports during 01.04.2024 to 30.06.2024) and FE Circular No. 12 dated 30.06.2024 (applicable to exports during 01.07.2024 to 31.03.2025). As per the exporters, the rates applicable were 15% and 10% respectively for diversified jute products, 7% and 5% for hessian, sacking and CBC, and 5% and 3% for jute yarn/twine. The exporters have claimed the incentive on all shipments at the rates applicable to diversified jute products, namely 15% for the first quarter of the POI and 10% thereafter, and have explained that the incentive reported exceeds 10% of the FOB value for this reason. It was submitted that under the Jute Act, 2017 of Bangladesh a diversified jute product must contain at least 50% jute by value.

53. On the amount to be considered, the exporters submitted that the cash incentive should be determined on the basis of the incentive attributable to exports made during the POI, irrespective of the date of receipt, and that the amount should be taken net of bank charges, processing fees and other deductions made at the time of disbursement.

54. In response to the specific query requiring the exporters' own programme-wise computation of benefit, HJML computed a subsidy rate of *** % and HJSML computed a subsidy rate of *** %. The denominator adopted by the exporters is a constructed CIF value. The benefit figure adopted by the exporters is the shipment-wise accrual at the claimed rates of 15%/10% as per Format-E, net of bank charges.

G.7.1.2. Examination by the Authority

55. The Authority has adopted as the benefit the shipment-wise entitlement computed by the exporters themselves at the claimed rates of 15% and 10% in Format-E (Annexure-3), net of the bank

charges as claimed, namely BDT *** for HJML and BDT *** for HJSML. This is the exporters' own transaction-wise statement of the incentive accruing on exports made during the POI.

Table 1: Programme 8 benefit determined for the POI (BDT)

Particulars	HJML	HJSML	Source of figure
Incentive entitlement on POI exports at claimed 15%/10% rates, gross	***	***	Annexure-3, sheet 'Summary of Sale',
Less: bank charges as claimed	***	***	Annexure-3, sheet 'Summary of Sale'
Benefit determined (net, as computed by the exporters)	***	***	Annexure-3, sheet 'Summary of Sale'
FOB value of exports to India (POI)	***	***	Format-E
Subsidy rate (% of FOB)	**5-15%**	**5-15%**	**benefit / FOB**

Programme 10: Preferential income tax treatment of the jute industry

G.7.1.3. Submissions of the exporters

56. The exporters furnished the income tax returns and computations for FY 2023-24 and FY 2024-25 for both companies. No benefit was computed by the exporters under this programme in their programme-wise computation, the implicit position being that no countervailable benefit arises because 10% is the rate applicable to them.

G.7.1.4. Examination by the Authority

57. The Authority has examined the income streams of the companies as per the returns and computations filed, namely export income, cash incentive income and domestic income. For the reasons recorded in Section G.6.1 above, the cash incentive income stream has been excluded, and the tax actually borne on the export income and domestic income has been deducted from the benchmark tax at 27.5% on the corresponding income.

58. Since the POI straddles two financial years and income tax in Bangladesh is assessed on the July to June year, the Authority has apportioned the benefit computed for FY 2023-24 and FY 2024-25 to the POI in the ratio of the months of each year falling within the POI, namely three months (April to June 2024) of FY 2023-24 and nine months (July 2024 to March 2025) of FY 2024-25. On consideration of the comments of the exporters on the disclosure statement, the benefit on the export income and domestic income streams, the domestic income stream being taken in full, has been determined for each company as a whole and allocated over its total sales during the POI (HJML BDT ***; HJSML BDT ***).

Table 2: Programme 10 benefit, HJML (BDT)

Income stream / year	Taxable income	Tax borne	Tax at 27.5%	Benefit
FY 2023-24: Export income	***	***	***	***
FY 2023-24: Domestic income	***	***	***	***
FY 2023-24: Total				***
FY 2024-25: Export income	***	***	***	***
FY 2024-25: Domestic income	***	***	***	***
FY 2024-25: Total				***
POI (3/12 of FY 2023-24 + 9/12 of FY 2024-25)				*******

*Source: taxable income and tax borne, stream-wise, as per the income tax returns and computations at Annexure-1 (FY 2023-24, AY 2024-25) and Annexure-2 (FY 2024-25, AY 2025-26); FY 2024-25 total income *** and gross tax *** per Part B of the return and the computation sheet annexed. The benefit on the domestic income stream has been taken in full. Tax at 27.5% and benefit are computed by the Authority.*

Table 3: Programme 10 benefit, HJSML (BDT)

Income stream / year	Taxable income	Tax borne	Tax at 27.5%	Benefit
FY 2023-24: Export income	***	***	***	***
FY 2023-24: Domestic income	***	***	***	***
FY 2023-24: Total				***
FY 2024-25: Export income	***	***	***	***
FY 2024-25: Domestic income	***	***	***	***
FY 2024-25: Total				***
POI (3/12 of FY 2023-24 + 9/12 of FY 2024-25)				*******

*Source: as for Table 2; HJSML returns and computations at Annexure-1 and Annexure-2. FY 2024-25 total income *** and gross tax *** per the return and the computation sheet annexed.*

59. The benefit under Programme 10 for the POI is accordingly determined at BDT *** for HJML, being *** % of its total sales, and BDT *** for HJSML, being *** % of its total sales. The

exporters' implicit claim of nil benefit under this programme is rejected for the reasons stated above.

G.7.1.5. Subsidy margin for the group

60. HJML and HJSML being related companies sampled as one group, the subsidy margin for the group has been determined as the weighted average of the individual margins, weighted by the FOB value of exports to India during the POI.

Table 4: Subsidy margin, Hasan Group (POI)

Entity	FOB exports to India (BDT)	Programme 8 (BDT / % FOB)	Programme 10 (BDT on exports to India / % of total sales)	Total margin (% FOB)
HJML	***	5-15%	0-10%	15-25%
HJSML	***	5-15%	0-10%	15-25%
Group (weighted average)	***	**5-15%**	**0-10%**	**15-25%**

61. The subsidy margin so determined for the Hasan Group is above the de minimis level.

G.7.2. Janata/Sadat Group: Janata Jute Mills Limited (JJML) and Sadat Jute Industries Limited (SJIL)

62. Janata Jute Mills Limited (JJML) and Sadat Jute Industries Limited (SJIL) were sampled as a single group of producers/exporters from Bangladesh. Both companies are subsidiaries of Akij Holdings Limited, which holds *** % of JJML and *** % of SJIL, and are therefore under common control. Both companies filed exporter questionnaire responses. The Authority issued a supplementary questionnaire/clarification letters and the companies filed their replies with annexures.

63. M/s Janata Jute Mills Limited, Bangladesh, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of jute yarn/twine and *** MT of sacking bags and cloth/fabric, for an invoice value of US$ *** lakh. The exports were made predominantly on FOB terms (over 99% by volume), with marginal volumes on FCA and CFR terms, directly to unrelated customers in India, and were invoiced in US dollars. M/s Sadat Jute Industries Limited, the other constituent of the sampled group, did not export the product under consideration to India during the period of investigation, its entire exports having been made to third countries. The exports of the group to India were, therefore, made only by M/s Janata Jute Mills Limited. The subsidy margin for the group is accordingly determined on the basis of JJML's exports to India.

Programme 8: Cash incentive on export of jute goods

G.7.2.1. Submissions of the exporters

64. JJML has confirmed availing cash incentive on exports under FE Circular No. 05 dated 12.02.2024 (exports of 01.04.2024 to 30.06.2024) and FE Circular No. 12 dated 30.06.2024 (exports of 01.07.2024 to 31.03.2025), and has claimed the incentive on all shipments to India at the rates applicable to diversified jute products, namely 15% and 10% respectively, stating that under the Jute Act, 2017 a diversified jute product must contain at least 50% jute by value and that the rate of 15% for the first quarter explains the incentive exceeding 10% of FOB. JJML submitted that the incentive should be determined on the basis of the incentive attributable to exports made during the POI irrespective of the date of receipt, and net of bank charges and other deductions made at disbursement.

65. JJML stated that its books account for the subsidy on a cash (receipt) basis, and accordingly furnished no statement of opening and closing receivables; its subsidy ledger records credits aggregating BDT *** received during the POI through its banks in respect of its total exports, against which tax was deducted at source at 10% (BDT ***) and bank charges of BDT *** were debited.

66. In its programme-wise computation, JJML computed the benefit on its exports to India at a claimed subsidy rate of *** %. JJML has also raised the contention, in terms identical to that of the other sampled groups, that the cash incentive being export-contingent cannot be countervailed in view of Section 9B(1)(a) of the Customs Tariff Act, 1975 and Article VI:5 of GATT 1994, as anti-dumping duty is already in force on the subject goods.

G.7.2.2. Examination by the Authority

67. Consistent with the approach adopted for the other sampled group from Bangladesh, the Authority has adopted as the benefit the shipment-wise entitlement computed by JJML itself at the claimed rates of 15% and 10% in Format-E for exports to India, net of the bank charges as claimed. As regards the denominator, the constructed CIF value has not been accepted. JJML's exports to India were effected on FOB (and in two transactions CFR) terms; the construction adds notional freight and notional insurance at 0.50%. The Authority has adopted the FOB invoice value of exports to India during the POI. JJML's own computation is thus accepted in its entirety except the constructed CIF denominator.

Table 1: Programme 8 benefit determined for the POI, JJML (BDT)

Particulars	Amount	Source of figure
Incentive entitlement on POI exports to India at claimed 15%/10% rates, gross	***	Annexure-3, sheet 'Summary of Sale
Less: bank charges as claimed	***	Annexure-3, sheet 'Summary of Sale

Benefit determined (net, as computed by the exporter)	***	Annexure-3, sheet 'Summary of Sale
FOB value of exports to India (POI)	***	Annexure-3
Subsidy rate (% of FOB)	**5-15%**	**Benefit / FOB**

Programme 10: Preferential income tax treatment of the jute industry

G.7.2.3. Submissions of the exporters

68. In reply to the group-specific query, JJML stated that it has not availed any benefit under Programme 10. No computation of Programme 10 benefit was furnished.

G.7.2.4. Examination by the Authority

69. The claim of nil benefit is contradicted by JJML's own record. The Income Breakdown Statement annexed to its income tax return for FY 2023-24 (Annexure-1) itself quantifies tax savings.

70. The Authority has computed the benefit for FY 2023-24 and FY 2024-25 and apportioned it to the POI in the ratio of months, namely three months of FY 2023-24 and nine months of FY 2024-25. For FY 2023-24 the computation rests on the Income Breakdown Statement annexed to the return, the subsidy income stream being excluded for the reasons recorded in Section G.6.1 above. For FY 2024-25, the income from business as per the tax computation of the company includes the subsidy income, and the business income excluding the subsidy is negative. No tax at the benchmark rate therefore arises on the export and domestic income streams for that year, while the tax actually borne on export proceeds exceeds that nil benchmark, and no benefit has accordingly been determined for FY 2024-25.

71. The benefit so computed relates to the entirety of JJML's operations. On consideration of the comments of the exporter on the disclosure statement, the benefit rate has been determined over the total sales of JJML during the POI, and the same rate applies to its exports to India; the corresponding India-attributable amount is shown in the margin table.

Table 2: Programme 10 benefit, JJML, FY 2023-24 (BDT)

Income stream	Taxable income	Tax borne	Tax at 27.5%	Benefit
Export business income	***	***	***	***
Domestic business income	***	***	***	***
Total				*******

Source: Annexure-1 of JJML's reply, Income Breakdown Statement annexed to the income tax return for Accounting Year 2023-24 (Assessment Year 2024-25): taxable income and tax borne per that *statement; the benefit on the domestic business income stream has been taken in full. Tax at 27.5% and benefit computed by the Authority.*

Table 3: Programme 10 benefit, JJML, FY 2024-25 and POI apportionment (BDT)

Particulars	Amount	Source of figure
Subsidy income, FY 2024-25 (receipt basis)	***	Audited accounts for year ended 30.06.2025, other income note (Annexure-5 of reply dated 08.08.2026); tax computation for AY 2025-26 (Annexure-1 of said reply)
Tax deducted at source at 10%	***	AIT on cash subsidy under Sections 53DDD/112 as per the tax computation for AY 2025-26 (Annexure-1 of reply dated 08.08.2026)
Income from business as per the tax computation, FY 2024-25 (including the subsidy income)	***	Tax computation for AY 2025-26 (Annexure-1 of reply dated 08.08.2026)
Business income excluding the subsidy income	***	Computed; negative
Tax actually borne on export proceeds, FY 2024-25 (AIT under Sections 53BB/123)	***	Tax computation for AY 2025-26 (Annexure-1 of reply dated 08.08.2026)
Benefit, FY 2024-25 (export and domestic income streams)	Nil	Business income excluding the subsidy is negative; the tax actually borne on export proceeds exceeds the nil tax at the benchmark rate
POI benefit (3/12 of FY 2023-24 benefit + 9/12 of Nil)	*******	**Computed**
Total sales, POI	***	As furnished by the exporter
Programme 10 rate (% of total sales)	**0-5%**	**Benefit / total sales**

G.7.2.5. Treatment of SJIL and margin for the group

72. SJIL made no exports of the product under consideration to India during the POI. Its cash incentive receipts and tax concessions relate entirely to exports to third countries and to its domestic operations, and no part thereof is attributable to exports of the subject goods to India. No individual subsidy margin is therefore determinable for SJIL for the POI. SJIL being under the common control of Akij Holdings Limited and co-sampled with JJML, the subsidy margin determined for the group on the basis of JJML's exports to India applies to the group.

Table 4: Subsidy margin, Janata/Sadat Group (POI)

Entity	FOB exports to India (BDT)	Programme 8 (BDT / % FOB)	Programme 10 (BDT on exports to India / % of total sales)	Total margin (% FOB)
JJML	***	5-15%	0-5%	10-20%
SJIL	Nil	Not allocable	Not allocable	Not determinable
Group	*****	**5-15%**	**0-5%**	**10-20%**

73. The subsidy margin so determined for the Janata/Sadat Group is above the de minimis level.

G.7.3. Sagar Jute Spinning Mills Ltd. and Oriental Jute Mills Ltd. (Bangladesh)

74. M/s Sagar Jute Spinning Mills Ltd. ("Sagar") and M/s Oriental Jute Mills Ltd. ("Oriental"), related producers/exporters constituting Sampled Group 3, filed a common exporter questionnaire response. Supplementary questionnaires were addressed to the group and replies were received for both entities.

75. M/s Sagar Jute Spinning Mills Limited, Bangladesh, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of sacking cloth and *** MT of jute yarn/twine, for an invoice value of US$ *** lakh. The exports were made on CNF terms and were invoiced in US dollars. Barring a small volume of *** MT of yarn exported through an unrelated trader, the exports were made directly to unrelated customers in India.

76. M/s Oriental Jute Mills Limited, Bangladesh, exported *** MT of jute yarn/twine to India during the period of investigation, for an invoice value of US$ *** lakh. The entire exports were made directly to unrelated customers in India on CNF terms and were invoiced in US dollars.

77. On examination of the replies, certain documents and clarifications were found wanting and were called for by the Authority. The exporters responded furnishing a corrected format E, income tax returns along with other documents. The clarifications furnished therein are dealt with in the respective sections below.

Programme 8: Cash grant on export of jute products

G.7.3.1. Submissions of the exporters

78. The exporters have submitted that the incentive should be determined on accrual, that is, the amount attributable to exports made during the POI irrespective of the date of receipt; the amount should be taken net of bank charges and other deductions made at disbursement; and computed on this basis for exports of the product under consideration to India, the benefit is BDT *** for

Sagar against a denominator of BDT *** stated as CIF value (*** %), and BDT *** for Oriental against BDT *** (*** %).

G.7.3.2. Examination by the Authority

79. Consistent with the determination for Groups 1 and 2, the Authority adopts the exporters' own computation of the benefit, on accrual for POI exports and net of bank charges, as furnished. The sole departure is the denominator. The constructed CIF value is rejected: the exports were invoiced on CNF/C&F terms, no insurance was incurred, and the 0.5% addition is notional; the incentive itself is sanctioned by reference to the FOB value realised. The benefit is accordingly spread over the FOB value of the same transactions as reported to Bangladesh Bank in Format-E. As regards the classification of yarn, twine and sacking cloth as "diversified jute products" attracting 15%/10% in place of the lower scheduled rates, the benefit countervailed is the amount actually accrued and disbursed at those rates.

Table 1: Programme 8 computation (BDT)

Particulars	Sagar	Oriental	Source
Incentive at claimed rates on FOB (India, PUC)	***	***	Claimed
Less: bank charges (as claimed)	***	***	
Benefit adopted (as claimed by exporter)	***	***	
Denominator adopted: FOB value (Central Bank)	***	***	Annexure-6 Format-E
Programme 8 subsidy rate determined	5-15%	5-15%	Computed

Programme 10: Preferential income tax for the jute industry

G.7.3.3. Submission of the exporters

80. The exporters submit that 10% is "the applicable rate" of tax on jute products for domestic and export income alike; that the cash incentive is excluded from taxable income, the 10% deduction at source upon its disbursement operating as the final discharge; and that no benefit therefore arises.

G.7.3.4. Examination by the Authority

81. The claim of no benefit under the program is rejected as already discussed above.

82. The benefit for each Bangladesh tax year is the tax at the 27.5% benchmark on the total income per the return excluding the cash subsidy income, less the tax actually borne for that year (the minimum tax under section 163) excluding the tax deducted at source on the cash subsidy, for the reasons recorded in Section G.6.1 above. The cash subsidy income and the tax deducted at source thereon have been taken from the notes to the audited accounts of each entity for the respective year. Where the income excluding the cash subsidy is a loss, or the tax actually borne on the

remaining income exceeds the tax at the benchmark rate on that income, no benefit arises for the year. The POI (April 2024 to March 2025) spans three months of FY 2023-24 (July 2023 to June 2024) and nine months of FY 2024-25 (July 2024 to June 2025); the annual benefits are apportioned 3/12 and 9/12 accordingly and, on consideration of the comments of the exporters on the disclosure statement, allocated over the total sales of the entity during the POI, consistent with the approach for Groups 1 and 2. The tax deducted at source in excess of the tax computed at 10% was not refundable or adjustable during the POI in terms of Section 163(7)(a) of the Income Tax Act, 2023 of Bangladesh, as also stated by the exporters in their reply, and the tax actually borne has accordingly been adopted.

Table 2: Programme 10 – Oriental (BDT)

Particulars	**FY 2023-24**	**FY 2024-25**	**Source**
Total income as per return	***	***	Annexures-2/3, return Part II, serial 28
Less: cash subsidy income	***	***	Other income note of the audited accounts for FY 2023-24 and FY 2024-25
Income excluding cash subsidy	***	***	Computed
Tax at 27.5% benchmark on income excluding cash subsidy	***	***	Computed
Tax actually borne (minimum tax)	***	***	Return serial 38; Note 23 of FY accounts
Less: tax deducted at source on cash subsidy	***	***	Current tax note of the audited accounts (TDS under Section 53DDD)
Tax borne on income excluding cash subsidy (AIT on export)	***	***	Computed
Benefit for the year	***	***	Computed
Apportioned to POI (3/12; 9/12)	***	***	Computed
POI benefit; rate on total sales	0-5%		Computed

Table 3: Programme 10 – Sagar (BDT)

Particulars	**FY 2023-24**	**FY 2024-25**	**Source**
Total income per return	***	***	Annexure-2 to reply of the supplementary questionnaire; Annexure-1 to response dated

			08.08.2026; return Part II, serial 28
Less: cash subsidy income	***	***	Other income note (Note 21) of the audited accounts for FY 2023-24 and FY 2024-25
Income excluding cash subsidy	***	***	Computed; negative for FY 2024-25
Tax at 27.5% benchmark on income excluding cash subsidy	***	Nil	Computed
Tax actually borne (minimum tax: TDS on export and cash subsidy income)	***	***	Return serials 34/38; section 163(2)(a), Annexure-3 to response dated 08.08.2026
Less: tax deducted at source on cash subsidy	***	***	Current tax note (Note 22) of the audited accounts (TDS under Section 112 on cash incentive)
Tax borne on income excluding cash subsidy (AIT on export and other)	***	***	Computed
Benefit for the year	Nil	Nil	Tax borne on the remaining income exceeds the tax at the benchmark rate (FY 2023-24); income excluding cash subsidy negative (FY 2024-25)
Apportioned to POI (3/12; 9/12)	Nil	Nil	Computed
POI benefit; rate on total sales	Nil		Computed

G.7.4. Subsidy margin

83. The entity margins aggregate the programme rates determined above. The consolidated group margin is the weighted average of the entity margins, weighted by the FOB value of each entity's exports of the product under consideration to India.

Table 4: Entity and group subsidy margins (% of FOB)

Programme	Sagar	Oriental	Group (weighted)
Programme 8 – Cash grant on exports	5-15%	5-15%	5-15%
Programme 10 – Preferential income tax (% of total sales)	Nil	0-5%	0-5%
Total subsidy margin	10-20%	10-20%	10-20%

G.8. Examination by the Authority - programmes of the Government of Nepal

G.8.1. Views of other interested parties

84. The other interested parties have made the following submissions:
    i. The programme is stated to have been discontinued. No budgetary allocation has been made for several years and no payments have been made to exporters.
    ii. It is further stated that the Government of Nepal formally decided not to accept applications for FY 2024-25, and the programme is no longer operational.
    iii. The programme is stated to be non-specific and therefore not countervailable under the SCM Agreement.
    iv. The exemption is stated to be a general measure applicable to all manufacturing industries based on employment generation.

G.8.2. Views of the domestic industry

85. The domestic industry has made the following submissions:

    i. With respect to Nepal, Program No. 1 provides export-contingent cash grants of 3% on jute and jute products, increasing up to 5% based on value addition, and is disbursed through banks; the mere suspension of applications does not extinguish the existence of the scheme.
    ii. The program itself has not been terminated; only the applications submitted under it have been denied. These two actions are distinct and should not be treated as equivalent. Accordingly, the Authority cannot treat the said program as being terminated. It is still in existence, and should be examined to that extent.
    iii. Program No. 2 further grants income tax holidays, customs duty exemptions on machinery and VAT exemptions on raw jute to registered jute industries, constituting specific government revenue foregone and a countervailable subsidy.
    iv. Exporters/producers in their response merely have responded to one benefit provided under Industrial enterprises Act. However, in the Industrial Enterprises Act, as provided by the applicant, the act itself provides for multiple incentives/benefits.
    v. Under sec. 24(a), (c), 25, 28, 29(d), (e), (k), 30, 31, and 32, following benefits are available to industries:
        a. Income tax concessions (Section 24(a) and 24(c)) – Manufacturing industries receive 20% income tax exemption with an additional 5% exemption on export income, along with up to 90% income tax exemption for industries located in less developed regions

for a period of up to ten years, thereby directly reducing the tax burden on industrial and export activities.

b. Customs duty concessions (Section 25) – The Act provides duty drawback on exports, preferential customs duty treatment for raw materials vis-à-vis finished goods, and minimum customs duty on import of machinery and equipment, effectively lowering the cost of production for manufacturing industries.

c. Targeted incentives for export-oriented and priority industries (Sections 28, 29(d), 29(e), 29(k)) – The Government is empowered to grant additional incentives, facilities and concessions to export-oriented industries, industries located in SEZs/industrial zones, and industries of national priority or those utilising domestic resources, through notifications and special incentive regimes.

d. Land-related concessions (Sections 30, 31 and 32) – The Act provides government facilitation for acquisition of land, provision of government land on lease to priority industries, and exemption from statutory land-holding ceilings, thereby conferring significant non-financial support for industrial establishment and expansion.

vi. Exports from Nepal are not limited and account for a significant share of the total import volume.

vii. Mere exemption from income tax was not alleged, rather multiple identified incentives/benefits under sec. 24(a), (c), 25, 28, 29(d), (e), (k), 30, 31, and 32 of the Industrial Enterprises Act, have been alleged. These include income tax concessions, custom duty concessions, Targeted incentives for export-oriented and priority industries, and land related concessions.

G.8.3. Examination of the Authority

86. Programme 1: Cash grants on export of jute products. Under the Program/Procedure for Providing Subsidies on Exports, 2075 BS, as amended by the Second Amendment, 2079 BS, the Government of Nepal provides a cash subsidy of 5% of the export value for goods listed in Schedule 1 (minimum value addition of 50%) and 4% for goods listed in Schedule 2 (minimum value addition of 30%); jute products fall under Schedule 2, and where the value addition of Schedule 2 goods is 50% or more the subsidy is payable at the Schedule 1 rate of 5%. The incentive is disbursed through the exporters commercial bank from a dedicated account maintained at the Nepal Rastra Bank and funded in advance by the Ministry of Finance. The scheme constitutes a direct transfer of funds, and hence a financial contribution, by the Government of Nepal. The entitlement is dependent solely on export performance, as confirmed by the Government of Nepal, and the programme is therefore deemed to be specific. The sampled producers/exporters declared value addition above 50% and accrued the incentive at 5% of the invoice value on every export transaction to India in Format E.

87. The producers/exporters and the Government of Nepal have contended that no benefit was conferred during the period of investigation. The record establishes the contrary. Under Section 3 of the governing Procedure, the Government of Nepal "shall provide" the cash subsidy to exporters meeting the prescribed value-addition thresholds; the entitlement vests upon the making of a qualifying export, the application, crediting and reimbursement mechanics being procedural steps

for realisation. The sampled entities themselves accrued the incentive invoice-wise in Format E, recognised the amounts in their accounts and carried the corresponding receivables. Further, the record shows that substantial amounts of cash incentive were in fact credited into the ordinary current accounts of the sampled producers during the period of investigation itself: through which accounts the entities freely transacted; no lien, hold or restriction is recorded on any bank statement on record, and despite specific requisition no instruction of the Nepal Rastra Bank blocking utilisation has been produced, the bank letters confirming only that the banks have not been reimbursed by the Nepal Rastra Bank for amounts already credited to the exporters.

88. As regards discontinuation, the notice dated 9 October 2025 (Exhibit 5) records only that, no budgetary provision having been made, it would not be appropriate for the Department of Industry to receive or accept self-declaration submissions for FY 2081/82; by its terms it bars the receipt of new applications and does not purport to extinguish entitlements arising from exports already effected. The repeal documents (Exhibit 5) comprise the Ministry's proposal dated 2082/10/28 B.S., the Cabinet decision of 2082/11/12 B.S. (24 February 2026) "to do as written in the proposal", and a website publication of April 2026. The producers/exporters themselves state that the repeal instrument contains no provision dealing with amounts already accrued or credited, neither reserving prospective operation nor providing for payment or cancellation of past claims. No instrument renouncing, cancelling or writing off the accrued entitlements has been placed on record; the credited amounts continue to stand in the entities' bank accounts; the residual ITPF receivables continue to be carried forward in the ledgers into FY 2082/83; and the stated write-off is only an intention for the financial statements of FY 2082/83, yet to be effected. It is also noted from the proposal itself that a successor "Procedures for Providing Export Incentives, 2081" had been prepared and placed before the Council of Ministers, and that the current budget statement contemplates a production-based national incentive policy, which does not support the characterisation of the repeal as an unqualified withdrawal of export subsidisation.

89. The reliance on Article 19.1 of the SCM Agreement is misplaced on the facts of this record. The subsidy examined is the benefit conferred in respect of the POI. The Cabinet decision relied upon was taken on 24 February 2026, some eleven months after the close of the POI and about five months after initiation, and, as recorded above, it does not extinguish the entitlements which had vested on POI exports, while substantial amounts of the incentive were in fact credited to the entities during the POI. The subsidy in respect of the POI cannot, therefore, be said to have been withdrawn. The effect, if any, of the repeal on the continued subsidisation of future exports is a matter that can appropriately be addressed through the review or price undertaking mechanisms available under the Rules, upon a demonstration that the programme and all residual benefits under it have in fact been terminated.

90. Programme 2: Tax subsidies for jute industries. Under Schedule 1, Section 2(1) of the Income Tax Act, 2058 of Nepal, the general rate of corporate income tax is 25%. A "special industry", defined with reference to Section 17(2) of the Industrial Enterprises Act as a production-based, agriculture and forest product based or mineral industry excluding tobacco and liquor producers, is taxed at 20% under Section 11(2b)(b), with further graduated employment-linked rebates under Section 11(3)(a); the sampled entities have been taxed at effective rates of 14% (Arihant/Shree Raghupati,

employing more than 1,000 Nepali citizens) and 15% (Swastik, on the strength of employment of more than 500 Nepali workers). The tax so foregone is a financial contribution within the meaning of Article 1.1(a)(1)(ii) of the ASCM, and the benefit is the tax differential against the 25% benchmark.

91. As regards specificity, access to the concession is confined by the statute to the defined category of special industry; banking, financial, insurance, telecommunication and other service enterprises, trading enterprises and the excluded manufacturing segments pay 25% or 30% on the same income. The eligibility criteria are therefore not neutral, economic in nature and horizontal in application within the meaning of footnote 2 to Article 2 of the ASCM, and the employment-linked rebates, operating only within that class, partake of the same limitation. The invocation of Article XX of the GATT 1994 does not advance the matter, the exclusions extending in any case well beyond grounds of public morals or health to the entire services and trading economy. The concession is accordingly held to be de jure specific under Article 2.1(a) of the ASCM and countervailable. The benefit has been computed entity-wise from the income tax returns and computations for the Nepali fiscal years 2080/81 and 2081/82 BS, apportioned to the period of investigation in the ratio of months (3.5 months of FY 2080/81 and 8.5 months of FY 2081/82), and allocated over turnover.

92. As regards the submission of the domestic industry that Programme 2 as alleged extends to multiple further incentives under the Industrial Enterprises Act of Nepal, the sampled entities have confirmed on record that no other subsidy programme has been availed by them, and no benefit under any further incentive has been established on the record for the period of investigation.

93. The Authority has also noted that the Government of Nepal holds 33.27% of the shareholding of Shree Raghupati Jute Mills Limited. No separate programme or benefit arising from the said shareholding has been alleged or established on the record.

G.9. Examination of the responses of the sampled producers/exporters from Nepal and determination of subsidy margin

G.9.1. Arihant Multi-Fibres Ltd. ("AMFL") and Shree Raghupati Jute Mills Ltd. ("SRJM")

94. Arihant Multi-Fibres Ltd. and Shree Raghupati Jute Mills Ltd., related entities constituting a single group (AMFL holds *** % of the equity of SRJM), were selected as a sampled producer/exporter group from Nepal. Both entities filed exporter questionnaire responses dated 21 November 2025 together with Formats C, D and E and supporting exhibits. Upon examination thereof, the Authority issued a supplementary questionnaire seeking clarifications and verification documents in respect of the two subsidy programmes notified for Nepal, namely Programme No. 1 (Cash Grants on Export of Jute Products) and Programme No. 2 (Tax Subsidies for Jute Industries). Entity-specific responses have been received from both producers/exporters, accompanied by Exhibits 1 to 13 and reconciliation Annexures I to III. The examination below records, programme-wise, the claims of the producers/exporters, the examination of the record by the Authority, and the determination of the subsidy benefit and margin.

95. M/s Arihant Multi-Fibres Limited, Nepal, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of hessian, *** MT of sacking and *** MT of jute twine, for an invoice value of ₹*** crore. The entire exports were made directly to unrelated customers in India on ex-factory terms, with the invoices raised in Indian Rupees and the goods moving to India by land.

96. M/s Shree Raghupati Jute Mills Limited, Nepal, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of hessian, *** MT of sacking and *** MT of jute twine, for an invoice value of ₹*** crore. The entire exports were made directly to unrelated customers in India on ex-factory terms, with the invoices raised in Indian Rupees and the goods moving to India by land.

Programme No. 1 — Cash Grants on Export of Jute Products

G.9.1.1. Submissions of the producers/exporters

97. The producers/exporters have contended that no countervailable benefit arose during the POI and in terms of Article 19.1 of the SCM Agreement, the subsidy stands withdrawn and no countervailing duty can be imposed.

G.9.1.2. Examination by the Authority

98. The financial contribution and export contingency of the programme are not in dispute.

99. On the conferral of benefit, the Authority has examined the governing Procedure placed on record by the producers/exporters themselves. Section 3 provides that the Government of Nepal "shall provide" the cash subsidy to exporters meeting the prescribed value-addition thresholds; the entitlement therefore vests upon the making of a qualifying export, with the application under Section 5 and the crediting and reimbursement mechanics under Sections 6 and 7 being procedural steps for realisation. Consistently with this, both entities accrued the incentive at five per cent on every export invoice in Format E of their questionnaire responses, recognised the amounts as income in their audited accounts, and carried the corresponding receivable in the ITPF.

100. The contention that no amount was received during the POI is contradicted by the record furnished in the supplementary responses. The ITPF ledgers (Exhibit 3) and the bank statements (Exhibit 7) of the two entities show the credits of cash incentive into the ordinary current accounts of the entities during the POI itself aggregating NPR ***. The bank statements show these credits in current accounts through which the entities freely transacted, with cheque withdrawals, loan repayments and transfers effected on and after the very dates of credit. No lien, hold or restriction is recorded on any of the statements placed on record, and, although specifically called upon to furnish the NRB instruction or communication under which release of the credited amounts is stated to be blocked, the producers/exporters furnished no such instrument and merely cross-referred to their narrative reply. The letters of the three banks confirm only that the banks have not

received reimbursement from NRB for amounts "already credited" to the exporters' accounts; they do not state that the credited amounts are unavailable to the account holders.

101. In view of the above, the Authority has determined the Programme No. 1 benefit for the POI on the basis of the entitlement of five per cent of the FOB value of exports of the product under consideration to India, as accrued invoice-wise by the producers/exporters themselves in Format E. This basis is conservative on the record as the amounts actually credited to the entities' bank accounts during the POI (for AMFL, being *** per cent of POI FOB, and for SRJM, being *** per cent of POI FOB) exceed the accrued entitlement on POI exports, and the entities' own audited accounts for FY 2080/81 record claims lodged with the banks at rates of up to eight per cent on export sales. The quantification is as follows:

Particulars (POI)	AMFL	SRJM	Source
Exports to India — FOB (INR)	***	***	Format E / Format D
Cash incentive accrued @5% (NPR)	***	***	Format E,
Benefit as % of FOB	0-10%	0-10%	Computed

Programme No. 2 — Tax Subsidies for Jute Industries

G.9.1.3. Submissions of the producers/exporters

102. The producers/exporters have confirmed that the standard rate of corporate income tax in Nepal is twenty-five per cent under Schedule 1, serial 2(1) of the Income Tax Act, 2058, and that, as "special industries" employing more than one thousand Nepali citizens, they are taxed at an effective rate of fourteen per cent by operation of the twenty per cent rebate under Section 11(2b)(b) and the further thirty per cent rebate under Section 11(3)(a).

G.9.1.4. Examination by the Authority

103. The producers/exporters have furnished no data on use of the concession across sectors. The Authority as already noted above holds the concession to be de jure specific and countervailable, and adopts the twenty-five per cent standard rate as the benchmark, the fourteen per cent effective rate being the rate actually applied to the entities' income. The concession not being contingent upon export performance, the benefit has been allocated over the total turnover of each entity during the period of investigation, and the rate so determined has been applied to the export price.

104. The POI (1 April 2024 to 31 March 2025) spans two Nepali fiscal years: 3.5 months of FY 2080/81 B.S. (which ended on 15 July 2024) and 8.5 months of FY 2081/82 B.S. (from 16 July 2024). The benefit for the POI has accordingly been computed by monthly apportionment of the benefit of the two fiscal years.

Particulars	AMFL	SRJM	Source

Taxable income FY 2080/81 (NPR)	***	***	Return / Exhibit 4 (FY 2080/81 P&L)
Benefit FY 2080/81: tax @25% less tax @14% (NPR)	***	***	Computed
Taxable income FY 2081/82 (NPR)	***	***	Exhibit 10 (Schedule 2, income year 2081/82);
Benefit FY 2081/82: tax @25% less tax @14% (NPR)	***	***	Computed
POI benefit: 3.5/12 of FY 2080/81 plus 8.5/12 of FY 2081/82 (NPR)	***	***	Computed
POI benefit (INR @ NPR 1.60)	***	***	Computed
Total turnover during the POI (INR)	***	***	Format C, POI sales value (domestic and exports)
Benefit as % of total turnover	0-1%	0-1%	Computed

G.9.1.5. Subsidy margin for the group

105. No other subsidy programme is availed by either entity on their confirmation, and the Bangladesh-specific programmes notified in this investigation have no application to them. The entity-wise and group margins, the group margin being the weighted average using India-bound FOB export values as weights, are as follows:

Entity / Group	Programme 1 (% of FOB)	Programme 2 (% of total turnover)	Total (% of FOB)
Arihant Multi-Fibres Ltd.	0-10%	0-1%	0-10%
Shree Raghupati Jute Mills Ltd.	0-10%	0-1%	0-10%
Group (weighted average)	0-10%	0-1%	0-10%

106. The group subsidy margin of *** per cent of the FOB value is above the de minimis level applicable to imports from Nepal.

G.9.2. M/s Swastik Jute Mills (P) Ltd., Nepal (sampled producer/exporter)

107. Swastik Jute Mills (P) Ltd. (Swastik), Biratnagar, Nepal, is a sampled producer/exporter from Nepal. Swastik filed its exporter questionnaire response. On examination of the response, the Authority issued a supplementary questionnaire common to the sampled producers/exporters from Nepal, seeking clarifications on the two programmes examined in respect of Nepal, namely the

cash incentive on export of jute products (Programme 1) and the income tax concessions available to a special industry (Programme 2), along with information for verification of export transactions. Swastik filed its reply together with Annexures I to III and Exhibits 1 to 16.

108. M/s Swastik Jute Mills (P) Limited, Nepal, exported *** MT of the product under consideration to India during the period of investigation, comprising *** MT of hessian, *** MT of sacking and *** MT of jute twine, for an invoice value of ₹*** crore. The entire exports were made directly to unrelated customers in India on FOB terms, with the invoices raised in Indian Rupees. Sales to India constitute nearly the entire turnover of the company.

Programme 1: Cash incentive on export of jute products

109. The exporter Swastik has contended that no benefit accrued to it during the POI. Swastik stated that amounts of NPR *** relating to exports of FY 2079-80 and FY 2080-81 were credited by its banks during FY 2081-82 but remain under lien pending reimbursement by Nepal Rastra Bank, and that no money was made available for its utilisation during the POI.

G.9.2.1. Examination by the Authority.

110. The record shows the following. First, entitlement under Section 3 vests upon exportation of qualifying goods; the reply itself states that the exporter is entitled to the subsidy upon exportation of goods if the prescribed value addition criteria are satisfied, and Format E quantifies this entitlement at exactly 5% of the invoice value against every POI transaction. Second, the incentive received ledger for FY 2081-82 (Exhibit 3) records credits aggregating NPR *** in Swastik's bank accounts between 20.11.2024 and 08.12.2024, that is, within the POI. As per Annexure III of the reply, NPR *** out of these credits pertains to exports made during 01.04.2024 to 15.07.2024, a period falling within the POI.

111. The benefit is 5% of the FOB value of exports to India during the POI, being 5% of the net invoice value of each transaction. Allocated over the FOB value of exports to India, the subsidy margin under this programme is 5.00% of the export price. It is further noted that if, in the alternative, the benefit were determined on the basis of amounts actually credited to the company's accounts during the POI, the margin would be *** %; the determination on the accrual basis is therefore also the more conservative of the two.

S. No.	Particulars	Amount	Source and basis
(i)	FOB value of exports of PUC to India during POI (NPR)	***	Format E
(ii)	Rate of cash incentive	5%	
(iii)	Benefit on accrual/entitlement basis: (i) x (ii) (NPR)	***	Format E, export incentive column, being 5% of the net invoice value of each transaction

(iv)	Subsidy margin: (iii) / (i)	5.00%	Computed

Programme 2: Income tax concessions for special industry

G.9.2.2. Submission of the exporter

112. Swastik has contended that the concession is not specific within the meaning of Article 2 of the SCM Agreement as it is applied automatically.

G.9.2.3. Examination by the Authority.

113. The concession is, on the face of the statute, confined to a defined category of special industry. The concession is accordingly held to be de jure specific under Article 2.1(a) of the SCM Agreement and countervailable, consistent with the approach adopted for the other sampled group from Nepal.

114. As per the income tax return for income year 2080-81 filed with the Large Taxpayer Office (Exhibit 10), assessed with the last date recorded as 2081.09.30, falling within the POI, taxable income of the special industry (domestic) segment was NPR *** and tax was levied at 15%; the export segment returned a loss of NPR *** and attracted no tax. The benefit is the difference between the tax that would have been payable at the benchmark rate of 25% and the tax actually levied. The figure so determined coincides with the exporter's own quantification in Annexure III. For income year 2081-82, the return (Exhibit 10) discloses a total loss of NPR *** and nil tax, and no benefit therefore arises for that year.

S. No.	Particulars	Amount (NPR)	Source and basis
(i)	Taxable income, special industry (domestic segment), income year 2080-81	***	Exhibit 10, income tax return for 2080-81,
(ii)	Tax otherwise payable at benchmark rate of 25%	***	(i) x 25%; Computed
(iii)	Tax actually levied at 15%	***	Exhibit 10;
(iv)	Benefit: (ii) less (iii)	***	(ii) less (iii), apportioned 3.5/12 for the months of income year 2080-81 falling within the POI; Computed
(v)	Benefit for income year 2081-82	Nil	Exhibit 10, return for 2081-82 total loss, nil tax
(vi)	Denominator: total turnover during POI	***	Exports (Format E) and domestic sales (Annexure I / Exhibit 12)
(vii)	Subsidy margin: (iv) / (vi)	0-1%	Computed

115. It is noted that the note on income tax in the financial statements for FY 2080-81 refers to a concessional rate applied to export income, and the returns assess the export segment separately from the domestic segment. Since the export segment returned losses in both income years relevant to the POI, no tax arose and no additional benefit accrues on this account during the POI.

G.9.2.4 Subsidy margin

116. On the basis of the above, the subsidy margin for Swastik Jute Mills (P) Ltd. for the POI is determined as follows.

Programme	Basis of quantification	Amount of benefit (NPR)	Denominator (NPR)	Subsidy margin
Programme 1: Cash incentive on export of jute products	Accrual/entitlement, 5% of FOB value of POI exports to India	***	***	0-10%
Programme 2: Income tax concessions (special industry)	Tax at 25% less tax levied at 15%, income year 2080-81, apportioned 3.5/12 to the POI	***	***	0-1%
Total				**0-10%**

G.10. Non-sampled cooperating producers/exporters and non-cooperating producers/exporters

117. For the producers/exporters from the subject countries which filed questionnaire responses but were not selected in the sample, the subsidy margin has been determined at the weighted average of the subsidy margins determined for the sampled groups of the respective country, the weights being the FOB value of exports of the subject goods to India of each sampled group during the period of investigation.
118. The non-sampled cooperating producers/exporters are, from Bangladesh, Ahyan Jute Mills Limited, Alijan Jute Mills Limited, Asha Jute Industries Limited, Bogra Jute Mills Limited, Ecotrade International, Golden Jute Industries Limited, Jamuna Jute Industries, Mirza Jute Mills Ltd., Mouna Jute Mills Ltd., Natore Jute Mills, Nawhata Jute Mills Ltd., Rahman Jute Mills Pvt. Ltd., Rajbari Jute Mills Limited, Ranu Agro Industries Ltd., Sidlaw Textiles (Bangladesh) Limited, Sonali Aansh Industries Limited, Wahab Jute Mills Ltd. and A. M. Jute Industries Limited, and, from Nepal, Baba Jute Mills Private Limited and Shree Pashupatinath Jute Mills Private Limited.

119. For all other (non-cooperating) producers/exporters from the subject countries, the subsidy margin has been determined on the basis of facts available in terms of Rule 7(8) of the Rules.

G.11. Subsidy margin table

120. The subsidy margins determined for the period of investigation are as under:

SN	Producer/exporter (group)	Country	Programme-wise margin	Total margin (% of FOB)	Range
1	Hasan Jute Mills Limited and Hasan Jute & Spinning Mills Ltd.	Bangladesh	***	***	15-25%
2	Janata Jute Mills Limited and Sadat Jute Industries Limited	Bangladesh	***	***	10-20%
3	Sagar Jute Spinning Mills Ltd. and Oriental Jute Mills Ltd.	Bangladesh	***	***	10-20%
4	Non-sampled cooperating producers/exporters	Bangladesh	Weighted average of SN 1 to 3	***	10-20%
5	Any other producer/exporter	Bangladesh	Facts available	***	15-25%
6	Arihant Multi-Fibres Ltd. and Shree Raghupati Jute Mills Limited	Nepal	***	***	0-10%
7	Swastik Jute Mills (P) Ltd.	Nepal	***	***	0-10%
8	Non-sampled cooperating producers/exporters	Nepal	Weighted average of SN 6 and 7	***	0-10%
9	Any other producer/exporter	Nepal	Facts available	***	0-10%

121. The subsidy margins determined for the sampled and non-sampled cooperating producers/exporters and on facts available are above the de minimis level applicable to the subject countries.

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1 Views of the producers/exporters and other interested parties

122. The other interested parties have made the following submissions with regard to injury and causal link:

i. Injury is required to be examined for the domestic industry as a whole, and that the bifurcation of the Indian market into "open market" and "government procurement" segments is impermissible under the Rules and Article 16.2 of the ASCM.

ii. Exports from Nepal are made at fair and competitive prices and are not causing injury to the domestic industry, and that the concerns noted by the Ministry of Agriculture relate only to imports from Bangladesh.

iii. Applicants have failed to examine import trends in the context of overall market demand and supply conditions, and that the assessment of price effects is not based on a like-for-like comparison considering differences in specifications, quality, and market segments.

iv. Injury analysis is based on aggregated and indexed data that cannot be independently verified by interested parties, that no non-attribution analysis has been undertaken, and that mere temporal correlation between imports and injury indicators does not establish causation.

v. No causal link has been established between imports from Bangladesh and the alleged injury, and that factors such as demand fluctuations, changes in raw material prices, operational inefficiencies, and domestic market conditions have not been adequately examined.

vi. The domestic industry has attributed the entirety of the alleged injury to imports without segregating the effects of other known factors.

H.2 Views of the domestic industry

123. The domestic industry has made the following submissions with regard to injury and causal link:

i. Anti-dumping measures on jute yarn/twine, hessian fabrics and sacking bags from Bangladesh and Nepal have been in place through an original investigation, an anti-circumvention proceeding (which extended duty to sacking cloth), multiple new shipper reviews, a sunset review that confirmed likelihood of continued dumping and injury if duties ceased, and a mid-term review.

ii. There is a long history of subsidisation and trade distortion associated with exports of jute products from Bangladesh as evidenced by the domestic industry having filed applications seeking imposition of both anti-dumping duty and countervailing duty.

iii. Authority had held consultations with the Government of Bangladesh in the previously filed countervailing duty application during which the Government of Bangladesh assured that export subsidies would be reduced with reported marginal reductions undertaken.

iv. In parallel anti-dumping proceedings were undertaken and final duties imposed, during the course of which the Government of Bangladesh increased export subsidy percentages further enhancing the cost advantage available to Bangladeshi exporters.

v. Following the imposition of duties, exporters from Bangladesh adopted multiple circumvention practices, including routing imports through sacking cloth leading the Authority to conduct a circumvention investigation and extend duties through a sunset review; however, sacking cloth was inadvertently excluded from the notification, creating a regulatory gap.

vi. Although the omission was promptly brought to the Authority’s attention by the domestic industry, it took nearly ten months for a revised notification to be issued, during which substantial volumes of imports entered the Indian market.

vii. Even after rectification, imports of the subject goods have continued to increase despite the existence of anti-dumping duties, demonstrating that the underlying trade distortions persist.

viii. The domestic industry has repeatedly raised concerns regarding the continued provision of export subsidies in Bangladesh and sought initiation of countervailing duty investigations, particularly in light of assurances of phased reduction linked to Bangladesh's LDC graduation.

ix. Contrary to such assurances, higher export subsidies continue to be extended, especially under schemes for "diversified jute products", resulting in exports being increasingly routed under this category to avail enhanced subsidy benefits and thereby undermining the effectiveness of the remedial measures in force.

x. Despite ADD, imports from Bangladesh & Nepal have been increasing and capturing a very high share of the open market.

xi. Government and the industry are trying to further increase it to the extent possible, however such efforts have led to increasing market access to producers in Bangladesh and Nepal, not to Indian industry.

xii. Export-oriented capacities, relatively insignificant domestic markets, and a policy push to expand production and exports, with India as the primary market for Bangladesh and Nepal have driven sustained export pressure on the Indian market.

xiii. Jute industry is significantly important for the Bangladeshi economy and is the single largest industry in Bangladesh with 3.86% of the export earnings earned through export of raw jute, conventional, and versatile jute products.

xiv. Importance of the Indian market to Bangladesh in terms of jute is apparent from the behaviour of exporters/producers in the history of the investigation and it is clear that Government of Bangladesh has been taking significant counter-actions to neutralise the effect of the actions taken by the Indian Government, leading to increased dumping and reduction in share of the Indian industry from 80% in 2010-11 to about 27% in 2024-25.

xv. Bangladesh Government and its producers continue to export to India using product categories in which no or negligible duties while exceeding or substantially reflecting their capacities, quantum of cash subsidy and export incentives to neutralise Indian ADD, circumvention of duties prior to extension of ADD to cover sacking cloth, and other multiple incentives.

xvi. Imports from Bangladesh increased by 87.6% from 2011-12 to 2024-25 as opposed to demand including government procurement, which declined in the same period. Such increase in imports is at the cost of the Indian industry's share, with share of subject countries in the open market reaching 63%.

xvii. With regard to imports from Bangladesh, duty on Hessian resulted in arresting the volume of imports of these products, low duty on yarn resulted in heavy continued imports, inadvertent lack of duty on sacking cloth for 10 months resulted in circumvention of duty.

xviii. With regard to imports from Nepal, quantum of duty on hessian and sacking bags being low resulted in heavy imports of these products.

xix. The concerns raised by the domestic industry regarding rising imports and the impact of subsidies are corroborated by observations of the Government itself, as reflected in official publications of the Ministry administering the jute sector.

xx. The annual reports of the Ministry consistently record increasing imports of jute products and their adverse impact on Indian jute farmers and mills, demonstrating that these issues are not mere allegations of the Applicants but are acknowledged by the Government of India.

xxi. In this context, the Commission for Agricultural Costs and Prices (CACP), in its report titled "Price Policy for Jute", has expressly noted the adverse effect of rising imports of jute products, particularly from SAARC countries, and the role played by subsidies provided by exporting countries.

xxii. The CACP has observed that despite the imposition of anti-dumping duties on various jute products, imports from Bangladesh have increased significantly in recent years, resulting in depressed domestic prices, at times falling below the Minimum Support Price.

xxiii. The report further highlights Bangladesh's competitive advantage arising from cheaper labour, availability of water resources and substantial export incentives, including higher cash subsidies on jute yarn, hessian, sacking and diversified jute products.

xxiv. On the basis of these findings, the CACP has recommended close monitoring of imports and adoption of appropriate trade remedial measures, including higher import duties and anti-dumping actions, to restrain subsidised and dumped imports and protect the domestic jute industry.

H.3 Examination by the Authority

124. On examination of the injury information filed by the domestic industry, the Authority noted that the economic parameter statements furnished in the application were the same as those furnished in the mid-term review of the anti-dumping duty concerning jute products, although the product under consideration in the present investigation additionally includes jute hessian bags. The Authority accordingly sought clarification from the domestic industry vide letter dated 6th August 2026. The domestic industry, vide its reply dated 9th August 2026, acknowledged that the information relating to hessian bags had been inadvertently omitted from the information furnished in the application, the omission being clerical in nature, and filed revised annexures incorporating the information pertaining to hessian bags in the economic parameters, the statement of Indian production and the injury statements. The domestic industry has submitted that the volume of imports, domestic production and domestic sales pertaining to hessian bags is very limited, and that the inclusion of the hessian bags data does not result in any material change to the injury trends or analysis. The Authority has examined the revised information and has adopted the revised, hessian-bags-inclusive data of the domestic industry for the injury analysis herein. The Authority pointed out apparent discrepancy in some of the data. The domestic industry filed a reply dated 14th August 2026 and submitted that there was a linking/formula error, on account of which the Production Quantity, Sales Quantity, and Domestic Sales figures for the PUC were not correctly represented and there were error in inventory figures. It is seen that the revised Annexures differ only marginally from the figures earlier furnished in respect of most parameters; the material changes are in the statement of Indian production which has been considered appropriately. The non-confidential version of the reply dated 9th August 2026 and 14th August 2026 along with the revised annexures was circulated to the interested parties. The effect of the two revisions on the principal injury indicators for the period of investigation is summarised in the table below. The inclusion of hessian bags altered the volume parameters by less than 0.3% and the price and profit parameters by negligible amounts; the correction of the linking/formula error materially altered only the inventory figures, and did so in a direction unfavourable to the injury claim of the domestic industry, the closing inventory for the period of investigation being lower on the corrected data than on the data originally furnished. None of the conclusions recorded in this section would differ on revised data, which is recorded below on the basis of the corrected data.

Table: Effect of the revisions to the injury information of the domestic industry

Particulars (POI)	Unit	As furnished in the application	Revised on 9th August 2026	Revised on 14th August 2026 and adopted
Production of subject goods	MT	2,71,229	2,71,580	2,71,448
Domestic sales	MT	2,51,791	2,51,941	2,52,011
Capacity utilisation	%	63%	63%	63%
Selling price	Indexed	100.00	100.03	100.00
Cost of sales	Indexed	100.00	100.03	100.00
Profit before tax	Indexed	100.00	100.00	99.97
Cash profit	Indexed	100.00	100.92	100.91
Return on capital employed	Indexed	100	100	100
Closing inventory	MT	11,554	13,973	4,729
Average inventory	MT	14,914	17,903	9,725

125. The Authority has examined the injury to the domestic industry in accordance with the Rules read with Annexure I to the Rules, considering the volume effect and the price effect of the subsidised imports and the consequent impact on the domestic industry. The import volume and price data considered is the transaction-wise data of DG Systems. As per the revised statement of the domestic industry, imports of jute hessian bags during the period of investigation were about 123 MT, which is negligible in relation to the subject imports of 1,66,416 MT. Further, it is seen that imports of sacking cloth from Nepal is also only 30MT in 2022-23. Thus the adoption of the DG Systems import data of the mid-term review does not materially understate the subject imports for the present product scope.

126. As regards the objection founded on the identity of the injury information in the two proceedings notwithstanding the difference in product scope, the clarification sought by the Authority and the revised information filed by the domestic industry, as recorded above, dispose of the objection. The injury information now on record and adopted herein pertains to the product under consideration as defined in the present investigation, including hessian bags.

127. As regards the objection to the price comparison methodology, the Authority notes that price undercutting has been determined on a product-type basis (yarn, hessian and sacking), comparing the landed price of the subject imports derived from transaction-wise DG Systems data with the net selling price of the domestic industry for the corresponding product types, and PCN-wise in respect of jute yarn/twine; the comparison is accordingly on a like-to-like basis. The injury information of the domestic industry has been verified, to the extent deemed necessary, volume parameters have been disclosed in absolute terms and value parameters in indexed form in accordance with the consistent practice of the Authority, and the non-attribution examination is recorded in Section H.7 below.

128. As regards cumulative assessment, the subsidy margins determined in respect of the imports from each of the subject countries are more than de minimis, and the volume of imports from each of the subject countries is not negligible. The imports from the subject countries compete with each

other and with the like article produced by the domestic industry in the same market, through comparable channels, and a cumulative assessment of the effects of the imports is appropriate.

H.4 Volume effect of subsidised imports

129. Demand and apparent consumption in India has been determined as the sum of domestic sales of the domestic industry, domestic sales of other Indian producers and imports from all sources. It is seen that the demand for the product increased till 2023-24 and declined in the POI. On overall basis, demand in the POI was almost at the level of base year.

Particulars	**Unit**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Sales of domestic industry	MT	2,79,824	3,12,745	2,98,680	2,52,011
Sales of other producers	MT	7,65,564	9,04,010	9,28,356	7,13,092
Subject imports	MT	1,12,734	1,39,520	1,90,272	1,66,416
Other imports	MT	-	-	-	-
Demand/Consumption	**MT**	11,58,122	13,56,275	14,17,308	11,31,519

130. The imports of the subject goods from the subject countries, in absolute terms and in relation to production and consumption in India, have been as under:

Particulars	**Unit**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Bangladesh	MT	69,693	94,652	1,43,815	1,17,523
Nepal	MT	43,041	44,868	46,456	48,893
Subject imports	MT	1,12,734	1,39,520	1,90,272	1,66,416
Other imports	MT	-	-	-	-
Total imports	MT	1,12,734	1,39,520	1,90,272	1,66,416
Consumption	MT	11,58,122	13,56,275	14,17,308	11,31,519
Indian production	MT	10,80,143	12,46,148	12,56,992	10,43,000
Subject imports in relation to					
Indian production	%	10%	11%	15%	16%
Indian consumption	%	10%	10%	13%	15%
Total imports	%	100%	100%	100%	100%

131. It is seen that the subject imports increased continuously from the base year to 2023-24 and, though moderating in absolute terms in the period of investigation, remained 48% above the base year level. Demand in the period of investigation declined by 20% as compared to the immediately preceding year, while remaining at about the base year level. The entirety of imports into India is from the subject countries. Imports increased in relation to production and consumption over the injury period.

132. The product is at present subject to ADD. The increase in imports in absolute and relative terms is despite the ADD in place.

H.5 Price effect of subsidised imports

133. Price undercutting has been determined by comparing the landed price of the subject imports with the net selling price of the domestic industry for the period of investigation, on a product-type basis:

Particulars	Unit	Yarn	Hessian	Sacking	Total
Import Volume	MT	59,046	34,752	72,618	1,66,416
Selling price	₹/MT	***	***	***	***
Landed price	₹/MT	77,122	1,04,957	83,114	85,549
Price undercutting	₹/MT	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	0-20	20-40	20-40	20-40

134. The landed price of the subject imports has remained below the net selling price of the domestic industry in respect of each product type, resulting in significant price undercutting in the range of 20-40% overall. The price undercutting is quite significant.

135. The price suppression and depression effect of the subject imports has been examined by comparing the cost of sales and selling price of the domestic industry with the landed price of the subject imports:

Particulars	Unit	2021-22	2022-23	2023-24	2024-25
Total subject goods as a whole					
Landed price	₹/MT	1,06,731	93,844	81,313	85,549
Trend	Indexed	100	88	76	80
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	96	89	92
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	94	88	90

136. Over the injury period, the cost of sales of the domestic industry declined by 8% while the selling price declined by 10%. The landed price of imports declined by 20% over the injury period. The selling price has declined more steeply than the cost of sales, and in the period of investigation the increase in selling price was less than the increase in cost of sales. The landed price of the subject imports remained below the cost of sales and the selling price of the domestic industry throughout the injury period. The prices of the domestic industry have thus been suppressed and depressed by the subject imports.

H.6 Economic parameters of the domestic industry

137. Annexure I to the CVD Rules require that the determination of the injury shall involve an objective examination of the consequent impact of subsidised imports on the domestic producers of the subject goods, the Rules further provide that the examination of the impact of the subsidised imports on the domestic industry would include an evaluation of all relevant economic factors and

indices having a bearing on the state of the industry, including actual and potential decline in output, sales, market share, profits, productivity, return on investments, or utilisation of capacity; factors affecting domestic prices; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Accordingly, performance of the domestic industry has been examined over the injury period.

i. Capacity, production, capacity utilisation, and sales

138. The performance of the domestic industry, in respect of capacity, production, capacity utilisation and sales for the PUC has been as under:

Particulars	**Unit**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Capacity	MT	4,28,072	4,34,072	4,34,072	4,34,072
Total production in plant	MT	3,14,872	3,42,482	3,28,978	2,71,954
Capacity utilization	%	73%	79%	76%	63%
Production of subject goods	MT	3,14,486	3,41,983	3,28,739	2,71,448
Domestic sales	MT	2,79,824	3,12,745	2,98,680	2,52,011
Export sales	MT	33,183	28,400	26,416	29,431

139. Capacity remained broadly stable over the injury period. Production, capacity utilisation and domestic sales increased up to 2022-23 and declined thereafter significantly, with capacity utilisation falling to 63% in the period of investigation. The domestic industry was able to achieve capacity utilisation at 63% in the POI at the cost of its price realisation, with prices declining by 10% over the injury period.

ii. Profitability, cash profits and return on capital employed

140. The profitability, cash profits and return on capital employed of the domestic industry, have been as under:

Particulars	**Unit**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Cost of sales	Indexed	100	96	89	92
Selling price	Indexed	100	94	88	90
Profit / loss	Indexed	100	47	71	65
Profit / loss	Indexed	100	52	76	59
Cash profits	Indexed	100	66	89	77
Return on capital employed	Indexed	100	54	69	54

141. The profits, cash profits and return on capital employed of the domestic industry declined significantly over the injury period. Profit per unit declined by 35% over the injury period.

Resultantly, cash profits declined by 23%, whereas return on capital employed declined by 46%. These declines in profitability parameters are despite ADD in force on the PUC.

iii. Market share in demand

142. The market share in demand has moved as under:

Particulars	Unit	2021-22	2022-23	2023-24	2024-25
Share in total demand					
Domestic industry	%	24%	23%	21%	22%
Other producers	%	66%	67%	66%	63%
Domestic producers as a whole	%	90%	90%	87%	85%
Subject imports	%	10%	10%	13%	15%
Other imports	%	0%	0%	0%	0%

143. The market share of the subject imports in total demand increased from 10% to 15% over the injury period, displacing the market share of Indian producers, whose share collectively declined by 5%.

iv. Inventory

144. The inventory position of the domestic industry, as per the revised annexures, has been as under:

Particulars	Unit	2021-22	2022-23	2023-24	2024-25
Opening inventory	MT	8,763	10,241	11,079	14,722
Closing inventory	MT	10,241	11,079	14,722	4,729
Average inventory	MT	9,502	10,660	12,900	9,725

145. Average inventory increased till 2023-24 and declined thereafter in the POI. Inventory level has remained significant

v. Employment, productivity, and wages

146. The position with regard to employment, wages and productivity has been as under:

Particulars	Unit	2021-22	2022-23	2023-24	2024-25
No. of employees	No.	33,851	33,908	35,424	33,625
Productivity per day	MT/Day	899	977	939	776
Productivity per employee	MT/No	9	10	9	8
Salaries & Wages	Indexed	100	109	111	93

147. Employment and wages rose till 2023-24 and declined in the period of investigation. Productivity per day and per employee declined in the period of investigation.

vi. Growth

148. The growth of the domestic industry was as under:

Particulars	Unit	2021-22	2022-23	2023-24	2024-25
Capacity utilisation	%		7%	-4%	-17%
Production	%	-	9%	-4%	-17%
Domestic sales	%	-	12%	-4%	-16%
Profit / loss	%	-	-48%	45%	-22%
Cash profits	%	-	-34%	34%	-13%
Return on capital employed	%	-	-45%	24%	-20%

149. The growth of the domestic industry in the period of investigation in terms of both volume parameters and price parameters has remained negative. While the volume parameters showed positive growth in 2022- 23, these parameters have deteriorated in 2023-24 and period of investigation. The profitability parameters showed decline in 2022-23, improvement in 2023-24, and thereafter, showed negative growth in the period of investigation.

vii. Ability to raise capital investment

150. The Authority notes that the profitability of the domestic industry has declined significantly and the return on capital employed of the domestic industry has also suffered. Despite duties, the domestic industry has witnessed a deterioration in performance. Thus, the subject imports have adversely impacted the ability of the domestic industry to raise capital investment.

viii. Factors affecting domestic prices

151. The import price has declined steeply over the injury period. The declining trend in import prices, coupled with increasing volumes, has exerted continuous pressure on domestic prices. The landed price of subject imports is below the selling price as well as cost of sales of the domestic industry. Such low landed price has created a strain on the prices of the domestic industry. This has adversely affected the profitability of the domestic industry. Thus, price of imports from the subject countries has impacted the prices of the domestic industry.

H.7 Causal link and non-attribution

152. The Authority has examined whether the material injury to the domestic industry has been caused by the subsidised imports, and has also examined the other known factors listed in the Rules so as to ensure that injury caused by such other factors is not attributed to the subsidised imports. The following is noted in this regard:

a. Volume and prices of imports from third countries

153. The imports from the subject countries have accounted for almost the entirety of imports, across the injury period. In view of the negligible volume of imports from other countries, such imports have not caused injury faced by the domestic industry, and are not likely to cause injury to the domestic industry.

b. Contraction in demand

154. Demand for the product under consideration increased up to 2023-24 and declined by 20% in the period of investigation as compared to the preceding year, while remaining at about the level of the base year. The Authority has considered whether the contraction in demand accounts for the injury to the domestic industry. The decline in absolute volumes in the period of investigation was experienced by all participants in the market, the domestic sales of the domestic industry, the sales of other Indian producers and the subject imports all being lower than in the preceding year, and to that extent the contraction in demand explains part of the decline in the absolute volume of production and sales of the domestic industry in the period of investigation. Over the injury period as a whole, however, the market share of the subject imports increased from 10% to 15% while that of the Indian producers collectively declined by 5 percentage points, and this displacement occurred with anti-dumping duty in force and with the Indian industry holding capacity to meet the entire demand. Further, the injury to the domestic industry in the period of investigation is reflected principally in the price parameters, the landed price of the subject imports declined by 20% over the injury period and remained below both the cost of sales and the selling price of the domestic industry throughout, and the domestic industry was able to hold its volumes in the period of investigation only at the cost of its price realisation, its profit per unit declining by 35% over the injury period. The contraction in demand does not explain the price undercutting, price suppression and decline in profitability so recorded. The Authority therefore notes that, while the contraction in demand has contributed to the decline in absolute volumes in the period of investigation, it does not account for the injury caused by the subsidised imports through their volume share and price effects, and demand continues to remain significant.

c. Changes in pattern of consumption

155. The pattern of consumption with regard to the product under consideration has also not undergone any change. Therefore, the domestic industry has not suffered and is not likely to suffer injury on this account.

d. Conditions of competition and trade restrictive practices

156. There are no trade restrictive practices or conditions of competition, which may have caused or are likely to cause injury to the domestic industry.

e. Developments in technology

157. Technology for production of the product has not undergone any change and no likely change in foreseeable future has been identified by interested parties.

f. Productivity

158. The productivity per day and per employee of the domestic industry has declined over the injury period. However, the same is a result of a decline in production over the period.

g. Export performance of the domestic industry

159. The injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market. Thus, the injury suffered or the likely injury cannot be attributed to the export performance of the domestic industry.

h. Performance of other products

160. The injury cannot be attributed to the performance of other products of the applicant domestic producers, as the segregated information with regard to the like article only has been provided on record.

i. Causal link

161. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry has been caused by the subsidised imports:
   i. The subsidisation of the subject goods and the decline in export price has resulted in an increase in imports in absolute terms and in relation to production and consumption, despite existing ADD in place.
   ii. The increase in subsidised imports prevented the domestic industry from selling its goods in the market at remunerative prices.
   iii. As a result of subject imports, the market share of the domestic industry and domestic producers as a whole declined while that of the imports has increased over the period.
   iv. The production, sales and capacity utilization of the domestic industry have declined.
   v. The imports are undercutting the prices of the domestic industry.
   vi. Imports are priced below the cost of sales of the domestic industry.
   vii. Imports have had suppressing and depressing effects on the prices of the domestic industry in the market.
   viii. The price undercutting, suppression, and depression has impacted the profitability of the domestic industry. Resultantly, profits, cash profits and return on capital employed of the domestic industry declined over the injury period.

162. The Authority, thus, concludes that there exists a causal relation between the subsidisation of the subject goods and the material injury to the domestic industry.

I. MAGNITUDE OF INJURY MARGIN

163. The Authority has determined the non-injurious price of the subject goods produced by the domestic industry on the basis of the verified cost of production data for the period of investigation, following the consistent methodology of the Authority considering the best utilisation of raw materials, utilities and production capacity over the injury period, on the principles laid down in Annexure III to the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as consistently applied by the Authority. The non-injurious price so determined, on a product-type basis, is given in the injury margin table below.

164. The non-injurious price has been compared with the landed price of the subject goods from each sampled producer/exporter to arrive at the injury margin. For non-sampled cooperating producers/exporters, the landed value has been taken as the weighted average of the sampled producers/exporters, and for non-cooperating producers/exporters, on the basis of facts available. The injury margins so determined are as under:

INJURY MARGIN

SN	Particulars	Volume (MT)	NIP (US$/MT)	Landed value (US$/MT)	Injury margin (US$/MT)	Injury margin (%)	Injury margin (Range)
A	**Bangladesh**						
1	**M/s Hasan Jute Mills Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	70-80%
b	Sacking Bag/Cloth	***	***	***	***	***	20-30%
c	Weighted average	***	***	***	***	***	50-60%
2	**M/s Hasan Jute & Spinning Mills Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	65-75%
b	Sacking Bag/Cloth	***	***	***	***	***	15-25%
c	Weighted average	***	***	***	***	***	55-65%
3	**Hasan Group (1+2)**	*******	*******	*******	*******	*******	**50-60%**
4	**M/s Janata Jute Mills Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	50-60%
b	Sacking Bag/Cloth	***	***	***	***	***	30-40%
c	Weighted average	***	***	***	***	***	50-60%

NON-CONFIDENTIAL

SN	Particulars	Volume (MT)	NIP (US$/MT)	Landed value (US$/MT)	Injury margin (US$/MT)	Injury margin (%)	Injury margin (Range)
5	**M/s Sadat Jute Industries Ltd. (no exports of PUC to India during the POI)**	**Nil**	**-**	**-**	**-**	**-**	**-**
6	**Janata-Sadat Group**	*******	*******	*******	*******	*******	**50-60%**
7	**M/s Sagar Jute Spinning Mills Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	35-45%
b	Sacking Bag/Cloth	***	***	***	***	***	30-40%
c	Weighted average	***	***	***	***	***	30-40%
8	**M/s Oriental Jute Mills Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	30-40%
b	Weighted average	***	***	***	***	***	30-40%
9	**Sagar-Oriental Group (7+8)**	*******	*******	*******	*******	*******	**30-40%**
10	Non-sampled cooperating producers (Bangladesh)						
a	Jute Yarn/Twine	***	***	***	***	***	55-65%
b	Sacking Bag/Cloth	***	***	***	***	***	25-35%
c	Hessian	-	-	-	-	-	-
d	Weighted average	***	***	***	***	***	45-55%
11	Any other producer (Residual) - Bangladesh						
a	Jute Yarn/Twine	***	***	***	***	***	70-80%
b	Sacking Bag/Cloth	***	***	***	***	***	30-40%
c	Hessian	-	-	-	-	-	-
d	Weighted average	***	***	***	***	***	55-65%
B	**Nepal**						
12	**M/s Arihant Multi-Fibres Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	65-75%

SN	Particulars	Volume (MT)	NIP (US$/MT)	Landed value (US$/MT)	Injury margin (US$/MT)	Injury margin (%)	Injury margin (Range)
b	Sacking Bag	***	***	***	***	***	5-15%
c	Hessian	***	***	***	***	***	25-35%
d	Weighted average	***	***	***	***	***	20-30%
13	**M/s Shree Raghupati Jute Mills Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	55-65%
b	Sacking Bag	***	***	***	***	***	5-15%
c	Hessian	***	***	***	***	***	25-35%
d	Weighted average	***	***	***	***	***	20-30%
14	**Arihant-Raghupati Group (12+13)**	*******	*******	*******	*******	*******	**20-30%**
15	**M/s Swastik Jute Mills (P) Ltd.**						
a	Jute Yarn/Twine	***	***	***	***	***	60-70%
b	Sacking Bag	***	***	***	***	***	10-20%
c	Hessian	***	***	***	***	***	15-25%
d	Weighted average	***	***	***	***	***	20-30%
16	Non-sampled cooperating producers (Nepal)						
a	Jute Yarn/Twine	***	***	***	***	***	60-70%
b	Sacking Bag	***	***	***	***	***	5-15%
c	Hessian	***	***	***	***	***	25-35%
d	Weighted average	***	***	***	***	***	20-30%
17	Any other producer (Residual) - Nepal						
a	Jute Yarn/Twine	***	***	***	***	***	65-75%
b	Sacking Bag	***	***	***	***	***	10-20%
c	Hessian	***	***	***	***	***	25-35%
d	Weighted average	***	***	***	***	***	25-35%

J. INDIAN INDUSTRY INTEREST AND OTHER ISSUES

J.1. Views of other interested parties

165. The other interested parties have made the following submissions with regard to the Indian industry's interest:

i. If countervailing duty is imposed, prices for downstream users and final consumers of the product will be costlier and the ultimate users in India will suffer.
ii. The concerned Ministry should oppose the levy of duty since it will have huge impact on large number of exporter/trader/importer & users.

J.2. Views of the domestic industry

166. The domestic industry has made the following submissions with regard to the Indian industry's interest:

i. The effect of the measures must be examined from the perspectives of domestic producers, domestic consumers, the public, upstream and downstream industries.
ii. The continued influx of imports shall affect the investment of ₹ 12,000 crores, and more than 4 lakh workers. The 150-year-old industry is an integral part of the Indian economy, history and social fabric.
iii. The jute mills in the state of West Bengal are largely placed in one district, North 24 Paragnas, and the people in such district are largely employed by the jute mills surrounding the district. The entire livelihood and sustenance of families are dependent on the jute mills.
iv. Raw jute farming supports the livelihood of at least 40 lakh farming families. While raw jute was originally considered as a source of raw material for packaging industries only, it has now emerged as a versatile raw material for diverse applications, such as, textile industries, paper industries, building and automotive industries, use as soil saver, use as decorative and furnishing materials, etc.
v. Raw jute is an environment friendly crop, and helps in the maintenance of the ecological balance.
vi. Higher grade of raw jute grown in India (TDN 1 and TDN 2) can be used for production of fine yarn and hessian fabric, which have higher prices, and are utilized in in packaging products such as bags for tea, coffee and as shopping bags, furnishing material, decorative fabrics, in the open market. If such market is left open to imports, the Indian jute mills will become unviable and would have to shut down the production facilities for this product, destroying the immense potential for growth in this market.
vii. Both sacking bags and yarn/hessian production facilities must necessarily co-exist and it is impossible for the industry to continue viable operations either based solely on sacking bags or solely on open market.
viii. Any action that leaves the open market to subsidised imports, would lead to a situation where the Indian Industry to cater only to Government procurement. Such a situation would be opposed to long-term objectives of the government, and would also lead to significant losses to the industry.

ix. Should the industry be forced to exit from the open market, significant capacities, investments, plant & equipment, employment and huge infrastructure would become completely redundant.

x. On the contrary, if the Indian industry is able to thrive in open market, the Government can save the additional cost that it currently incurs to support the jute farmers.

xi. There is no evidence of any adverse impact of the duties previously imposed. In prior investigations, the Authority noted that the anti-dumping duty on the product under consideration shall be in public interest.

xii. The absence of participation by users in present investigation, concurrent review, and the previous sunset review demonstrates that there is no adverse effect of the duties.

xiii. If the user industry is forced to rely fully on imported goods, they would be at the mercy of the foreign producers, who shall have the objective of revenue maximization. Further, the user industry would be forced to maintain higher inventories, if the country becomes reliant on imports.

xiv. The measures will ensure a competitive domestic industry against fairly priced imports, which otherwise would be dominated by imports from the subject countries.

xv. The Supreme Court, in Reliance Industries Ltd. v. Designated Authority, has noted the importance of imposition of anti-dumping duty, in making India a modern, powerful, highly industrialized nation.

J.3. Examination by the Authority

167. The Authority recognises that the imposition of countervailing duty might affect the price level of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of countervailing measures. On the contrary, imposition of the countervailing measures would remove the unfair advantage gained by the subsidised imports, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

168. The producers/exporters from Bangladesh have submitted that the public interest analysis of the applicants is selective and incomplete, that the impact of the proposed measures on downstream industries, consumers, supply availability, competition and prices has not been examined, and that no balancing exercise has been undertaken. While offering this comment, these parties have not provided relevant information and their analysis on these parameters. The Authority notes that the interested parties, including importers, users and their associations, were given adequate opportunity to participate and to place on record information on the impact of the proposed duty. However, no importer or user has participated to oppose the imposition of the duty or to furnish any evidence of possible adverse downstream impact. The domestic industry holds substantial unutilised capacity, capacity utilisation being merely 63% in the period of investigation, and continuity of supply is not in doubt. The purpose of the duty is to remove the unfair advantage conferred by countervailable subsidies, and fair competition in the market would be restored rather than reduced.

169. The Authority notes that the Government of India, through its Commission for Agricultural Costs and Prices (CACP), in its report on "Price Policy for Jute", has highlighted concerns regarding the adverse impact of imports of jute and jute products on the domestic industry. The Commission has observed that large imports of cheaper jute products, particularly from Bangladesh, adversely affect domestic jute farmers and mills, and has recommended that appropriate measures be taken to monitor and restrain such imports.

170. The Authority further notes that the said report highlights that Bangladesh enjoys a competitive advantage in jute exports due to factors such as lower cost structures and availability of export incentives, which enable it to maintain a strong presence in the global market. The report also records that imports of jute products into India have increased significantly in recent years, and that such imports have resulted in downward pressure on domestic prices, in some instances falling below the Minimum Support Price (MSP).

171. The Authority also notes that despite the imposition of trade remedial measures in the past, imports of jute products from Bangladesh have continued to increase, thereby affecting the remedial impact of such measures. The Commission has accordingly recommended that appropriate policy measures, including trade remedial actions, be undertaken to address the impact of such imports.

172. The Authority notes that similar observations have been made in the final findings of the sunset review investigation concerning imports of jute products, wherein it was observed that imports from Bangladesh continue to exert pressure on the domestic industry due to the presence of export incentives and cost advantages, and that continued measures are necessary to protect the domestic industry and jute growers.

173. The Authority further notes that the domestic industry has contended that the continued availability of subsidies in the subject countries provides an artificial competitive advantage to exporters, thereby distorting trade and adversely affecting the domestic industry.

174. In view of the above, the Authority finds that the concerns raised by the domestic industry regarding the impact of subsidized imports are supported by the information available on record, including findings of Government reports and previous investigations. The Authority considers that appropriate measures are required to address the impact of such imports on the domestic industry and jute farmers in India.

175. The Authority issued the initiation notification inviting views of all interested parties, including importers, consumers and users of the subject goods. No importer or user of the subject goods has filed any questionnaire response or participated in the investigation to oppose the imposition of the duty. The producers/exporters have filed responses to the economic interest questionnaire, which have been considered. The domestic industry has submitted that jute industry in India comprises over a hundred mills concentrated substantially in West Bengal, provides direct employment to about four lakh workers, and sustains about forty lakh farm families engaged in raw jute cultivation.

K. POST-DISCLOSURE COMMENTS

K.1. Submissions of the domestic industry

176. The domestic industry has made the following submissions in response to the disclosure statement:

i. The domestic industry concurs with the proposed conclusions of the Authority on the scope of the product under consideration, the standing of the domestic industry, confidentiality, the treatment of the non-cooperation of the Government of Bangladesh and of the response of the Government of Nepal, the least developed country exemption, sampling, the rejection of the request for individual margins for non-sampled producers from Nepal, and the subsidy and injury margins, and requests that the same be confirmed in the final findings.

ii. Section 9B(1)(a) of the Act does not prohibit the conduct of a countervailing duty investigation in respect of goods already subject to anti-dumping duty; the Authority has rightly held that the provision only ensures that the same situation of dumping or export subsidisation is not remedied twice. The Authority's practice in Styrene Butadiene Rubber from Korea RP, and the practice of the European Commission in Stainless Steel Cold-Rolled Flat Products from India and Indonesia, show that the overlap between the two remedies is to be addressed by confining the countervailing duty or reducing the anti-dumping duty by the export subsidy component, and not by declining to countervail.

iii. The determination of benefit under Programme 10 as the difference between tax at the benchmark rate of 27.5% and the tax actually borne on each of the export income, cash incentive income and domestic income streams is correct and is consistent with the practice of the Authority in New Pneumatic Tyres from China PR, of the USDOC in Certain Epoxy Resins and Sodium Nitrite from India, and of the European Commission in Glass Fibre Fabrics from China PR and Egypt.

iv. The Authority has rightly rejected the constructed CIF denominator proposed by the exporters in favour of the FOB value.

v. The producers/exporters were under an obligation to disclose the enabling regulations, policies and schemes under which benefits are provided to the jute sector in Bangladesh, including the manner in which the Jute Act, 2017 and the National Jute Policy, 2018 influence the price and availability of raw jute, and details of modernisation support, technology upgradation funds, skill enhancement initiatives and loans at reduced interest rates. The Authority is requested to record a finding on whether the cumulative effect of the Jute Act and the National Jute Policy results in the provision of raw jute at less than adequate remuneration, rather than resting on the denial of the sampled producers/exporters.

vi. The Authority has rightly rejected the contention that no benefit was conferred under the Nepal cash grant programme during the period of investigation, and rightly held that the subsidy cannot be treated as withdrawn under Article 19.1 of the ASCM since the repeal post-dates both the period of investigation and the initiation.

vii. The Industrial Enterprises Act, 2076 of Nepal provides for further fiscal incentives, including income tax incentives, customs duty concessions and incentives for export oriented and priority industries, which constitute revenue foregone and are specific to industries registered under that Act.

viii. The domestic industry has suffered material injury on account of the subsidised imports, which have increased in absolute and relative terms despite the anti-dumping duty in force, are undercutting the prices of the domestic industry and have suppressed and depressed its prices, and the listed other known factors have not caused injury. The decline in demand in the period of investigation did not cause injury because the subject imports gained market share despite the anti-dumping duty and domestic capacity.

ix. Jute yarn, hessian fabric and sacking bags constitute a single article within the meaning of Rule 2(ca) of the Rules; the subsidy is not granted in respect of individual product types but to the producers of the subject goods as a whole, and a single unified duty should be recommended for jute products as a whole.

x. The imposition of countervailing duty is in the public interest having regard to the employment of about four lakh workers in the jute mills, the livelihood of about forty lakh jute farming families, the concentration of the industry in North 24 Parganas, the need for the co-existence of the open market and government procurement segments, the absence of participation of any importer or user, and the findings of the Commission for Agricultural Costs and Prices. The duty should be recommended for a period of five years.

K.2. Submissions of the other interested parties

177. The **other interested parties** have made the following submissions in response to the disclosure statement:

i. The methodology adopted under Programme 10 results in impermissible double counting. The cash incentive under Programme 8 has been countervailed in full, on a shipment-wise basis and net only of bank charges. The same cash incentive is thereafter treated as an income stream under Programme 10 and the difference between tax at 27.5% and the 10% tax actually borne on it is countervailed again. On an incentive of 100, a total of 117.50 is countervailed although the benefit attributable to the incentive cannot exceed 100. This is contrary to Section 9(1) of the Act, Rule 20 of the Rules and Articles 19.3 and 19.4 of the ASCM, and to the reasoning of the United States Court of Appeals for the Federal Circuit in Kajaria Iron Castings Pvt. Ltd. v. United States, where countervailing both an export rebate and the tax deduction attributable to that rebate was held to double count the subsidy. The Authority itself declined to impose an additional benefit already captured under another programme in Textured Tempered Glass from Malaysia. Programme 10 need not be disregarded altogether, but only the incremental benefit arising independently of Programme 8 can be countervailed.

ii. The Programme 10 benefit has been allocated over export sales alone, whereas the tax liability of the company is determined on its total taxable income; the benefit should be allocated over total sales, including domestic sales. Company-specific recomputations have been furnished for the sampled entities on this basis and after excluding the cash incentive.

iii. With effect from 1st July 2026, the Finance Act, 2026 of Bangladesh has reduced the rate of tax deducted at source on cash export subsidy under Section 112 of the Income Tax Act, 2023 from 10% to 5% and has substituted Section 163 so that tax deducted in excess of the tax assessed is refundable or adjustable. The cash subsidy is therefore liable to tax at the regular rate of 27.5% from that date. Although this change post-dates the period of investigation, it should be taken into account since the duty is to remain in force for five years.

iv. The non-response of the Government of Bangladesh cannot justify disregarding or overriding reliable company-specific information furnished and verified by the cooperating producers/exporters. Facts available under Rule 6(8) and Article 12.7 of the ASCM may fill gaps in the record but cannot be used to disregard substantiated evidence on record, and no adverse inference should be drawn against cooperating exporters.

v. The treatment of the existing anti-dumping duty requires a specific and quantified adjustment. A general statement that the duties will be harmonised is insufficient. Programme 8 is expressly export contingent and the Authority has itself found that it reduces the effective export price. The Authority must identify the portion of the dumping margin attributable to the export subsidy, quantify the overlap, ensure that the countervailing duty does not duplicate the remedial effect of the anti-dumping duty and disclose the methodology, in terms of Section 9B(1)(a) of the Act, Article VI:5 of GATT 1994 and the Appellate Body report in US – Anti-Dumping and Countervailing Duties (China). Reliance is also placed on the decision of the CESTAT in Suncity Sheets Pvt. Ltd. v. Union of India.

vi. The nil determinations under Programmes 1 to 7, 9, 11 and 12 should be maintained in the final findings, and if any change is made the respondents should be given an opportunity to comment.

vii. The injury and causal link analysis requires reconsideration in view of the contraction in demand by about 20% in the period of investigation and the decline in subject imports by about 12.5% over the preceding year. An increase in the market share of the subject imports in a contracting market does not by itself discharge the obligation of non-attribution; the Authority must separate and distinguish the effects of the contraction in demand from those of the subsidised imports.

viii. The injury data of the domestic industry has been revised twice, first to include hessian bags and thereafter to correct a linking/formula error, after the Authority itself noted that the data was identical to that furnished in the anti-dumping mid-term review. The final findings should transparently set out the original data, the revised data, the nature of each correction, its effect on the injury indicators and whether it affects the injury and causal link conclusions.

ix. Only three out of twenty-four cooperating producers/exporters from Bangladesh were sampled, and the sample may not reflect the conditions prevailing among the cooperating exporters; in any event, since the margin for the non-sampled cooperating exporters is the weighted average of the sampled groups, the Programme 10 methodology must be corrected at the sampled level before any weighted average or facts available rate is determined.

x. A. M. Jute Industries Limited, a non-sampled cooperating producer/exporter from Bangladesh, has separately submitted that the methodology under Programme 10 counts the cash incentive twice and that the portion of the tax benefit attributable to the Programme 8 incentive should be removed, or no benefit at all quantified under Programme 10; that the countervailing duty read with the anti-dumping duty in force should not compensate the same export subsidisation twice; that the nil determinations under Programmes 1 to 7, 9, 11 and 12 should be maintained; that facts available should not be applied against it as a cooperating exporter; that the injury and causal link determination should be reconsidered in the light of the decline in subject imports and the contraction in demand; that the revised injury information of the domestic industry should be re-examined; and that the Programme 10 methodology should be corrected at the sampled level before any weighted average rate is applied to the non-sampled cooperating exporters.

xi. The Government of Nepal has unconditionally repealed the Procedure Relating to the Provision of Cash Subsidy on Exports, 2075 B.S. pursuant to the decision of the Council of

Ministers dated 24th February 2026, as confirmed by a letter of the Ministry of Foreign Affairs, Government of Nepal, dated 14th September 2026 forwarding a letter of the Ministry of Industry, Commerce and Supplies dated 11th September 2026, filed as Exhibit 1. The reliance of the Authority on a statement regarding a production-based incentive policy is misplaced, since the withdrawal of the programme is not contingent upon the introduction of a new programme, no such policy has been put in place, and a production-based incentive cannot be a successor to an export subsidy. The programme having been withdrawn, it cannot be countervailed in terms of Article 19.1 of the ASCM, and the investigation should be terminated in respect of Nepal.

xii. No amounts were received under the programme during the period of investigation. The exporter applies to its bank with the prescribed documents and the bank credits the amount to the exporter's account under a lien until the bank is reimbursed by the Nepal Rastra Bank; the exporter is not permitted to draw or utilise the amount so credited. Letters from the concerned banks confirming the lien are filed as Exhibit 2. The Government of Nepal has stated that it has not provided any grants under the programme since 17th October 2022 and has made no budgetary provision for 2022-23, 2023-24 and 2024-25; no question of cancellation or write-off of accrued amounts can therefore arise.

i. The banks with which the claims were lodged are not government banks or public bodies within the meaning of Article 1 of the ASCM. Any amount credited by the banks cannot be attributed to the Government of Nepal, which has made no disbursement, and there is accordingly no financial contribution.

ii. The tax concession under Section 11(3)(a) of the Income Tax Act, 2058 is determined solely by the number of Nepali citizens employed, applies to all industries other than those producing tobacco products, whose exclusion is justified under Article XX of GATT 1994, and is based on objective criteria that are economic in nature and horizontal in application within the meaning of footnote 2 to Article 2 of the ASCM. The programme is not specific and is not countervailable.

K.3. Examination by the Authority

178. The Authority has examined the post-disclosure comments of the interested parties. Submissions which merely reiterate contentions raised earlier in the investigation have been dealt with in the relevant sections above and are not repeated here. The Authority notes that the post-disclosure submissions of the domestic industry concur with the determinations proposed in the disclosure statement on the scope of the product under consideration, like article, standing, confidentiality, sampling and the treatment of the responses of the Governments of the subject countries, and no interested party has raised any new issue on these aspects. Those determinations are confirmed.

K.3.1. Programme 8 and Programme 10 of Bangladesh: alleged double counting

179. The producers/exporters from Bangladesh have contended that the cash incentive countervailed under Programme 8 has again been used as the base for the determination of benefit under Programme 10, and that the same benefit has thereby been countervailed twice. The Authority has examined the contention. Under Programme 8 the cash incentive has been countervailed at the full

amount of the entitlement accruing on exports made during the period of investigation, gross of the tax deducted at source on it. The benefit determined in the disclosure statement under Programme 10 on the cash incentive income stream was the difference between tax at 27.5% and the tax actually borne on the same amount. The two programmes are distinct, rest on different legal instruments and involve different forms of financial contribution, and the Authority does not accept that the tax treatment of a subsidy is in general to be taken into account in measuring it. The position of the cash incentive income stream is, however, particular. The amount countervailed under Programme 8 already comprises the whole of the incentive, including the portion which the recipient would have borne as tax at the benchmark rate, and the concession measured on that stream under Programme 10 is that very portion. To countervail it under both programmes would measure the same revenue twice. The Authority has therefore accepted the contention to this extent and has excluded the cash incentive income stream from the determination of benefit under Programme 10, as recorded in Section G.6.1 above. The benefit under Programme 10 has been re-determined for each sampled entity on the export income and domestic income streams alone, by one and the same method for all the sampled entities, and the revised determinations are set out in Sections G.7 and G.11 above.

The illustration furnished by the producers/exporters, that on an incentive of 100 an amount of 117.50 is countervailed, proceeds on the premise that the tax treatment of a subsidy must be taken into account in measuring it. The Rules provide otherwise. In terms of Rule 12 of the Rules read with Annexure IV thereto, a direct transfer of funds is measured at the amount received by the recipient and a tax reduction is measured as the difference between the tax actually paid and the tax payable at the normal rate, and no allowance can be made for any tax effects of subsidies. Each of the two subsidies has been determined in accordance with these provisions, and the countervailing duty recommended does not exceed the amount of subsidy so determined, as required by Section 9(1) of the Act, Rule 20 of the Rules and Article 19.4 of the ASCM. The cash incentive income stream has accordingly been retained in the determination of benefit under Programme 10, as disclosed.

180. The Authority does not accept the further contention of A. M. Jute Industries Limited that no benefit at all should be quantified under Programme 10. The reduced rate of 10% on the income of the jute industry, and the treatment of the tax collected or deducted at source as the final discharge of tax on export income, are revenue foregone by the Government of Bangladesh on the export income and domestic income of the recipient, which is income independent of the cash incentive, and confer a benefit equal to the tax that would otherwise have been payable at the standard rate on that income. The exclusion of the cash incentive income stream does not extend to those streams. The producers/exporters have themselves accepted in their comments that Programme 10 need not be disregarded altogether.

181. The company-specific recomputations furnished by the sampled producers/exporters have been examined. To the extent that they remove the cash incentive stream, the result now reached by the Authority is the same in principle, although the Authority has proceeded on the figures in the returns, computations and audited accounts as examined in Section G.7 above and not on the recomputations as furnished. The recomputations for Janata Jute Mills Limited and Sagar Jute

Spinning Mills Ltd. further deduct the entire cash subsidy income from the profit of the year and arrive at negative benefits, which are presented as negative subsidy margins. A negative benefit in a year is not a subsidy and cannot be set off against the benefit of another year or another programme; where the income excluding the cash incentive is a loss, or the tax borne exceeds the tax at the benchmark rate, the benefit for that year has been taken as nil. The recomputation for Janata Jute Mills Limited for FY 2023-24 also departs from the Income Breakdown Statement annexed to its own return, on which the Authority has relied. The recomputations have been adopted to the extent of the total sales furnished therein, as recorded below.

K.3.2. Allocation of the benefit under Programme 10

182. The sampled producers/exporters have contended that the benefit under Programme 10 should be allocated over their total sales and not over export sales alone, since the tax liability of a company is determined on its total taxable income. The authority has considered the comments.The benefit under Programme 10 has been determined for the entity as a whole on the export income and domestic income streams, the benefit on the domestic income stream being taken in full and not in the export ratio, and has been allocated over the total sales of the entity during the period of investigation as furnished by the producers/exporters, the rate so determined being applied to the exports of the subject goods to India. The recomputations furnished by the producers/exporters retain the export-allocated benefit in the numerator while adopting total sales in the denominator, which is internally inconsistent, and have not been adopted as such.

K.3.3. Amendments to the income tax law of Bangladesh with effect from 1st July 2026

183. The producers/exporters have submitted that the Finance Act, 2026 of Bangladesh has, with effect from 1st July 2026, reduced the rate of tax deducted at source on cash export subsidy from 10% to 5% and has made tax deducted in excess of the tax assessed refundable or adjustable, so that the cash subsidy would be liable to tax at 27.5%. The Authority notes that these amendments post-date the period of investigation by more than a year and have no bearing on the benefit conferred during the period of investigation, which is the basis of the present determination. The effect, if any, of a change in the tax treatment of the cash incentive on the continued subsidisation of the subject goods is a matter that can be examined in a review under the Rules on the basis of evidence of its actual operation.

K.3.4. Facts available and the cooperating producers/exporters

184. The producers/exporters from Bangladesh have contended that the non-response of the Government of Bangladesh cannot justify the disregard of verified company-specific information furnished by them. The Authority notes that facts available in terms of Rule 7(8) of the Rules have been applied only to the extent that information on the operation of the programmes of the Government of Bangladesh is not available in its response, and in respect of the producers/exporters which did not cooperate. Every figure adopted for the sampled producers/exporters, under Programme 8 as well as Programme 10, has been drawn from their

own questionnaire responses, supplementary replies, Format E statements, income tax returns and computations. No adverse inference has been drawn against any cooperating producer/exporter on account of any gap in the information furnished by the Government of Bangladesh, and the contention proceeds on a misapprehension of the determination.

K.3.5. Double remedy with the anti-dumping duty in force

185. Both the domestic industry and the producers/exporters from Bangladesh have addressed the interaction of the countervailing duty with the anti-dumping duty in force on the subject goods. The producers/exporters have sought a quantified adjustment for the portion of the dumping margin attributable to the export subsidy, and the domestic industry has accepted that the overlap between the two remedies is to be addressed, citing the approach of confining the adjustment to the export subsidy, while contending that it does not preclude the imposition of countervailing duty. The Authority has recorded its determination in the relevant section above. Section 9B(1)(a) of the Act does not bar the imposition of countervailing duty on goods subject to anti-dumping duty; what it prohibits is the compensation of the same situation of dumping or export subsidisation twice. The Authority has therefore determined the countervailing duty for each producer/exporter in two components and has recommended that the anti-dumping duty continue to be collected in full and that the export subsidy component of the countervailing duty be collected only to the extent that it exceeds the anti-dumping duty leviable on the same consignment under the notification in force at the time of import.

K.3.6. Programmes of the Government of Bangladesh on which no benefit has been determined

186. The producers/exporters have requested that the nil determinations under Programmes 1 to 7, 9, 11 and 12 be maintained. The domestic industry has reiterated its request that the Authority record a finding on the provision of raw jute at less than adequate remuneration under the Jute Act, 2017 and the National Jute Policy, 2018, and has referred to modernisation support, technology upgradation funds, skill enhancement initiatives and concessional loans. The Authority notes that the domestic industry has not, at the post-disclosure stage or earlier, placed on record evidence of a financial contribution to the sampled producers/exporters under any of these heads, of an appropriate benchmark for raw jute in Bangladesh, or of a benefit actually received, and that the sampled producers/exporters have confirmed on record that they have not availed of any assistance under these programmes. The determinations recorded in the relevant sections above in respect of Programmes 1 to 7, 9, 11 and 12 are confirmed.

K.3.7. Programme 1 of Nepal: repeal of the programme

187. The producers/exporters from Nepal have filed, as Exhibit 1, a letter of the Ministry of Foreign Affairs, Government of Nepal, dated 14th September 2026 addressed to the Embassy of Nepal in New Delhi, forwarding a letter of the Ministry of Industry, Commerce and Supplies dated 11th September 2026, which states that the Procedure Relating to the Provision of Cash Subsidy on Exports, 2075 B.S. has been repealed pursuant to the decision of the Council of Ministers dated 24th February 2026. The Authority has examined the letter. It confirms the fact of the repeal, which was already on record and has been taken into account in the relevant section above. It does not address the entitlements which had accrued on exports made during the period of investigation, the amounts which stand credited to the accounts of the producers/exporters, or the treatment of the receivables carried in their books, and it does not describe the repeal as unconditional or as

extinguishing accrued claims. The letter therefore does not alter the finding that the subsidy in respect of the period of investigation had been conferred and cannot be said to have been withdrawn within the meaning of Article 19.1 of the ASCM. As regards the reference to a production-based incentive policy, the Authority clarifies that the finding rests on the vesting of entitlement upon the making of qualifying exports during the period of investigation and on the amounts actually credited, and not on the existence or otherwise of a successor programme; the reference to the successor procedure and the budget statement was recorded as a circumstance indicating that the repeal was not shown to be an unqualified withdrawal of export subsidisation, and no more. The request for termination of the investigation in respect of Nepal is not acceded to.

K.3.8. Programme 1 of Nepal: receipt of the incentive and the alleged lien

188. The producers/exporters from Nepal have filed, as Exhibit 2, nine letters issued between 14th and 16th September 2026 by five banks. Each letter is in identical terms and states that the exporter claimed incentives for the fiscal year 2080/81 B.S., that the bank credited the amount to the current account of the exporter under a lien to the bank until reimbursement by the Nepal Rastra Bank, that the bank has not received reimbursement, and that the exporter is not allowed to draw or utilise the money so credited. The Authority has examined these letters against the record. The bank statements and the ITPF ledgers placed on record by the producers/exporters themselves in their supplementary responses show credits of the cash incentive into ordinary current accounts during the period of investigation and cheque withdrawals, loan repayments and transfers effected from those accounts on and after the dates of credit; no lien, hold or restriction is recorded on any of the statements. The letters now filed are confined to claims relating to the fiscal year 2080/81 B.S. and are silent on the credits relating to the fiscal year 2081/82 B.S., which covers the greater part of the period of investigation. The Government of Nepal stated in its questionnaire response that amounts credited by commercial banks to exporters are not permitted to be used until release authorisation is issued by the Nepal Rastra Bank; that statement, like the bank letters, describes the scheme as it is intended to operate, whereas the bank statements on record show how the accounts were in fact operated. No lien agreement, no instruction of the Nepal Rastra Bank and no communication of the banks restricting the operation of the accounts has been produced, although the producers/exporters were specifically called upon to produce such documents during the investigation. The producers/exporters have also not offered any explanation of the fact, recorded in the disclosure statement, that the amounts credited to their accounts during the period of investigation exceeded the entitlement of five per cent on exports made during the period of investigation, or of the claims at rates of up to eight per cent recorded in their own audited accounts. Letters obtained after the issue of the disclosure statement, in a common format, which are contradicted by the contemporaneous bank statements of the same banks on record, cannot displace that record. The finding that the benefit under Programme 1 was conferred during the period of investigation is confirmed.

189. As regards the contention that the banks are not public bodies and that the amounts credited by them cannot be attributed to the Government of Nepal, the Authority notes that the credits were made on applications lodged under Section 5 of the Procedure, on the strength of the documents prescribed thereunder, and in accordance with the mechanism of crediting and reimbursement under Sections 6 and 7 of the Procedure, from or against a dedicated account maintained at the Nepal Rastra Bank and funded in advance by the Ministry of Finance. The commercial bank is

the channel through which the Government of Nepal disburses a grant which the Government has undertaken to provide; whether the bank is itself a public body is immaterial to the characterisation of the grant as a financial contribution by the Government of Nepal. The Authority further notes that the contention is inconsistent with the position of the producers/exporters that the Government of Nepal has made no disbursement since October 2022: if that were so, the producers/exporters have received and used substantial sums credited by their banks under a government scheme which, on their own case, the Government has not funded, a circumstance which has not been explained. In any event, the benefit under Programme 1 has been determined on the basis of the entitlement of five per cent accrued by the producers/exporters themselves on their exports to India during the period of investigation, and not on the amounts credited, which are higher.

K.3.9. Programme 2 of Nepal: specificity

190. The producers/exporters from Nepal have reiterated that the tax concession under Section 11(3)(a) of the Income Tax Act, 2058 is based on the number of employees and is therefore not specific. The Authority has dealt with this contention in the relevant section above. The post-disclosure submission addresses only the employment-linked rebate under Section 11(3)(a) and does not address the first tier of the concession, namely the reduced rate of 20% for special industries under Section 11(2b)(b), which is confined by the statute to production-based, agriculture and forest product based and mineral industries and is not available to the services, trading and other sectors of the economy. The employment-linked rebate operates only within that class of industries and partakes of the same limitation. A criterion is horizontal in application within the meaning of footnote 2 to Article 2 of the ASCM only where it is available to all enterprises which meet it, and that is not the case here. The finding that the concession is de jure specific and countervailable is confirmed.

K.3.10. Injury, causal link and the revised information of the domestic industry

191. The producers/exporters from Bangladesh have sought a more detailed non-attribution analysis in respect of the contraction in demand in the period of investigation, and a transparent statement of the revisions made to the injury information of the domestic industry. The Authority has examined both requests. The examination of the contraction in demand in the relevant section above has been elaborated so as to record the extent to which the decline in absolute volumes in the period of investigation was shared by all participants in the market, and the reasons for which the contraction in demand does not account for the volume share and price effects of the subsidised imports on which the finding of injury and causal link rests. As regards the revisions to the injury information, the Authority has recorded in the relevant section above the nature of revision and its effect on the principal injury indicators for the period of investigation, together with a table comparing the information as originally furnished with the information as revised and adopted. The inclusion of hessian bags altered the volume, price and profit parameters by negligible amounts, and the correction of the linking/formula error materially altered only the inventory figures, in a direction unfavourable to the domestic industry. The producers/exporters have themselves stated that a clerical error does not invalidate the investigation, and have not identified any figure in the revised information which they contend to be incorrect. The determinations on injury and causal link are confirmed.

K.3.11. Sampling and margins for non-sampled cooperating producers/exporters

192. The contention that the sample of three groups from Bangladesh is not representative has been dealt with in the relevant section above and no new ground has been advanced. The further

contention that the Programme 10 methodology must be corrected at the sampled level before any weighted average or facts available rate is determined has been considered. The benefit under Programme 10 has been re-determined for each sampled group on the exclusion of the cash incentive income stream and the allocation over total sales accepted above, and the weighted average margin for the non-sampled cooperating producers/exporters and the facts available margin for all other producers/exporters from Bangladesh have been re-determined on the basis of the revised margins of the sampled groups, as shown in the subsidy margin table above.

K.3.12. Other submissions of the domestic industry

193. The domestic industry has requested a single duty on jute products as a whole and the imposition of the duty for a period of five years. The Authority notes that the product under consideration comprising jute yarn/twine, jute sacking bags and cloth and jute hessian bags and fabrics has been treated as a single product, that the subsidy programmes countervailed herein are not granted with reference to individual product types but to the producers of the subject goods on their export or total turnover, and that the subsidy margin has accordingly been determined for each producer/exporter for the product under consideration as a whole. The injury margin, determined for each producer/exporter on a weighted average basis, is higher than the subsidy margin in every case, and the lowest product-wise injury margin on the record also exceeds the duty determined for the producer concerned. A single duty per producer/exporter for the product under consideration as a whole has accordingly been recommended, in the form of a fixed amount in US dollars per metric tonne determined by applying the subsidy margin to the weighted average FOB export price of the producer/exporter for the product under consideration during the period of investigation, the same form in which the anti-dumping duty on the subject goods is expressed. As regards the further incentives under the Industrial Enterprises Act, 2076 of Nepal, the Authority reiterates that the sampled producers/exporters have confirmed on record that no other programme has been availed of and no benefit under any further incentive has been established on the record for the period of investigation.

K.3.13. Submissions of the Government of Bangladesh

194. The Government of Bangladesh, in its response to the government questionnaire, its post-hearing submissions and its comments on the disclosure statement, has submitted that none of the alleged programmes is a countervailable subsidy. It has been submitted that Programmes 1 to 7 apply only to enterprises located in the export processing zones and the economic zones, that only four enterprises producing jute goods operate in the export processing zones and none of them has received any incentive, and that no producer of the subject goods is located in the economic zones; that Programme 9 is available to all export oriented industries and is not specific; that Programme 10 is a sector-wide rate of tax under SRO No. 304 dated 5th November 2023 which applies alike to enterprises selling in the domestic market and to exporters, is not contingent upon export performance and is not specific, and that in any case the exporters sell to India below cost, the profit is absent or insignificant and the programme has no significant impact; that the Export Development Fund provides refinance at market related rates and is not used by the jute sector, which does not import its inputs; and that the National Jute Policy, 2018 is a policy framework without any financial contribution. As regards Programme 8, it has been submitted that the cash incentive is a measure permissible to a least developed country under Article 27.2(a) read with Annex VII of the ASCM, that it is available to a large number of sectors, and that the rates for jute goods were reduced by more than half in 2024-25. It has further been submitted that the subsidy

margins have been disclosed in ranges, which obscures the true picture; that the evidence of injury and causal link is insufficient in terms of Article 11.2 of the ASCM, the share of imports from Bangladesh having remained broadly constant and the economic parameters of the domestic industry showing improvement; that the landed value, the price undercutting and the injury margin have been computed without adding the anti-dumping duty in force; that the non-injurious price has been kept confidential; that the same injury, over the same injury period and period of investigation, has already been attributed to dumped imports in the mid-term review; that the anti-dumping duty in force already neutralises the effect of the export subsidy reflected in the export price, so that the levy of countervailing duty would amount to a double remedy contrary to Article VI:5 of GATT 1994, Article 19.3 of the ASCM and Section 9B(1) of the Act; that the non-confidential version of the application does not contain meaningful summaries as required under Article 12.4.1 of the ASCM; that Cheviot Company Ltd. is an importer of the subject goods and that, upon its exclusion, the remaining applicants may account for less than 25% of Indian production; that the non-consideration of its response and post-hearing submissions in the disclosure statement is inconsistent with Articles 12.1 and 12.7 of the ASCM; and that the investigation should be terminated in terms of Article 11.9 of the ASCM.

195. The Authority has examined the submissions. As recorded in the relevant section above, the response and the submissions of the Government of Bangladesh have been taken on record and considered. As regards Programmes 1 to 7, 9, 11 and 12, no benefit has been determined for any of the sampled producers/exporters and no duty has been recommended on account of these programmes, and the submissions do not call for any further finding. As regards Programme 8, the Government of Bangladesh has itself described the programme as an export incentive maintained in terms of Article 27 of the ASCM, the incentive is payable on the export of jute goods at the rates notified in the circulars of Bangladesh Bank, and the rates of 10%, 5% and 3% stated by the Government of Bangladesh for 2024-25 correspond to FE Circular No. 12 dated 30.06.2024, which has been applied by the Authority for exports made from 1st July 2024. A programme under which payment is made upon export is contingent upon export performance, and the availability of the incentive to other export sectors does not alter this position. The claim based on the status of Bangladesh as a least developed country has been dealt with in the relevant section above. The benefit has been determined on the basis of the amounts reported by the sampled producers/exporters, and the reduction in the rates is reflected therein. Any change in the programme after the period of investigation is a matter which can be examined in a review under the Rules. As regards Programme 10, the response confirms that the reduced rate under SRO No. 304 is available only on income derived from the manufacture of jute goods. A benefit limited by law to an industry is specific, and the uniform application of the rate within that industry does not make it non-specific. The submission that the programme is not contingent upon export performance is consistent with the treatment of the programme by the Authority. The contention that there is no profit and hence no benefit is not borne out by the record, as the benefit has been determined from the income tax returns and tax computations of the sampled producers/exporters, which show the taxable income and the tax paid thereon.

196. As regards injury and causal link, the Authority has not relied upon the information in the application alone. The determination is based on the transaction-wise import data of DG Systems and the verified information of the domestic industry, as examined in the relevant sections above, wherein the increase in the market share of the subject imports, the price undercutting and price

suppression, and the effect of the contraction in demand have been dealt with. The landed value has been determined as the CIF value of the imports with the applicable basic customs duty, if any, in accordance with the consistent practice of the Authority. Anti-dumping duty is not added to the landed value for the purpose of determining price undercutting or the injury margin. The non-injurious price is based on the confidential cost information of the domestic industry, and the methodology adopted for its determination has been stated in the relevant section above. Dumping and subsidisation of the same imports are not mutually exclusive, and the finding of injury in the mid-term review for the same period does not preclude a finding that the subsidised imports have caused injury to the domestic industry. The law addresses the concurrent application of the two duties at the stage of levy, and the Authority has, as recorded in the relevant section above and in the recommendation, provided that the export subsidy component of the countervailing duty be collected only to the extent that it exceeds the anti-dumping duty leviable. The confidentiality claims of the domestic industry have been examined in the relevant section above. As regards Cheviot Company Ltd., the applicant producers have not imported the subject goods from the subject countries during the period of investigation and that they are not related to any exporter or importer of the subject goods, and no evidence to the contrary has been placed on record; the standing of the applicants has been examined in the relevant section above. The request for termination of the investigation in terms of Article 11.9 of the ASCM is accordingly not acceded to.

L. CONCLUSIONS

197. Having regard to the contentions raised, information provided and submissions made by the interested parties and the facts available before the Authority, as recorded in these final findings, and on the basis of the above analysis of the state of subsidisation, injury and causal link, the Authority concludes that:

i. The product under consideration is "Jute Products" comprising jute yarn/twine (single, multiple folded or cabled), jute sacking bags and cloth, and jute hessian bags and fabrics, including the subject goods when imported as jute products containing mineral oil or vegetable oil and as diversified jute products, as defined in the initiation notification, and the product produced by the domestic industry is like article to the product under consideration.
ii. The applicant producers constitute the domestic industry within the meaning of Rule 2(b) of the Rules and the application satisfies the requirement of standing under Rule 6(3) of the Rules.
iii. The Government of Bangladesh filed a response to the government questionnaire, which has been taken on record and examined. The programmes of the Government of Bangladesh have been examined on the basis of the said response, the information furnished by the responding producers/exporters and the facts available on record. The response of the Government of Nepal has been taken on record and examined.
iv. The producers/exporters of the subject goods in Bangladesh have received countervailable subsidies under Programme 8 (cash incentive on export of jute goods), which is a prohibited export subsidy, and under Programme 10 (preferential income tax treatment of the jute industry). No benefit has been established under Programmes 1 to 7, 9, 11 and 12 for the sampled producers/exporters.

v. The producers/exporters of the subject goods in Nepal have received countervailable subsidies under Programme 1 (cash grants on export of jute products), which is a prohibited export subsidy, and under Programme 2 (tax subsidies for jute industries).

vi. The subsidy margins determined for the sampled producers/exporters, the non-sampled cooperating producers/exporters and all other producers/exporters from each of the subject countries are above the de minimis level.

vii. The domestic industry has suffered material injury. The subject imports have increased in absolute terms and in relation to production and consumption in India over the injury period, are undercutting the prices of the domestic industry and have suppressed and depressed its prices, and the domestic industry has suffered a decline in production, capacity utilisation, domestic sales, market share, profits, cash profits and return on capital employed.

viii. The material injury to the domestic industry has been caused by the subsidised imports from the subject countries, and the other known factors examined have not caused the injury.

ix. The subject goods are already subject to anti-dumping duty. In order to ensure that the same situation of export subsidisation is not compensated twice, the component of the countervailing duty attributable to the export contingent programmes is to be collected only to the extent that it exceeds the anti-dumping duty leviable on the same consignment, the component attributable to the tax concessions being collected in full.

x. The imposition of countervailing duty is in the public interest, having regard to the interests of the domestic producers, the workers and the raw jute farmers dependent on the industry, the absence of any participation by importers or users, and the capacity of the Indian industry to meet the demand in the country.

M. RECOMMENDATION

198. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, the Governments of the subject countries, the producers/exporters, importers and other interested parties to provide information on the aspects of subsidisation, injury and causal link. Having initiated and conducted the investigation into subsidisation, injury and causal link in terms of the provisions of the Act and the Rules, and having established that the producers/exporters of the subject goods in the subject countries have received countervailable subsidies within the meaning of Section 9 of the Act, that the domestic industry has suffered material injury and that the injury has been caused by the subsidised imports, the Authority is of the view that imposition of definitive countervailing duty is required to offset the subsidisation and injury.

199. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of definitive countervailing duty equal to the lesser of the subsidy margin and the injury margin, so as to remove the injury to the domestic industry. The injury margins determined for each of the sampled producers/exporters, the non-sampled cooperating producers/exporters and all other producers/exporters from each of the subject countries are higher than the corresponding subsidy margins. Accordingly, the Authority recommends imposition of definitive countervailing duty on imports of the subject goods originating in or exported from the subject countries, for a period of five years from the date of notification by the Central Government, as a fixed amount in US dollars per metric tonne for each producer/exporter for the product under consideration as a whole. The amount is shown in the duty table in two components, that attributable to the export

contingent programme (Programme 8 of Bangladesh and Programme 1 of Nepal) in column (7) and that attributable to the tax concession (Programme 10 of Bangladesh and Programme 2 of Nepal) in column (8), the total being shown in column (9).

200. The subject goods being already subject to anti-dumping duty under Notification No. 33/2022-Customs (ADD) dated 30th December 2022, the Authority further recommends, in terms of Section 9B(1)(a) of the Act, that the countervailing duty payable on any consignment of the subject goods be the amount in column (8) of the duty table together with the amount, if any, by which the amount in column (7) exceeds the anti-dumping duty leviable on that consignment under the anti-dumping duty notification in force at the time of import; and that where the anti-dumping duty so leviable equals or exceeds the amount in column (7), the countervailing duty payable be the amount in column (8) alone. The anti-dumping duty shall continue to be collected in full.

Duty Table

SN 1	Heading 2	Description of goods 3	Country of origin 4	Country of export 5	Producer 6	Export subsidy component (US$/MT) 7	Tax concession component (US$/MT) 8	Total countervailing duty (US$/MT) 9
1	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Hasan Jute Mills Limited	92.10	40.26	132.36
2	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Hasan Jute & Spinning Mills Limited	92.10	40.26	132.36
3	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Janata Jute Mills Limited	99.78	4.42	104.20
4	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Sadat Jute Industries Limited	99.78	4.42	104.20
5	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Sagar Jute Spinning Mills Ltd.	99.51	2.03	101.54
6	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Oriental Jute Mills Ltd.	99.51	2.03	101.54
7	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Ahyan Jute Mills Limited; Alijan Jute Mills Limited; Asha Jute Industries Limited; Bogra Jute Mills Limited; Ecotrade International; Golden Jute Industries Limited; Jamuna Jute Industries; Mirza Jute Mills Ltd.; Mouna Jute Mills Ltd.; Natore Jute Mills;	96.23	20.25	116.48

NON-CONFIDENTIAL

SN 1	Heading 2	Description of goods 3	Country of origin 4	Country of export 5	Producer 6	Export subsidy component (US$/MT) 7	Tax concession component (US$/MT) 8	Total countervailing duty (US$/MT) 9
					Nawhata Jute Mills Ltd.; Rahman Jute Mills Pvt. Ltd.; Rajbari Jute Mills Limited; Ranu Agro Industries Ltd.; Sidlaw Textiles (Bangladesh) Limited; Sonali Aansh Industries Limited; Wahab Jute Mills Ltd.; A. M. Jute Industries Limited			
8	5307, 5310, 5607, 6305	Jute Products*	Bangladesh	Any country including Bangladesh	Any producer other than those at SN 1 to 7	99.78	40.26	140.04
9	5307, 5310, 5607, 6305	Jute Products*	Any country other than Bangladesh and Nepal	Bangladesh	Any	99.78	40.26	140.04
10	5307, 5310, 5607, 6305	Jute Products*	Nepal	Any country including Nepal	Arihant Multi-Fibres Ltd.	57.24	1.72	58.96
11	5307, 5310, 5607, 6305	Jute Products*	Nepal	Any country including Nepal	Shree Raghupati Jute Mills Limited	57.24	1.72	58.96
12	5307, 5310, 5607, 6305	Jute Products*	Nepal	Any country including Nepal	Swastik Jute Mills (P) Ltd.	54.55	0.22	54.77
13	5307, 5310, 5607, 6305	Jute Products*	Nepal	Any country including Nepal	Baba Jute Mills Private Limited; Shree Pashupatinath Jute Mills Private Limited	56.91	1.59	58.50
14	5307, 5310, 5607, 6305	Jute Products*	Nepal	Any country including Nepal	Any producer other than those at SN 10 to 13	57.24	3.30	60.54
15	5307, 5310, 5607, 6305	Jute Products*	Any country other than Bangladesh and Nepal	Nepal	Any	57.24	3.30	60.54

**Jute Products comprising jute yarn/twine (single, multiple folded or cabled), jute sacking bags and cloth, and jute hessian bags and fabrics, including such goods imported as jute products containing mineral oil or vegetable oil and as diversified jute products, but excluding blanket, decorative fabrics, floor coverings,* *hand and shopping bags, handicrafts, carpet backing cloth, geo-textiles and other gift novelty items. The customs classification is indicative only and is not binding on the scope of the product under consideration.*

Note 1: The amounts in columns (7), (8) and (9) have been determined by applying the subsidy margin determined for each producer/exporter to its weighted average FOB export price of the product under consideration to India during the period of investigation; for the non-sampled cooperating producers/exporters and for any other producer/exporter of each country, the volume-weighted average FOB export price of the sampled producers/exporters of that country has been adopted.

Note 2: The producer-specific rates of countervailing duty shall apply subject to the production before the customs authorities of a valid commercial invoice carrying a declaration, dated and signed by an authorised officer of the entity issuing the invoice with name and designation, certifying that the goods covered by the invoice were produced by the producer named in the corresponding row of the duty table; in the absence of such a declaration, the rate applicable to any other producer of the country concerned shall apply.

N. FURTHER PROCEDURE

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

Digitally signed by
Amitabh Kumar
Date: 28-09-2026
20:52:24

Amitabh Kumar
Designated Authority