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**F. No. 6/41/2019-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
Jeevan Tara Building, 5, Parliament Street, New Delhi**

Dated 30th December 2020

NOTIFICATION

FINAL FINDINGS

Case No. ADD-OI-32/2019

Subject: Anti-dumping investigation concerning imports of “Viscose Spun Yarn” originating in or exported from China PR, Indonesia and Vietnam

Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as the AD Rules or the Rules).

A. BACKGROUND OF THE CASE

1. The Designated Authority (herein after referred to as the Authority), received a written application from the Indian Manmade Yarn Manufacturers Association (hereinafter referred to as the “Applicant”) on the behalf of domestic producers, in accordance with the Act and the Rules for imposition of Anti-dumping duty on imports of “Viscose Spun Yarn” (hereinafter also referred to as the “Product Under Consideration” or “PUC” or “subject goods”) from People’s Republic of China, Indonesia and Vietnam (hereinafter also referred to as the “subject countries”) alleging dumping and consequent injury and requested for levy of anti-dumping duty on the imports of the subject goods from the above subject countries.
2. The Authority, on the basis of prima facie evidence submitted by the Applicant, issued a public notice vide notification No. 6/41/2019 - DGTR dated 14th January, 2020, published in the Gazette of India, Extraordinary, initiating the anti-dumping investigation in accordance with Section 9A of the Act read with Rule 5 of the Rules to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from China PR, Indonesia, and Vietnam, and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the Domestic Industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:
- a. The Authority notified the Embassies of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
 - b. The Authority issued a public notice vide its initiation notification dated 14th January, 2020 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods from subject countries.
 - c. The Authority sent a copy of the initiation notification dated 14th January, 2020 to the Embassies of subject countries in India, the known producers and exporters from the subject countries, known importers, importer/user Associations, the Domestic Industry as well as other domestic producers, and other interested parties as mentioned in the application, and requested them to make their views known in writing within the prescribed time limit, in accordance with Rules 6(2) and 6(4) of the Rules.
 - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassies of the subject countries in India in accordance with Rule 6(3) of the Rules supra.
 - e. The Embassies of the subject countries in India were also requested to advise the exporters/producers from their respective countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the known producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject countries.
 - f. The Authority, upon several requests made by the interested parties, granted extensions of time to the interested parties to file their response as well as submissions. Vide communication dated 4th March, 2020, the time was extended upto 18th March, 2020. Vide communication dated 18th March, 2020, the time was again extended up to 1st April, 2020. Vide communications dated 1st April, 2020; 21st April, 2020 and 9th May, 2020 the time was further extended up to 22nd April, 2020; 10th May, 2020; and 20th May, 2020 respectively.
 - g. The following governments of the subject countries provided written submissions:
 - i. Trade Defense, Directorate General of Foreign Trade, Republic of Indonesia
 - h. The Authority sent questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the AD Rules:

China PR	Indonesia	Vietnam
1. M/s Chtc Dayao Textile Co Ltd.	1. M/s Adetex	1. M/s Company Limited Hung Nghiep Formosa

2. M/s F-TEX (Asia) International Limited	2. M/s Adikencana Mahkotabuana	2. M/s Haosheng Vina Co. Ltd
3. M/s Fujian Changle Jinyuan Teaxtile Co	3. M/s Apac Inti Corpora	3. M/s Hung Nghia Formosa Company Ltd
4. M/s Fuzhou Hongyi Trade Co. Ltd.	4. M/s Bintang Makmur Sentosa Textile Industries	4. M/s Mei Sheng Textiles Vietnam Co., Ltd
5. M/s Hmei Thread Co. Ltd. of Yibin Sichua	5. M/s Bitratex Industries	
6. M/s Jiangsu Pengxiang New Material	6. M/s Delta Merlin Sandang Tekstil	
7. M/s Ningbo Haikai International Trade	7. M/s Delta Dunia Sandang Tekstil	
8. M/s Ningbo Sss Thread Co.Ltd	8. M/s Delta Dunia Tekstil	
9. M/s Shandong Zhink New Material Co. Ltd.	9. M/s Embee Plumbon Tekstil	
10. M/s Shaoxing Lianghe Textile Co Ltd.	10. M/s Elegant Textile Industry	
11. M/s Shaoxing Shuhao Textile Technology	11. M/s Excellence Qualities Yarn	
12. M/s Suzhou Pure-Fibre Textile Texhnology Co. Ltd	12. M/s Indo Liberty Textiles	
13. M/s Top Fiber Source Co. Limited	13. M/s Kewalram Indonesia	
14. M/s Wujiang Jingyi Special Fiber Co Ltd	14. M/s Lotus Indah Textile Industries	
15. M/s Xiamen Phoenix New Material	15. M/s Manunggal Adipura	
16. M/s Xiamen Mc Group Corp. Ltd	16. M/s Mulia Jaya Sejahtera Abadi Textile	
17. M/s Xiamen Ming Textile Co Ltd	17. M/s Natatex Prima	
18. M/s Xiamen Wei Textile Technology Co Ltd	18. M/s Pamor Spinning Mills	
19. M/s Xuzhou Guangpeng Textile Co Ltd	19. M/s Pisma Putra Textile	
20. M/s Yibin Grace Textile Co. Ltd	20. M/s Primayudha Mandirijaya	
21. M/s Yibin Spark Fine Spinnig Tech Co. Ltd	21. M/s Sekar Bengawan	
22. M/s Zhejiang Zhongda Group	22. M/s Sinar Pantja Djaja	

	23. M/s Sri Rejeki Isman	
	24. M/s Sunrise Bumi Textiles	

- i. In response, the following exporters/producers have filed the exporter's questionnaire response:
1. M/s Yibin Spark Fine Spinning Tech Co. Ltd. China;
 2. M/s Yibin Grace Textile Co Ltd, China
 3. M/s PT Delta Merlin Sandang, Indonesia;
 4. M/s PT Delta Dunia Tekstil, Indonesia;
 5. M/s PT Delta Dunia Sandang Tekstil, Indonesia;
 6. M/s PT Manunggal Adipura, Indonesia;
 7. M/s PT Lotus Indah Textile Industries, Indonesia;
 8. M/s PT Embee Plumbon Tekstil, Indonesia;
 9. M/s PT Adikencana Mahkotabuana, Indonesia;
 10. M/s PT Sri Rejeki Isman Tbk, Indonesia;
 11. M/s PT Bitratex Industries, Indonesia;
 12. M/s PT Sinar Pantja Djaja, Indonesia;
 13. M/s Primayudha Mandirijaya, Indonesia;
 14. M/s PT Natatex Prima, Indonesia;
 15. M/s PT Sunrise Bhumi Textiles, Indonesia;
 16. M/s PT Elegant Textile Industry, Indonesia;
 17. M/s PT Indoliberty Textiles, Indonesia;
 18. M/s United Raw Material PTE Ltd., Singapore.
- j. The following interested parties made legal submissions:
1. M/s Indonesian Textile Association;
 2. China Chamber of Commerce for Import & Export of Textile and Apparel;
- k. The following interested party submitted a letter:
1. M/s Indo-Thai Synthetics Company Limited.
- m. The following interested party has submitted a letter for registration:
1. M/s PT Adetex, Indonesia
- n. No response was received from exporters/producers from Vietnam.
- o. The Authority sent Importer's Questionnaire to the following known importers/ users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.

1. M/s A.C.Textile Mills	108. M/s Pavan Kumar Raj Kumar
2. M/s A.P.A.Textiles India Pvt Ltd	109. M/s Pee Vee Textiles Limited
3. M/s Aapt Distribution Private Limited	110. M/s Perfect Products
4. M/s Aaurvin Mills	111. M/s Polychem Exports

5. M/s Accord Exports	112. M/s Poly Chem Imp. & Exp. Co.
6. M/s Acsen Tex (P) Ltd	113. M/s Poongodhai Textile Mills
7. M/s Agarwal Fabtex Pvt Ltd	114. M/s Prakash Cotex India Llp
8. M/s Amarjot Textile	115. M/s Prakash Textiles
9. M/s Ambika Cotton Mills Limited	116. M/s R Vijayanand & Co
10. M/s Anithaa Weaving Mill Private Limited	117. M/s Rajeswari Weaving Mill
11. M/s Annapoorani Textiles Private Limited	118. M/s Raj Rajeshwar Enterprises Pvt. Ltd.
12. M/s Anusha Agencies Private Limited	119. M/s Ranga Weaves India P Ltd
13. M/s Apex Textiles	120. M/s Ratanmoti Texfab (India) Pvt. Ltd.
14. M/s Apple Apparels	121. M/s Rhythm Overseas
15. M/s Arun Surya Textiles	122. M/s Richloom Exim
16. M/s Arunaagold Tex Corporate Private Limited	123. M/s Roshini Impex
17. M/s Arul Jothi Exports Private Limited,	124. M/s Royalene
18. M/s Arthanari Loom Centre (Textile) Private Limited	125. M/s S.K.T. Textile Mills
19. M/s Arvind Universal Textiles Pvt. Ltd.	126. M/s S. K. Weaving Pvt. Ltd.
20. M/s Avantika Fiber & Allied Private Ltd	127. M/s Sakshi Yarns Pvt Ltd
21. M/s Avp Industries Private Limited	128. M/s Sandhya Fabrics
22. M/s B.M. Industries Pvt. Ltd.	129. M/s Santha Spinning Mills Private Ltd
23. M/s B.R.T. Spinners Private Limited	130. M/s Santosh Industries
24. M/s B. S. Pulses Pvt. Ltd.	131. M/s Sgr Textile House LLP
25. M/s B T Cotton Co.	132. M/s Shakthi Murugan Textiles
26. M/s Beekaylon Synthetics Pvt. Ltd.	133. M/s Shekhawati Syntex Pvt. Ltd.
27. M/s Bhagavathi Tex	134. M/s Shree Balaji Fabrics
28. M/s Bhartia Yarns Pvt Ltd	135. M/s Shree Hari Yarns Private Limited
29. M/s Bhatia Colour Co	136. M/s Shree Ramkrishna Agency
30. M/s Bhawana Spinning Mills	137. M/s Shree Shakatambika Mills
31. M/s Bhumi Yarn Pvt. Ltd.	138. M/s Shri Selvakumar Textile & Sizing Mills
32. M/s Bid Textiles	139. M/s Shri Vasudeva Weaving Mills Pvt Ltd
33. M/s Bittu Synthetics Pvt.Ltd	140. M/s Shyena Tech Yarns Pvt Ltd
34. M/s C S Export	141. M/s Shri Aaditya Traders
35. M/s C S Weaverss	142. M/s Shri Arunachaleswarar Tex
36. M/s C S Yaarns	143. M/s Shri Kalyan Trading Co.
37. M/s Chandra Internationals	144. M/s Shri Vallimurugan Spinners Private Limited
38. M/s Damodar Industries Limited.	145. M/s Sindhu Suta Textiles
39. M/s Delhi Textile Traders	146. M/s Sjv Textile Mills
40. M/s Dharan Textile	147. M/s Slachi Impex
41. M/s DHC Marketing Pvt. Ltd.	148. M/s Snowtex Synthetics Private Limited
42. M/s Erode Amarnath Mills Private Limited	149. M/s Somanur Kalpana Cotton (India) Private Limited
43. M/s Erode Viscose Rayon Fabrics	150. M/s Spaceage Syntex Pvt Ltd
44. M/s Espee Kumaran Textiles	151. M/s Sree Arulmani Exports
45. M/s Euro Vistaa (India) Limited	
46. M/s Everflow Petrofils Ltd.	

47. M/s Everflow Techno Tex Pvt. Ltd.	152. M/s Sree Arulmurugan Textile Mills
48. M/s Fine Yarns	153. M/s Sree Sundara Mills
49. M/s Fortune Filaments	154. M/s Srinivasa Textiles
50. M/s Gimatex Industries Pvt. Ltd	155. M/s Sri Aiswaryaa Internationals
51. M/s Gnana Murugan Textiles	156. M/s Sri Amman Sizing And Weaving Mills
52. M/s Hardik Fashion - Hitendrakumar Ishwarlal Patel-Huf	157. M/s Sri Amman Textiles
53. M/s Hardik Tex (Navinchandra Ishwarlal Patel-Huf)	158. M/s Sri Baalaji Sizing/Spinnings Mills
54. M/s Hasasi India Private Limited	159. M/s Sri Balaji Yarns
55. M/s Healthium Medtech Private Limited	160. M/s Sri Jayalakshmi Textiles
56. M/s Hundred Rayon	161. M/s Sri Jayaramm Textiles
57. M/s J M Commodities Limited	162. M/s Sri Lakshmi- Durga Export
58. M/s Janki Overseas	163. M/s Sri Mouli Textiles Pvt Ltd
59. M/s Jeen Bhavani International	164. M/s Sri Murugan Textiles
60. M/s K Chandrasekar	165. M/s Sri Palani Andavar Textiles
61. M/s K. K. Spinners (P) Ltd.	166. M/s Sri Ramakrishna Textiles
62. M/s K R G Textile Mills	167. M/s Sri Sakthivel Impex,
63. M/s Kadashwara Fabrics	168. M/s Sri Sakthivel Tex Mills
64. M/s Kalaimagal Textiles	169. M/s Sri Shanmuga Textiles
65. M/s Karan Enterprise	170. M/s Sri Shanmugavel Mills Pvt Limited
66. M/s Karwa Yarn Private Limited	171. M/s Sri Shuba Tex Private Limited
67. M/s Kasim Textile Mills Private Limited	172. M/s Sri Spm Weaving Mills
68. M/s Kayavlon Impex Pvt Ltd	173. M/s Sri Venkatachalapathi Textiles
69. M/s Kay Aar Exports	174. M/s Strike Right Integrated Services Limited
70. M/s Kedia Textiles	175. M/s Sudhan Yarns, (Prop: C. Suganthi)
71. M/s Kej Enterprises	176. M/s Sun Laand Auto Weave
72. M/s Khanna Textiles	177. M/s Suryaamba Spinning Mills Ltd.
73. M/s Kohinoor Weaving Mills	178. M/s Suyog Synthetics
74. M/s Kpg Cottspinn India Private Ltd	179. M/s Svc Textile Company Pvt. Ltd.
75. M/s Kpm Enterprises	180. M/s T. T. Limited
76. M/s Kreepa Overseas Pvt. Ltd.	181. M/s Tesla Corp
77. M/s Krs Textiles	182. M/s Texperts India Pvt. Ltd.
78. M/s Kunal Textiles	183. M/s Thakurji Enterprise
79. M/s Kumaran Textiles	184. M/s Thangavel Fabrics Private Limited
80. M/s Laxmi Textile Industries	185. M/s Tharun Texspin Mills Private Limited
81. M/s Le Merite Exports Limited	186. M/s Titaanium Ten Enterprise Limited
82. M/s M.P. Textiles	187. M/s Top Light Lables, (Prop. N. Velusamy)
83. M/s M. Sundardas & Sons	188. M/s Tribest Fineyarns Limited
84. M/s Madurai Weaving Mills	189. M/s Tribeni Worldwide Pvt. Ltd.
85. M/s Malar Textiles	190. M/s Tripod Textile Export Pvt Ltd
86. M/s Mangalam International	191. M/s Tulsi Udhyog
87. M/s Mayank Traders	
88. M/s Malli Mal Sant Lal & Co	

89. M/s Maru Enterprises Pvt. Ltd.	192. M/s United Dry Goods (P) Ltd
90. M/s Mehala Mills	193. M/s Unitec Inc
91. M/s Mehta Yarns	194. M/s Vardhman Filaments
92. M/s Modern India Limited	195. M/s Varunn Exports
93. M/s Monit Trading Private Limited	196. M/s Ved-Darshan Yarn Traders LLP
94. M/s Motherland Textile India Private Limited	197. M/s Velatal Spinning Mills (P) Limited.
95. M/s Murugavilas Textiles	198. M/s Vms Fabrics Private Limited
96. M/s Nakoda Infraprojects Private Limited	199. M/s Viramdev Textiles
97. M/s Nataraja Textiles	200. M/s Vishakha Enterprises
98. M/s Nimish Syntex	201. M/s Withus Fab Tex (Opc) Private Limited
99. M/s Nithyabharath Textile Private Ltd	202. M/s Yarncoms India Pvt Ltd
100. M/s Nithya Textiles	203. M/s Yashraj Overseas
101. M/s Om Fab	204. M/s Yuvaraj Textiles
102. M/s Orion Fabrics Pvt. Ltd.	
103. M/s P.K.P.N. Spinning Mills P. Ltd	
104. M/s P J Commercials	
105. M/s P Surya	
106. M/s Pan Impex	
107. M/s Pankaj Enka Private Limited	

p. In response, the following importers/users have responded by filing importer's questionnaire response:

1. M/s Kayavlon Impex Pvt Ltd.;
2. M/s Roshni Impex;
3. M/s Gnanamurgan Textiles;
4. M/s Erode Viscose Rayon Fabric.

q. The following importers/users have filed letters for registering themselves as interested parties and/or have filed legal submissions:

1. M/s DHC Marketing Pvt Ltd;
2. M/s Sri Balaji Spinning Mills;
3. M/s Health Medtech Private Limited;
4. M/s Shree Balaji Fabrics;
5. M/s Kumaran Textiles;
6. M/s Kalaimagal Textiles;
7. M/s Nithyabharath Textile (P) Ltd;
8. M/s Annapoorani Textiles private Ltd;
9. M/s Thirumala Exports;
10. M/s Ved Darshan Yarn traders LLP;
11. M/s P. Surya Rao;
12. M/s KRG Textile Mills;
13. M/s Neelam Thread Pvt. Ltd.;
14. M/s Sri Shuba Tex Private Limited;

15. M/s ACE Industries;
16. M/s Maher Filaments;
17. M/s Reaghan Fashions Pvt. Ltd.
18. M/s Health Medtech Pvt. Ltd

- r. The Authority also sent initiation notification to the following Associations asking them to inform all their members regarding the initiation of investigation with the request to submit their response/comments, if any:
 1. Erode Veerapan Chatram Powerloom Owners Association
 2. Rajasthan Textile Mills Association
 3. Erode Visaithari Urimayalargal Sangam
- s. The Authority made available the non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all the interested parties to the extent considered relevant have been taken into account in these final findings.
- t. The Period of Investigation (POI) for the purpose of the present anti-dumping investigation is from 1st April, 2019 – 31st December, 2019 (9 months). The injury examination period has been considered as the period from 1st April, 2016 – 31st March, 2017; 1st April, 2017 – 31st March, 2018; 1st April, 2018- 31st March, 2019 and the POI.
- u. The Authority obtained transaction-wise import data for subject goods for the past three years, and the POI from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and Directorate General of Systems (DGS) and analysed the data after due examination of the transactions.
- v. The Non-Injurious Price (hereinafter referred to as “NIP”) has been determined based on the cost of production and cost to make & sell the subject goods in India based on the information furnished by the Domestic Industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- w. Verification of the information provided by the Applicant Domestic Industry by way of table study, to the extent deemed necessary, was carried out. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of these final findings.
- x. Desk Verification of the information provided by the producers/ exporters, to the extent deemed necessary, was carried out by the Authority and has been relied upon for the purpose of these final findings.
- y. Submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in these final findings.
- z. The comments on the proposed PCN methodology from the interested parties including Domestic Industry was also invited vide Notification dated 19th February, 2020. Thereafter, PCN wise information was called from the interested parties by the

- Authority vide letter dated 4th March 2020 and time limit for submission of information was accordingly extended till 20th May, 2020.
- aa. Due to the worldwide outbreak of COVID-19 and consequent restrictions imposed by different countries, including India, the Authority in accordance with Rule 6(6) of the AD Rules and Trade Notice No. 01/2020 dated 10th April 2020, conducted an Oral Hearing through video conferencing on 7th December 2020 to provide an opportunity to the interested parties to present their views orally before the Designated Authority. All the parties who attended the oral hearing were advised to file written submissions of the views expressed orally, followed by rejoinders, if any. The arguments made in such written submissions and/or rejoinders received from the interested parties have been considered, to the extent deemed necessary, for the purpose of these final findings.
 - bb. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
 - cc. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded these final findings on the basis of the facts available.
 - dd. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide disclosure statement dated 18th December 2020 and comments received thereon, considered relevant by the Authority, have been addressed in the Final Findings. The Authority notes that most of the post-disclosure submissions made by the interested parties are mere reiteration of their earlier submissions. However, the post-disclosure submissions to the extent considered relevant are being examined in these Final Findings.
 - ee. ‘***’ in these final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
 - ff. The exchange rate adopted by the Authority for the subject investigation is US\$1 = ₹ 71.24.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. At the stage of initiation, the product under consideration was defined as follows:

“4. The product under consideration for the purpose of the present investigation is “Viscose rayon spun yarn containing 85% or more by weight of artificial viscose staple fibre, other than sewing thread, not put up for retail sale, falling under 55101110 and 55101210. The product under consideration can be either single or multiple folded or cabled yarn”.

5. VSY is mainly used for weaving or knitting for production of fabric for eventual use in garments.

6. The PUC is classified under Chapter 55 of Customs Tariff Act, 1975. While the prescribed classification of the product is 55101110 and 55101210, the PUC has also been imported under 55101190, 55101290, 55109010 and 55109090. The Customs classification is indicative only and not binding on the scope of the investigation.”

C.1. Submissions of the Domestic Industry

5. The submissions made by the Domestic Industry with regard to product under consideration and like article and considered relevant by the Authority are as follows:

- a) The product under consideration in the present investigation is “viscose rayon spun yarn’ also known as “viscose spun yarn” containing 85% or more by weight of artificial viscose staple fibre, other than sewing thread, not put up for retail sale. The subject goods are classified under heading Chapter 55 under customs subheading no. 5510 of the Customs Tariff Act, 1975.
- b) While the prescribed classification of the product is 55101110 and 55101210, the product has also been imported under 55101190, 55101290, 55109010 and 55109090. Single yarn is the product that is being imported in multiple codes. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation
- c) The product under consideration is viscose spun yarn, a man-made fibre having all kinds of variants of viscose spun yarns such as bright/ semi-dull (or variants thereof), coloured/dyed, undyed or dope dyed (or variants thereof), single/ double/ multiple/ folded/ cabled (or variants thereof), single ply or double ply (or variants thereof), waxed or non-waxed having counts of the yarn ranges from 10 counts to 60 counts. The product can be sold in the form of normal yarn or slub yarn.
- d) Viscose spun yarn is used for weaving (warp/weft) or knitting (Hosiery) for production of fabric for eventual use in garments.
- e) The product is manufactured through three different technologies-
 - i. Ring Spun Technology - Ring spinning technology;
 - ii. Open End Spun Technology – Rotor spinning technology;
 - iii. Air-jet Spinning technology - “airjet” technology is supplied by Murata, Japan. It is known as Vortex Technology (Murata Vortex System), and supplied by Rieter technology, Switzerland, known as Comforjet.
- f) The goods produced by the Applicant are like article to the PUC imported from subject countries as they are comparable in terms of chemical & technical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the

goods, and are technically and commercially substitutable. There is no known significant difference in the technology employed by the domestic industry and the producers in subject country. The Applicants have produced like article to the imported products.

- g) The domestic industry produces and supplies the double yarn as well as multi yarn and there is no justification for its exclusion. Further, the production process and the spindles used for producing single yarn and the double or multi yarn are same. The petitioning companies have already submitted the PCN wise data to the Authority whereby details of all different types of product under consideration are provided and the Authority may verify the same.
- h) The domestic producers use airjet technology. Airjet Technology incorporates both Vortex and Comfertjet technologies.
- i) With regard to the exclusion of the Dyed VSY, it is submitted that though Dyed VSY is being imported into India from subject countries, the domestic industry produces and supplies the Dyed VSY. There is thus no justification for its exclusion.

C.2. Submissions of Other Interested Parties

- 6. The following submissions have been made by the exporters/ producers/ other interested parties regarding the PUC:
 - a) The scope of the PUC should be reviewed. Double yarn or multi-yarn are significantly different from single yarn in terms of the production process and prices. Since the domestic industry does not produce double yarn or multi-yarn the same should be excluded from the scope of product as their imports would not cause injury.
 - b) VSY produced through air-jet technology should be excluded as the domestic industry has insufficient production capacities and this type of product is only used for fashion fabric.
 - c) Dyed VSY should be excluded from the PUC as it has not been imported in India.

C.3. Examination by the Authority

- 7. The PUC in the present investigation is viscose rayon spun yarn containing 85% or more by weight of artificial viscose staple fibre, other than sewing thread, not put up for retail sale.
- 8. The product is classified under Customs Tariff headings 55101110 and 55101210. The PUC has also been imported under 55101190, 55101290, 55109010 and 55109090. The Customs classification is indicative only and not binding on the scope of the investigation.
- 9. Some interested parties have contended that the domestic industry does not produce and sell double or multi yarns. The domestic industry has, however, provided evidence in the

form of sales invoices relating to sales of double yarn and multi yarn. The authority therefore holds not to exclude double yarn and multi yarn from the scope of PUC.

10. Some interested parties have contended that VSY produced through air-jet technology should be excluded as the domestic industry has insufficient production capacities and this type of product is only used for fashion fabric. The Authority notes that Airjet technology is being used in India. The domestic industry has provided production details of VSY produced through Airjet technology. The Authority, therefore, holds not to exclude VSY produced through air-jet technology from the scope of PUC.
11. Some interested parties have contended that Dyed VSY should be excluded from the scope of the product under consideration as it has not been imported in India. The Authority notes that the Dyed VSY is being imported in India and the Domestic Industry is also producing the same. The Authority, therefore, holds not to exclude Dyed VSY from the scope of PUC.
12. It has been noted from the information available on record that the product produced by the Domestic Industry is like article to PUC imported from subject countries. The product produced by the Domestic Industry, and subject goods imported from subject countries is comparable in terms of physical & chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably. The Authority holds that the subject goods produced by the domestic industry are a like article to the product imported from subject countries in terms of Rule 2(d) of the AD Rules.

PCN system adopted for product cost-price comparison

13. The Authority proposed a PCN methodology vide letter dated 19th February, 2020 and invited comments on the same from the interested parties. Based on comments received, the Authority notified the following PCN methodology for the purpose of the present investigation to the interested parties on 4th March, 2020.

SN	Particulars	Type	Code
1.	Technology	Ring, Vortex & Open End	Ring = "R" Airjet = "A" Open End = "O"
2.	Count	Count Ranging from NE 12/1 to 60/1 Count Ranging from NE 12/2 to 60/2	11-15 = 1 16-20 = 2 21-30 = 3 31-40 = 4 41-50 = 5 51-60 = 6

3.	Ply of Yarn	Single & Double Ply (1 & 2)	Single ply = S Double Ply = D Multi-Ply yarn = M
4.	Wax/ Non- Wax	Waxed and Unwaxed (N & W)	Waxed = W Unwaxed = U
5.	Fiber Type	Type of Viscose	Viscose Bright = VB Viscose Semi -Dull = YS Fire Retardant = FR Modal= MO Tencel = TL Micro Modal = MM Bamboo Fiber = BA Micro Tencel= MT
6.	Dyeing Type	Undyed, Dyed or Dope Dyed	Undyed = U Dyed = D Dope Dyed = DD
7.	Special feature	Normal Yarn	Normal Yarn = NY
		Slub	Slub = SL

14. The interested parties have submitted the PCN wise data to the Authority.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submissions of the Domestic Industry

15. The following submissions have been made by domestic industry with regard to the standing of the domestic industry:

a. The application has been filed by The Indian Manmade Yarn Manufacturers Association on behalf of the Domestic Industry. The following companies have provided their financial and injury data:

- a. M/s Arunachala Gounder Textile Mills Pvt Ltd
- b. M/s Cheran Spinner Private Limited
- c. M/s Chola Spinning Mills Private Limited
- d. M/s Mothi Spinners Private Limited
- e. M/s Pallava Textiles Private Limited
- f. M/s Sri Cheran Synthetics India Private Limited
- g. M/s Victory Spinning Mills Private Limited

b. These companies are not related to any importer or exporter of subject goods in the subject countries, nor have they imported subject goods from subject countries.

c. The application has been supported by the following companies-

- i. M/s Aadhavan Spinners Pvt Ltd
- ii. M/s Bhaarathi Spintex India Pvt Ltd

- iii. M/s Chendhoor Murugan Yarn Tex India Pvt Ltd
- iv. M/s Dhanalakshmi Synthetics Pvt Ltd
- v. M/s Dharanii Cotton Mills Private Limited
- vi. M/s Saravanagiri Spinning Mills Pvt Ltd
- vii. M/s GMB Textiles Mills India Ltd
- viii. M/s Hari Krishnaa Spinning Mills Pvt Ltd
- ix. M/s Hariharan Spinners (I) Pvt Ltd
- x. M/s K.P.N Textile Mills Pvt Ltd
- xi. M/s KKP Spinning Mills Pvt Ltd
- xii. M/s KKP Textiles Pvt Ltd
- xiii. M/s Kumaragiri Spinners (P) Ltd
- xiv. M/s Meenakshi Textile Mills
- xv. M/s NKCM Spinners Pvt Ltd
- xvi. M/s Pavathal Spinning Mills Pvt Ltd
- xvii. M/s Prince Yarn India Ltd
- xviii. M/s Sri Jaya Maaruthi Yarn India Pvt Ltd
- xix. M/s Sri SanthanaLakshmi Spinners Pvt Ltd
- xx. M/s V. Thangavel & Sons (P) Ltd
- xxi. M/s Vedagiri Hi-Tech Spinning Mills Pvt Ltd
- xxii. M/s VST Spintex India Pvt Ltd

- d. Post initiation of the investigation, the Application has been supported by the following companies-
 - a. M/s Sri Hariprasath Textiles Private Limited
 - b. M/s Shiv Ganes Spinning Mills (P) Ltd.
 - c. M/s Saranya Spinning Mills (P) Ltd.
 - d. M/s Mehala Hills
 - e. M/s Aakavi Spinning Mills Private Limited
 - f. M/s SSPE Cotton Mills Private Limited
 - g. M/s Shrie Harivallabi Spinners Private Limited
- e. In the absence of any publicly available information, the Applicants have estimated gross domestic production on the basis of information provided by the major supplier of raw material i.e. Viscose Staple Fibre and imports of the raw material into India.
- f. The petitioning association has submitted all the requisite information as per the instructions issued by the Authority with the application.
- g. The Association represents the majority of the VSY producers who are located in the geographical area of Erode and nearby. This region is the hub of the producers of product under consideration. The cluster of VSY producers in the area of Erode and nearby represent 80% of the Indian Industry.
- h. The petitioning companies alone constitute more than 25% and are eligible to maintain the application in terms of Rule 5.
- i. The WTO AD Agreement or the Indian Rules do not provide for any specific

- mechanism for determining the total Indian production and standing of the Domestic Industry. The Domestic Industry in the present case is fragmented and scattered, consisting of small and medium scale enterprises. Neither the government authorities nor any private institution publishes or provides any record of Indian production of the product under consideration. Therefore, this industry is quite different in structure and composition as compared to the typical domestic industry in various other cases.
- j. The ruling of Hon'ble CESTAT in the case of Lubrizol (India) Pvt. Ltd. versus the Designated Authority clearly shows the meaning of the term "major proportion" and the application passes that test.
 - k. There are 7 petitioning companies and 29 domestic producers of product who have expressly supported the investigation and imposition of duty. The Applicant along with supporters accounted for 47% of the total Indian production at the stage of initiation. Further, there was no opposition to the application either at the stage of initiation or any time thereafter.
 - l. The Applicant association has provided information regarding the total number of its members that manufacture the subject goods, and the members who are importers of the subject goods.
 - m. The Application is specifically supported by a number of domestic producers of the product.
 - n. The Applicant association has written a communication to all known manufacturers/ producers of the product in the country who wish the anti-dumping duty to be imposed on the dumped subject goods. None of the producers of the product under consideration have opposed the application/investigation/imposition of duty on the subject goods.
 - o. The Association does consist of producers of mixed yarn of cotton fiber, polyester staple fiber, polyester staple yarn, etc. But this fact is totally immaterial. In fact, the petitioner companies also are capable of producing blends of cotton fiber, polyester staple fiber, polyester staple yarn, etc as per the demand in the market. The spindles used for production of VSY can be switched to other types of yarn and no separate production facility is required to produce mixed yarn of cotton fiber, polyester staple fiber, polyester staple yarn, etc. However, the information submitted to the Authority has been prepared considering information pertaining product under consideration only.
 - p. If it is considered that the total Indian production is overestimated by the Applicants (by not considering the VSF being consumed in the NPUC), the standing of domestic industry is rather higher.
 - q. The Applicant has also submitted the list of companies who have faced injury and stopped manufacturing the product under consideration and switched or diverted their spindles to other products.
 - r. The submission on Grasim being held guilty of following discriminatory pricing by Competition Commission of India (CCI) is irrelevant and misplaced and the said decision has no relevance to the present antidumping investigation. There is no enquiry by the CCI either against the petitioning companies or with regard to

the product under consideration. The Petitioner has relied on the data to the extent of sales made by the Grasim for VSF production to determine the total Indian production of PUC.

- s. The present investigation was initiated on 14th January 2020, whereas the report of CCI has been published on 16th March 2020. Further, the findings of CCI has no bearing on the data provided by Grasim to the Authority as even the report of CCI is based on the data provided by Grasim only.

D.2. Submissions of Other Interested Parties

16. The following submissions have been made by other interested parties with regard to the standing of the domestic industry:
 - a. The Association has not filed complete information as per the instructions circulated vide F.No.14/44/2016-DGAD. All the members of the Association are neither part of the petitioning companies nor have expressly supported the application. There is no evidence to support that the Association consists of 80% of producers and, in fact, it belongs to a handful of industries located in Erode and Tiruchengode district.
 - b. No resolution has been passed and minutes of the meeting provided wherein its members had decided to file the application.
 - c. The Association consists of producers of mixed yarn of cotton fibre, polyester staple fibre, polyester staple yarn, etc. and it is not clear how the Applicant has segregated the two.
 - d. Change in standing casts serious doubts as to how the Authority has satisfied itself about the accuracy and adequacy of the information before initiation.
 - e. The Application is not representative of the Domestic Industry and hence cannot be said to be made on behalf of Domestic Industry. Mere crossing the threshold of 25% does not ipso facto means satisfaction on other conditions and the test of 'a major proportion' under Rule 2(b).
 - f. Merely 7 small producers (with a doubtful 29% share) located in the Southern region of India leaving out other major producers and other regions of India.
 - g. The Applicant has relied on the sales data of VSF provided by M/s Grasim Industries Ltd. to compute the total production of VSY by the Indian domestic industry. The Applicant has applied a consumption norm for the PUC in the ratio 1:0.98 to determine the total production of the PUC by the Domestic Industry. The data on total sale of VSF by Grasim pertains only to the sale of VSF to such producers of VSY who produce 100% VSY. Implicitly therefore, the data set leaves out the total consumption of VSF by such producers of VSY who produce blended VSY which comprises VSF above 85% but less than 100%. Further, Grasim has not provided data on all manufacturers of VSY.
 - h. The production of the subject product is not actual and it is based on assumption which is not only inaccurate but also misleading as there is no such justification that all raw material purchased in a certain period will be consumed in the same period. This means that it is possible that some portion of the purchased material

- in the POI would not be used during the POI. In the absence of the actual production, the legal standing cannot be correctly established and as such this should have led to the rejection of the complaint or the termination of the present investigation.
- i. Grasim follows a non-transparent practice of dual pricing while invoicing and refuses to disclose its discount policies to the customers. The CCI held that Grasim has been supplying VSF to domestic spinner's category and deemed exporter's category at different prices which are generally discriminatory and disadvantageous to the spinners in the domestic category. Also, Grasim was controlling the production of spinners and discriminating against those spinners who were found to be not converting VSF purchased from it into yarn as per its policy by forcing spinners to submit their monthly production data before passing on the required discounts and spinners were forced to submit the details of products produced and not just VSF consumed.
 - j. Grasim is related to three exporters in Indonesia which have submitted the Questionnaire response and the chances of them being treated as cooperative is high. Their data is unreliable. They must have planned the prices of export to India as they were well prepared by Grasim for the upcoming investigation.
 - k. The total Indian production has been estimated on the basis of unverified information of Grasim without any proof of production and the use of VSF in PUC and Non-PUC, whereas the same information and names of users of VSF had been disclosed in the Final Findings issued by the Authority in the Sunset Review of Anti-dumping Duty on VSF, excluding Bamboo Fibre, on 8th July, 2016.
 - l. CCI has imposed a penalty on Grasim for indulging in unfair price discriminatory practice and the data provided for total Indian production cannot be relied upon.
 - m. The determination of total Indian production is inaccurate and unreliable as the basis for determination has not been disclosed. Further, Indian production is not based on the information sourced from any authority established by law or Government Promotion Council of the subject goods or the Ministry of Textiles.
 - n. Support letters submitted do not adhere to the guidelines mandated in Trade Notice 13 of 2018 dated 27th September 2018. The support letters attached do not expressly support the petition. The share of supporting domestic producers is also below 25%.
 - o. The import data of VSF provided is different from the Comtrade Statistics data.
 - p. It seems to be a joint application by some small customers in Erode and Tiruchengode of Grasim to mislead the Authority and protect the price advantage taken by Grasim due to AD imposition of VSF.
 - q. The exclusion of importers from the Domestic Industry and total production is not automatic. What is the source of information about the importing producers and who are related to the exporters?
 - r. If names of other producers of Viscose Spun Yarn are not disclosed, it cannot be verified whether all producers of Viscose Spun Yarn have been included for determining total production in India.
 - s. The Domestic Industry is not static in its determination of standing and domestic

market share and changing its stand time-to-time. The Authority should have taken into consideration the changes in the percentage of the production and analyze whether 29% would constitute a “major proportion pursuant to Article 4.1 of ADA and Rule 2(b) of the AD Rules. (Relied upon AB report in EC- Fasteners (China))

D.3. Examination by the Authority

17. Rule 2(b) of the Rules defines domestic industry as under:

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

18. The present Application was filed by the Indian Manmade Yarn Manufacturers Association on behalf of the Domestic Industry. The following companies have provided their financial and injury data:

- a. M/s Arunachala Gounder Textile Mills Pvt Ltd
- b. M/s Cheran Spinner Private Limited
- c. M/s Chola Spinning Mills Private Limited
- d. M/s Mothi Spinners Private Limited
- e. M/s Pallava Textiles Private Limited
- f. M/s Sri Cheran Synthetics India Private Limited
- g. M/s Victory Spinning Mills Private Limited

19. The Applicant association submitted that the production of its members constitutes about 80% of Indian production. The Association has, however, not given any definite quantity of Indian production in the POI, pleading that production information is not collected/compiled by the association, nor called by the association for this purpose in view of sensitivity of the said information.

20. The Association, however, submitted that it had sent a communication dated 12th November, 2019 to 50 members of the Association intimating them that in view of significant injury being suffered by the domestic producers of Viscose Spun Yarn from low priced imports, the Association has decided to seek imposition of anti-dumping duty on imports of Viscose Spun Yarn" and has asked them to specify whether they supported or opposed the petition for imposition of duty and that whether or not they wished to provide relevant information about company's operations.

21. Forty (40) domestic producers have supported the Application and there was no opposition to the filling of application either at initiation stage or anytime thereafter during the course of the investigation.

22. Out of the 40 supporters, 22 domestic producers have separately filed support letters and provided information with regard to their capacity (in spindles & MT), production, domestic sales (in volume & value) and export sales (in volume & value) besides opening and closing stock at the time of initiation. No other information was furnished.
23. Post initiation of investigation 7 additional companies filed support letters and provided capacity (in spindles & MT), production, domestic sales (in volume & value) and export sales (in volume & value) besides opening and closing stock at the time of initiation.
24. Since no concrete information with regard to Indian production is compiled by or available with either the Associations, or any agency, which would be accessible as public information; considering facts and circumstances of the present case, the Authority considered it appropriate to rely on the available information for the purpose of determining the total production in India and the standing of the petitioning domestic producers as eligible Domestic Industry at the stage of initiation. The Authority recognises the difficulties in quantifying gross domestic production in case of fragmented industry like the one in the present case. It is seen that there are at least 150 producers of whom are consuming raw materials either from Grasim or are importing the same for manufacture of PUC in India. The average production per company comes to 1-2%, thus showing small size of each producer vis-à-vis Indian production. The interested parties have contended that any domestic producer can produce not only VSY but also other kinds of yarns. Further, production of product under consideration requires viscose staple fibre as the key raw material (while by definition, viscose staple fibre should be at least 85% by weight, the product under consideration is de-facto 100% viscose). The Authority, therefore, holds that in the facts and circumstances of the present case, domestic production can be determined on the basis of consumption of raw material in the country. The Authority has assessed Indian production on the basis of consumption of raw material as had been done in the past also by the Authority in similar situations. Further, in view of the difficulties encountered in ascertaining producer-wise raw material consumption in such fragmented industry, consumption in such situations is determined/ derived by considering supplies of raw material(s) by various sources. Since M/s Grasim Industry Ltd. is the only domestic supplier of raw material in the country, its information along with imports of viscose staple fibre can be considered as the supplies of viscose staple fibre to the producers of viscose spun yarn.
25. Interested parties have referred to the decision of CCI rendered in the context of Grasim Industries Ltd. The Authority, however, notes that the said investigation and decision has no bearing on the information supplied by the company with regard to the quantity of viscose staple fibre sold by the company. The company has provided the details of sales of Viscose Staple Fibre made to various parties in India for manufacture of PUC and non-PUC. Thus, information provided by Grasim Industries has been relied upon to estimate the Indian production of subject goods. Further,

information on imports has been relied upon from the published DGCI&S information. On the basis of supplies of raw material by the sole Indian producer M/s Grasim Industries and imports thereof, the total domestic production of subject goods for the POI on the basis of consumption norm declared by petitioners is *** MT (***) and that on the basis of standard input-output norm is *** MT (***), and in both the situations petitioning domestic producers account for more than 30% of the total domestic production even without any supporter of the Application. It is noted that if the production of producers who have given support letters (some with some data and others without that) then these taken together account for approximately 65% of the Indian domestic production.

26. The Authority notes that as regards decision of Competition Commission, is irrelevant to the present investigation in so far as assessment of total Indian production and standing of Domestic Industry is concerned. The decision of CCI concerns pricing of the product by a raw material supplier and is beyond the domain of the current investigation in so far as assessment of total Indian production and standing of domestic industry is concerned. The present investigation concerns viscose spun yarn and not viscose staple fibre. Information with regard to Indian production has been adopted by the Authority based on the sales volumes of viscose staple fibre supplied by Grasim Industries. No other information pertaining to Grasim Industries has been adopted in the present investigation.
27. The Authority notes that it is desirable that a supporter of an Application provides the desired information in the format prescribed in Trade notice 13/ 2018. The information prescribed by the Authority in Trade notice 13/ 2018 for supporting domestic producers enables the Authority to ascertain whether supporting domestic producers have also suffered injury, even if such domestic producers are not included as a part of the Domestic Industry. However, in a situation where supporting domestic producer has not provided relevant information in prescribed format, but have nonetheless expressed support to the application, the Authority notes that such supporters cannot be treated as “opposition”.
28. The Authority notes that the production of the applicant Domestic Industry who has provided all relevant information with regard to injury constituted a major proportion of Indian production at the stage of initiation and even thereafter.
29. The Association has provided relevant details as prescribed under the Trade Notice and a copy of the resolution passed for filling of application for imposition of duty.
30. As regards the contention that members of the Association are also engaged in products not covered under present investigation, it is noted that the mere fact that the Association members are engaged in other products as well does not imply that the Association cannot take up the case in respect of the PUC. The Authority has considered information pertaining only to the PUC and has not considered information

pertaining to other products. Further, Applicant companies have provided information only for the PUC. The Indian production has been assessed based on raw material consumption.

31. After the initiation, Grasim Industries has provided complete details of sales of viscose staple fibre to different consumers in India which further supports the correctness of information filed at the time of initiation.
32. As regards import volumes of VSF, it is noted that the Authority has adopted information published by the DGCI&S.
33. As regards to the information of total Indian Production to be procured from government source, the Authority notes that there is neither any government agency nor any private body organisation in possession of any such data.
34. From the above, the Authority notes that the participating eligible domestic producers account for a major proportion of the total domestic production and, therefore, constitute Domestic Industry within the meaning of the Rules. The petitioning companies satisfy the eligibility criteria of domestic industry under Rule 2(b) of the Rules and meets the criteria of standing under Rule 5 (3) of the Rules.

E. CONFIDENTIALITY

E.1. Submissions of the Domestic Industry

35. The following submissions have been made by the Domestic Industry:
 - a. The Applicant has disclosed all the essential information in the non-confidential version of the application in accordance with Rule 7 of AD Rules and as per Trade Notice No. 10/2018 dated 7th September, 2018 and provided sufficient information justifying initiation of the investigation. The applicant has provided all information as required under the application proforma.
 - b. Indexed information has been provided wherever possible. The injury analysis is essentially an analysis of trend which can be easily seen through trends of various parameters provided in the application.
 - c. Interested parties have filed a grossly deficient response in the non-confidential version even after being given an extension of time to file sufficient and complete information. The same is purely with the intent to impede the investigation and not provide the data necessary for an expedited determination. By virtue of Rule 6(8) of the Rules, the response filed by interested parties must be rejected and they should be declared as non-cooperative.
 - d. Contrary to the arguments of the opposite interested parties, the Domestic Industry has submitted a justification table for its claims of confidentiality both with the non-confidential version of the petition and the updated data. Further, the

Domestic Industry has submitted a table showing its compliance with the Trade Notice.

- e. Formats A to K contain costing and price information, which cannot be disclosed. Further, non-injurious price is a confidential sensitive information and cannot be disclosed.
- f. All the injury parameters of the Domestic Industry have been provided in the indexed form and in line with the requirements of the trade notice.
- g. NIP is a highly business-sensitive information and cannot be disclosed on an actual basis or even in a range. In fact, the Designated Authority does not disclose NIP or normal value or export price even in a range.
- h. The Applicant has already submitted the non-confidential version of DGCI&S Transaction wise import data vide letter dated 28th February 2020.
- i. The disclosure of actual figures of normal value will cause serious prejudice since the information constitutes third party information. A sufficient non- confidential version of the same has been provided by the petitioner.

E.2. Submissions of Other Interested Parties

36. The following submissions have been made by the other interested parties:

- a. Excessive confidentiality has been claimed in violation of Trade Notice No. 10/2018 dated 7th September, 2018, 13 of 2018, and 14 of 2018 as format H provided for petitioner companies does not contain any aggregate number or indexed numbers and all figures have been blacked out and no meaningful summary has been provided. In this connection reliance is placed on the decision of the Hon'ble Supreme Court of India in Sterlite Industries (India) Ltd. v. Designated Authority 2003 (158) E.L.T. 673 (S.C.).
- b. The Applicant has not provided non-injurious price range and price underselling/injury margin as per Trade Notice No. 18/2018.
- c. The summary import data have been provided without providing the entire transaction-wise DGCI&S data.
- d. The Application does not disclose names of producers who are importers of the subject product and who are related to the exporters of the subject product. This information cannot be considered as confidential.
- e. Normal value determined for subject countries are kept confidential and no evidence has been provided.
- f. No meaningful summary has been provided. The Applicant stated as to why summarisation is not possible for annual reports of the petitioner companies, performance parameter of each companies constituting, information pertaining to costing, consumption of raw material, allocation and apportionment of expenses, segregation of Domestic Industry production and sales of PUC and NPUC, stock, employment, investments. price trends, import material price trend.

E.3. Examination by Authority

37. With regard to confidentiality of information, Rule 7 of the Rules provide as follows:

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

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

38. The Authority examined the confidentiality claims of the interested parties and on being satisfied allowed the claim on confidentiality, the Authority considers that any information which is by nature confidential or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, should be treated as such. Such information cannot be disclosed without specific permission of the party submitting it.

39. The Authority has considered the claims of confidentiality made by the Applicants and the opposing interested parties and on being satisfied about the same, the authority has allowed the claim on confidentiality. The Authority made available to all interested parties the public file containing non-confidential version of evidence submitted by various interested parties for inspection, upon request as per Rule 6(7).

40. As regards the contention that the injury information provided by the applicant companies is inconsistent with the trade notice or the decision of the Hon’ble Supreme Court, the Authority notes that the information has been adequately and sufficiently disclosed in the non-confidential version. Further, whenever applicant has not provided actual information, the Applicant has provided reasons for the same. The interested parties have not shown how the reasons/justifications given by the applicant for claiming confidentiality are not appropriate.

41. It is clarified that the Authority treats non-injurious price as a confidential information.
42. As regards the contention that excel file of transaction-by-transaction imports were claimed confidential by the Domestic Industry, the procedure for sharing and procuring import data has been laid down in the Trade Notice 07/2018 dated 15th March, 2018. It provides that (i) the sorted import data relied upon by the domestic industry can be shared in hard copy & (ii) interested parties can seek authorization from the Authority for seeking raw transaction by transaction import data from DGCI&S. The hard copy of the sorted import data was made accessible to the interested parties based upon declaration/undertaking as per prescribed format. The interested parties who requested for procurement of import data from DGCI&S and provided undertaking as per Trade Notice 07/2018 were also granted authorization to obtain import data in excel file from DGCI&S. The Authority, thus, notes that the procedure now being applied is consistent and uniform across parties and investigations and provides adequate opportunity to the interested parties to defend their interests.

F. MISCELLANEOUS SUBMISSIONS

F.1. Submissions of the Domestic Industry

43. The following submissions have been made by the Domestic Industry:
 - a. The Authority has already satisfied itself with regard to accuracy and adequacy of the information submitted by the Domestic Industry in the Application. In fact, the investigation was initiated only after the Authority satisfied itself with regard to dumping, injury and causal link.
 - b. The investigation in the present matter was initiated after satisfying the requirement of Rule 5 of Rules and Article 5 of the WTO Agreement. The Application filed by the Applicant was considered by the Authority as properly documented for initiation of the anti-dumping investigation. However, while initiating the investigation, the Authority has extended the POI as 1st April, 2019 – 31st December, 2019 (9 months) for detailed analysis.
 - c. The Authority can consider POI between six months to eighteen months and the POI can be extended or revised from the POI proposed by the applicant in the application. It seems that interested party is not aware of the practice of the Authority.
 - d. The imposition of the proposed anti-dumping duty will not result in any significant adverse impact on the eventual end product and the imposition will be in the larger public interest.
 - e. If the prices of the product under consideration are examined over the present injury period, it would be seen that the average import price during the period was Rs. 192 per Kg. If an ADD of Rs. 25 per Kg is considered, it would be seen that the prices of the product, in the event of Domestic Industry raising the prices to the extent of ADD (which shall not happen, given market forces and competition) will increase

to pre-dumping period. Consumers were paying these prices and growing for last three years. Such being the case, it is without basis that the prices of the product would become unreasonably high in the event of the imposition of ADD.

- f. The subject goods are primarily used in the manufacture of women's wear predominantly the ethnic wear. The Applicants have determined the impact of the proposed ADD on the eventual end product. In a situation where the Domestic Industry increases its price by \$ 333 per MT, it will be seen that imposition of anti-dumping duty will increase the cost of the eventual end-product by 0.2%-0.5%. Thus, the impact of proposed ADD in the event the Domestic Industry raises the prices by the amount of ADD (which is less likely to happen) would be insignificant.
- g. Imposition of ADD would help prevent the decay of the Domestic Industry and would re-establish fair competition in the market.
- h. Most of the producers of viscose spun yarn are in MSMEs. The industry is unable to compete with low-priced imports and is finding it difficult to survive in the market. The situation in the present investigation is grave and the information submitted on record clearly shows that the domestic industry is suffering material injury. Imports of the product have increased almost 25 times over the injury period from below 2,000 MT to above 50,000 MT in POI and 6,300 MT in the month of March 2020 alone.

F.2. Submissions of Other Interested Parties

44. The following submissions have been made by other interested parties:
 - a. The Authority did not have prima facie evidence of dumping, injury and causal link for the full POI of 9 months from April 2019 to December 2019 at the time of initiation of investigation. Therefore, the initiation of investigation by the Authority is not in accordance with Rule 5 of the Rules.
 - b. The initiation does not comply with the requirements of Article 5.2 and 5.3 of the Anti-Dumping Agreement (ADA) as the data for the POI was inadequate and inaccurate due to which the adjustment of POI was needed, showing that it lacked prima facie evidence of dumping, injury and causal link information and requirement for imposition of anti-dumping duty on imports from subject countries.
 - c. There are numerous inaccuracies and inconsistencies in the data in the application which prevent objective examination. The injury information of the Domestic Industry is different at different places in the Application (in pages 38-39 and pages 462-463). Further, imports relative to consumption in paragraph 73 and table 5 page 26 are different from the Annexure A, Proforma IV-A part 1 page 37.
 - d. Documents such as Registration Certificate, By-Laws & Memorandum of Association, list of the members, details of the executive body/managing structure of the Association, minutes of the meeting in which it was resolved by the Association to file an anti-dumping petition on behalf of some/all its members, and a list of the members who either supported, opposed or remained neutral with regard to the petition have not been provided by the Applicant. These documents are even

- more important in the present investigation since the Association consists of many members and all these members are not a part of the petitioner companies.
- e. More than 1,000 power loom weavers are using VSY for manufacture of value-added fabric and other fabric applications who are small scale industries fragmented across the country and are not capable of sustaining increase in raw material prices. Increase in raw materials prices will render these companies uncompetitive.
 - f. The value chain of the raw materials in the viscose fabrics is inverted as there is only one producer and supplier of VSF in India. Weavers and spinners are dependent on internationally competitive fibre and yarn to compete with other South Asian Countries. The imposition of ADD on VSF is one of the major reasons for the downstream spinners and weavers being uncompetitive in the international market. If the textile value chain has to be given a boost, the ADDs on raw materials like fibres must be removed.
 - g. The Government of India is requested to evaluate the public interest in the textile industry and consider the livelihood of millions of people engaged in production of downstream products before imposition of duty on VSY. To survive in this fiercely competitive textile industry, consumers must have continuous availability of cheaper raw materials for growth and to service bank loans. Imposition of ADD will result in huge unemployment of labour and their families. It is essential that imported raw material should be available throughout the year.
 - h. VSY industry in India comprises small and medium size enterprises. In turn, there is a lack of detailed data at the macro level. As per NITI Aayog, the Indian textiles industry is the biggest employer after agriculture which provides direct employment to 4.5 crore people and another 6 crores in allied sectors. India is the second largest manufacturer of textiles and clothing and the second-largest exporter of textiles and apparel as per Annual Report 2019-20 of the Ministry of Textiles. The importance of competitive supply of raw material, including yarn such as VSY cannot be ignored because it is the major input and plays vital role in Indian economy. Imposition of ADD on such a crucial raw material will hurt the textile industry especially during COVID-19 crisis.
 - i. The eventual imposition of duty will have adverse and cascading impact on the end users and create a monopoly of the petitioner in the domestic market as import will decline and these users will be on the mercy on their will.
 - j. Importers want removal of duty on VSF and in that situation yarn imports would reduce by itself without the need for any additional protection measures on yarn imports.
 - k. The import of Viscose yarns needs to be seen in overall context of ensuring health of entire textile value chain, most notably spinning and weaving industries which are key MSMEs contributing to employment generation.
 - l. Demand for Viscose based products has grown at over 12% over last five years whereas the capacity and production of VSF has grown at only 2.6% resulting in shortage of fibre / yarn. Overall growth in India has lagged behind rest of the world whereas Viscose demand growth in India has outpaced rest of the world. Due to the duty on VSF, and to meet demand for local industry, yarn import increased during

FY'19 and FY'20 as a direct consequence of growing demand and lack of availability. This situation would be further exacerbated as there is no new capacity addition of VSF.

F.3. Examination by the Authority

45. The Authority holds that the investigation was initiated after satisfying the requirement of Rule 5 of the Rules and Article 5 of the WTO Agreement.
- a. The interested parties have made a statement about the adverse impact of ADD on downstream industry but have not provided any verifiable data/information to substantiate.
 - b. On this issue, the domestic industry has submitted as follows:
 1. The product under consideration is used only in women's wear, predominantly ethnic wear. The product under consideration is not used in any other sector of textiles industry. Thus, the submissions with regard to textiles industry as a whole are irrelevant.
 2. The average price of VSY over the injury period, excluding POI was Rs. *** per kg. The price of the VSY after adding proposed ADD will still remain below these prices.
 3. The costs on account of VSY constitute 0.25-0.75% of cost of fabric made out of VSY.
 4. When the price of price of VSY declined from average of Rs. *** per kg. to Rs. *** per kg. in POI, there is no evidence that the price of eventual fabric in the market and for public at large declined. There is no evidence that the consumption of VSY substantially increased.
 5. When the price of price of VSY increased from average of *** in 2017-18 to *** in 2017-18, there is no evidence that the price of eventual fabric in the market and for public at large increased. Nor, is there any evidence that the consumption of VSY substantially declined. On the contrary, the consumption of VSY increased, which implies consumption of fabric made out of fabric increased.
46. The Authority notes that anti-dumping measures are aimed essentially to ensure fair trade and provide level-playing field to all stakeholders. These measures do not restrict import nor cause an unjustified increase in cost of eventual end products. The purpose of ADD is not to give any kind of undue advantage to the domestic producers, or cause any undue hardship to the consumers of the product. A consumer cannot seek, as a matter of right, access to a product at dumped prices, particularly when such dumping is found to have caused injury to an established industry in India. The purpose of ADD is to remove unfair dumping causing injury to the domestic industry. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. The imposition

of anti-dumping duties would not affect the availability of the product to the consumers at fair prices.

G. MARKET ECONOMY TREATMENT, NORMAL VALUE, EXPORT PRICE & DETERMINATION OF DUMPING MARGIN

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

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

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

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

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

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

G.1. Submissions of the Domestic Industry

48. The following submissions have been made by the Domestic Industry:

- a. Article 15(b) of China’s Accession Protocol implies that provisions of Clause 15(a)(ii) shall expire 15 years from date of China’s Accession. In other words, provisions of this paragraph shall be available for 15 years, i.e., up to December, 2016. Should it be contended that provisions of Article 15(a)(ii) have already ceased and, therefore, the same cannot be applied to the present case, the provisions of Article 15(a)(i) are still applicable and must be considered for determination of normal value in China. The Authority may, therefore, kindly direct the Chinese producers to show that, consistent with the provisions of Article 15(a)(i), market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product

- under consideration, so that the Designated Authority can use Chinese prices or costs for the industry under investigation. The responding exporters must establish that the elements of costs referred to in the context of determination of normal value are appropriately and completely reflected in the records kept by the exporter or producer under investigation.
- b. Thailand can be taken as an appropriate surrogate country for Chinese producers. The applicant has been able to procure verifiable information in respect of the pricing of the product in Thailand.
 - c. The normal value for Indonesia has been taken on the basis of the price at which the producers in Indonesia, have sold the product for consumption in their domestic market.
 - d. The Authority has not granted Vietnam Market Economy Status. Therefore, Vietnam should be treated as a non-market economy for the present purposes.
 - e. The Applicant has relied upon transaction wise import data procured from DGCI&S. The export prices being CIF value while the normal values being at ex-factory level, the export prices have been adjusted for, ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges and VAT (only for China).
 - f. The Authority can only consider their data for normal value, export price dumping margin determination, that too if the same is complete in all respects. The Applicant requests the Authority to re-examine and determine the export price determined for each of the responding exporters from the subject countries.
 - g. The Applicant has made adjustments from export price on the basis of established practice of Authority. The Applicant has not considered any arbitrary selection of the adjustments made to export price. Moreover, actual price adjustments are proprietary information of the concerned exporter and the same is available in public domain.
 - h. There is no discrepancy in the dumping margins provided in the various submissions made by the petitioner. The dumping margins have changed in accordance with the change in export price as per DGCI&S data while updating the POI and considering first Indonesia and then Thailand as appropriate market economy third country for construction of normal value for China PR and Vietnam.

G.2. Submissions of Other Interested Parties

49. The following submissions have been made by other interested parties:

- a. The Normal Value determined for subject countries has been kept confidential and no evidence has been provided.
- b. With regard to the Normal Value for exporters from Indonesia, the Applicant has claimed that the Normal Value for Indonesia has been calculated on the basis of the price at which the producers in Indonesia have sold the PUC in their domestic market. This data is entirely inappropriate because the Applicant has not brought

- on record any reliable evidence to substantiate their claim and to justify the determination of the Normal Value.
- c. The Domestic Industry has not disclosed the source of selling price information in Thailand based on which the Normal Value for China PR has been determined. Thailand cannot be surrogate country as the reasons provided by the domestic industry are irrelevant and no legal or factual support provided that the products are similar. There are only one or two less developed producers in Thailand and exports are also insignificant.
 - d. China PR should be treated as market economy as Article 15(a)(ii) of the Protocol on the Accession of the People's Republic of China has expired.
 - e. The Authority is requested to consider Indonesia as a surrogate market economy country for China PR as the Authority will obtain verified information and further, VSY is a developed industry in Indonesia with approximately 20 producers exporting substantial volumes.
 - f. Dumping margin is required to be determined based on information provided by the producers/exporters from the subject countries. Three different dumping margins in three different submissions show that the data is not reliable.
 - g. No evidence has been given as to how the applicant has analysed the Normal Value, export price, and dumping margin for Indonesia.
 - h. The responding exporters have cooperated in the investigation. The Authority may calculate the Normal Value, Export Price, and dumping margins of the Respondents based on the data on the record pursuant to Article 6.10 and Article 2.2.1 of ADA. (Relied upon Appellate Body observation in EC – Fasteners (China) & Panel Body determination in Argentina – Ceramic Tiles)
 - i. The Applicant has self-assumed the deductions in the export price without even providing any meaningful evidence to support the same. Arbitrary selection of uniform percentages of adjustments for all the subject countries is unreliable. Reliance is placed on Appellate Body Report in the United States - Final Dumping Determination on Softwood Lumber from Canada - and Panel decision in the United States - Final Dumping Determination on Softwood Lumber from Canada, WT/DS264/R.
 - j. The Applicant has provided a summary of the data on the quantum of imports and import prices without providing the entire data set purportedly secured from DGC&S.
 - k. The Applicant has not provided any basis of the adjustments made to the Export Price on account of ocean freight; marine insurance; port expenses; bank charges; and handling charges.
 - l. Calculate dumping on a quarterly basis as international raw material prices have fluctuated by more than 50% during the POI and dropped from USD 1.75 per kg to USD 1.25 per KG during the three quarters of the POI.

G.3. Examination by the Authority

50. The Authority notes that the applicant has provided sufficient non-confidential version

of its submissions consistent with the practice adopted by the Authority.

51. As regards source of information for Thailand or Indonesian data, the Applicant has adequately disclosed the same to the Authority on a confidential basis. The Authority notes that disclosure of such information on actual basis can cause serious prejudice since the information constitutes third party information.
52. As regards the appropriateness of Thailand as a surrogate country, it is noted that the only reason given by interested parties contending inappropriateness of Thailand is the existence of low number of producers and low volume of exports.
53. As regards the contention that three different submissions show three different dumping margins, the Authority notes that the dumping margins have changed in accordance with the change in export price as per DGCI&S data while updating the POI.
54. As regards price adjustments claimed in the application, the Authority notes that the dumping margin is beyond de-minimis even if price adjustments are ignored. Further, the questionnaire response filed by the producers/exporters show that the price adjustments claimed by the applicant are not excessive. The Applicant submitted that the relevant information is a proprietary information of the foreign producers and is not in the public domain. This claim of the Applicant has not been disputed by the interested parties.
55. As regards request for calculation of dumping margin on a quarterly basis, the Authority notes that barring Indonesian Textile Association (API), M/s PT. Embee Plumbon Tekstil, M/s PT Bitratex Industries, M/s PT Primayudha Mandirijaya, M/s PT Lotus Indah Textile Industries, M/s PT Sinar Pantja Dajaja, M/s PT. Sri Rejeki Isman, Tbk, M/s PT Adi Kencana Mahkotabuana, M/s Roshni Impex, M/s Gnanamurugan Textiles and M/s Erode Viscose Rayon Fabrics, no other interested parties have demanded quarterly comparison, nor filed questionnaire response in a manner which permits quarterly determination of cost of production. Even the company demanding quarterly determination has not provided all relevant information on quarterly basis.

H. DETERMINATION OF NORMAL VALUE

Determination of Normal Value

H.1 Normal value for China PR

Market Economy Status for Chinese Producers

56. Article 15 of China's Accession Protocol in WTO provides as follows: Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall

apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

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

- (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
- (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*

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

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

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

apply to that industry or sector. "

57. It is noted that while, the provision contained in Article 15 (a) (ii) have expired on 11th December, 2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a) (i) of the Accession Protocol require criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming the market economy status. It is noted that since none of the responding producers and the exporters from China PR have submitted supplementary questionnaire response, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the AD Rules.
58. At the stage of initiation, it was noted that the Applicant had claimed consideration of Thailand as an appropriate market economy third country for construction of normal value for China PR and had provided information regarding price in Thailand. The Authority advised all interested parties to offer their comments on this issue within 30 days from the date of issuance of initiation notification. Further, pending detailed examination of the claim of Thailand as a surrogate country for China PR, the Authority, for the purpose of initiation of the investigation, had taken the option of the price payable in India for constructing normal value for the China PR. Accordingly, Normal Value for China PR was constructed on the basis of cost of production in India, duly adjusted.
59. The interested parties have disputed consideration of Thailand as an appropriate market economy third country. Some interested parties have suggested consideration of Indonesia as an appropriate country. The Authority considers that none of the interested parties have however justified how Thailand and Indonesia are an appropriate market economy country having regard to the rules.
60. Having regard to the facts of the case, submissions made by the interested parties, the Authority considers it appropriate to determine Normal Value on the basis of price paid or payable in India, duly adjusted to include profit, which has been determined considering the cost of production in India, after addition for selling, general & administrative expenses and reasonable profits.

H.2 Normal Value for Indonesia

61. There are 15 producers and exporters from Indonesia and a related producer/exporter from Singapore, who have filed their responses. Amongst these 15 producers and exporters, the Authority notes that the responses of 10 producers/exporters, viz. M/s PT Natatex Prima; M/s PT Sunrise Bhumi Textiles; M/s PT Elegant Textile Industry; M/s PT Lotus Indah Textile Industries; M/s PT Adikencana Mahkotabuana; M/s PT Sri Rejeki Isman Tbk; M/s PT Bitratex Industries, M/s PT Sinar Pantja Djaja; M/s PT Primayudha Mandirijaya and M/s PT Embee Plumbon Tekstil have not provided the data/details as per Trade Notice No. 05/2018 dated 28th February, 2018. An opportunity had been provided to them, but no information was received within the stipulated time-frame. The

data remains incomplete and there are data gaps. Therefore, they have not been considered as 'cooperating' producers/exporters and the normal value accordingly been determined on the basis of facts available.

62. Further, the Authority notes that M/s PT Indoliberty Textiles, Indonesia had not exported to India during the POI. Hence, the response of M/s PT Indoliberty Textiles, Indonesia has not been considered in the present final findings.
63. The Normal Value of the cooperative producers/exporters has been determined based on their eligible domestic sales transactions.
64. To determine the normal value for cooperative producers/exporters, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods for each PCN. If profit-making transactions for particular PCN is more than 80%, then the Authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.

H.3 Normal Value for Vietnam

65. The Applicant has claimed Vietnam as a non-market economy. Vietnam has, however, been given market economy status by India. Further, none of the producers from Vietnam have filed questionnaire response. Since none of the producers/ exporters have cooperated with the Authority, normal value has been determined on the basis of facts available in terms of Rule 6(8).

DETERMINATION OF EXPORT PRICE

Export price for China PR

Yibin Spark Fine Spinning Tech Co. Ltd.

66. The Authority notes that Yibin Spark Fine Spinning Tech Co. Ltd. (Yibin Spark) produced and exported *** MT of the PUC to India during the POI directly and through an unrelated trader United Raw Material Pte. Ltd. The Authority has determined the ex-factory export price for Yibin Spark based on its export price after taking into consideration its claims of port and other related expenses, inland transportation, insurance, ocean freight and bank charges.

Yibin Grace Textile Co Ltd.

67. The Authority notes that Yibin Grace Textile Co Ltd. (Yibin Grace) exported *** MT of the PUC to India during POI directly and through an unrelated trader United Raw Material Pte. Ltd. The Authority has determined the ex-factory export price for Yibin Grace based on its export price after taking into consideration its claims of inland transportation, handling charges, insurance and ocean freight.

Non-cooperating Exporters from China PR

68. For the non-cooperating exporters from China PR, the Authority has computed the ex-factory export price based on facts available.

Export price for Indonesia

69. As stated above in paragraph above, there are four cooperating producers/ exporters from Indonesia. Therefore, the Authority holds to determine individual rate of duty for such producers/exporters from Indonesia, viz. PT Manunggal Adipura, PT Delta Dunia Tekstil, PT Delta Merlin Sandang Tekstil and PT Delta Dunia Sandang Tekstil.
70. The Authority has determined individual rates of duty and the export price of the 4 Indonesian producers/ exporters who have furnished requisite information/data and have exported to India during the POI.

PT Manunggal Adipura

71. It is noted that during the POI, PT Manunggal Adipura made sales of the PUC to India either directly or through United Raw Material PTE Ltd., Singapore and Texvista. The Authority notes that PT Manunggal Adipura exported *** MT of the PUC to India directly and through United Raw Material PTE Ltd., Singapore and through Texvista during the POI. The Authority has determined the ex-factory export price for PT Manunggal Adipura based on its export price after taking into consideration its claims of ocean freight, insurance and inland transportation.

PT Delta Dunia Tekstil

72. The Authority notes that PT Delta Dunia Tekstil exported *** MT of the PUC to India during POI directly or through an unrelated trader, Fenatex Co. Ltd. The Authority has determined the ex-factory export price for PT Delta Dunia Tekstil based on its export price after taking into consideration its claims of handling charges, inland freight, packing cost, credit cost and bank charges.

PT Delta Merlin Sandang Tekstil

73. The Authority notes that PT Delta Merlin Sandang Tekstil exported *** MT of the PUC to India during POI directly or through an unrelated trader, Fenatex Co. Ltd. The Authority has determined the ex-factory export price for PT Delta Merlin Sandang Tekstil based on its export price after taking into consideration its claims of shipping cost, ocean insurance, handling charges, inland freight, packing cost, commission, credit cost, bank charges and other expenses.

PT Delta Dunia Sandang Tekstil

74. The Authority notes that PT Delta Dunia Sandang Tekstil exported *** MT of the PUC to India during POI. The Authority has determined the ex-factory export price for PT Delta Dunia Sandang Tekstil based on its export price after taking into consideration its claims of handling charges, inland freight, packing cost, credit cost and bank charges.

Non-cooperating producers/exporters from Indonesia

75. For those producers/exporters from Indonesia whose questionnaire responses are incomplete for determination of individual dumping margin and for the non-cooperating producers/exporters from Indonesia, the Authority has determined ex-factory export price based on facts available.

Export price for Vietnam

76. Since none of the producers/exporters from Vietnam have cooperated with the Authority, the Authority has determined ex-factory export price for producers/exporters from Vietnam based on facts available.

Dumping Margin

77. The dumping margin for the subject goods has been determined by considering normal value and net export price at ex-factory level. It is seen that the dumping margin for all the producers-exporters from China PR, Indonesia and Vietnam are above de minimis and significantly positive. The same is mentioned in the table below.

I. EXAMINATION OF INJURY AND CAUSAL LINK

1.1 Views of the domestic industry

78. The following submissions have been made by the Domestic Industry with regard to the injury and causal link:
- a. The demand has increased till 2018-19 and thereafter declined slightly in POI.

Subject Countries/ Producer	NV/CN V (USD/ Kg)	NEP (USD/ Kg)	Dumping Margin (USD/Kg)	Dumping Margin (%)	Dumping Margin Range (%)
China PR					
Yibin Spark	***	***	***	***	20-30
Yibin Grace	***	***	***	***	20-30
Any other producer	***	***	***	***	40-50
Indonesia					
PT. Manunggal Adipura	***	***	***	***	10-20
PT Delta Merlin Sandang	***	***	***	***	10-20
PT Delta Dunia Tekstil	***	***			
PT Delta Dunia Sandang Tekstil	***	***			
Any other producer	***	***	***	***	20-30
Vietnam					
All producers	***	***	***	***	10-20

- b. The volume of imports has shown a huge increase in absolute terms.
- c. The dumped imports have increased significantly in relation to production & consumption in India.
- d. The imports are undercutting the prices of the applicants in the Indian market.
- e. The comparison of cost of sales and selling price shows that whereas the cost of sales declined throughout the injury period, selling price showed a fluctuating trend. The selling price declined from the base year to the year 2017-18 and further increased in the 2018-19 and declined in the POI.
- f. The decline in the selling price was far more than the decline in the cost of production. The imports are causing significant price depression.
- g. There has been a significant price undercutting by the dumped imports as compared with the price of like product in India and the effect of such dumped imports is to depress prices to a significant degree.
- h. While the overall production increased, the increase in production of domestic producers as a whole is lower than the increase in demand.
- i. The performance of the Domestic Industry improved in 2018-19 and thereafter has steeply deteriorated in terms of profits, return on investments and cash flow.
- j. While overall production increased, the increase in production is lower than the increase in demand.
- k. The petitioner companies could have enhanced production by about 24,000 MT, considering the capacity utilization achieved by some of the producers forming part of the Domestic Industry;
- l. Despite an increase in the demand, the sales of the Domestic Industry have not increased to the extent of increase in demand.
- m. In view of increasing demand, the industry has added capacity to meet the domestic needs. Resultantly, the capacities added by the domestic producers increased over the period. However, the Domestic Industry has not been able to benefit from these capacity additions to the extent these could have been in the absence of dumping.

- n. The market share of domestic producers has declined.
- o. The dumping margin is not only more than de-minimus but also substantial. The impact of dumping on the Domestic Industry is adverse.
- p. Inventories with the Domestic Industry have shown a significant increase in the proposed POI.
- q. The productivity of the Domestic Industry has increased in the POI, but the productivity is not linked to the injury to the Domestic Industry.
- r. The sole factor adversely affecting the domestic price is import price.
- s. Employment and wages have shown improvement in the proposed injury period.
- t. The growth of the Domestic Industry has now become adverse in terms of all price parameters. The growth of the Domestic Industry in terms of the majority of parameters such as, production, sales, market share, profits, return on investment, cash profits, etc. is negative in POI.
- u. Injury to the Domestic Industry is not due to other known listed factors, viz. the performance of other products being produced and sold by the Domestic Industry, changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology, and export performance.
- v. Under WTO ADA and the Rules 3% of dumped imports to total imports is considered as significant and the affected domestic industry can seek relief under antidumping law. The volume of import from Indonesia is more than de-minimis. As per the cumulative assessment of injury, the Domestic Industry's performance has deteriorated on account of dumped imports from the subject countries including Indonesia. Imports of the product have increased almost 25 times over the injury period from below 2,000 MT to above 50,000 MT in POI
- w. Manmade fibre-based industries are subject to invert duty structure. Fibre is at 18% and yarn is at 12%. Vide Notification No. 20/2018-Central Tax (Rate), dated 26th July, 2018, Government has allowed the refund claim from 1st August, 2018 on accumulated ITC due to inverted duty structure and the same is applicable for the textile industry.
- x. The interested parties have not considered value addition done by the Industry from Fiber to Yarn, where this excess GST is utilized.
- y. Grasim's VSF prices have remained competitive vis-à-vis international prices. While the International VSF prices declined by 14% during the period Apr – Dec 2019, Grasim VSF prices declined by 22% during the same period. Thus, there is no merit in the point that Grasim has manipulated market prices. Further, the average price of VSF of Grasim has been consistently lower as compared to the average price of VSF in international market since June 2019.
- z. The capital employed, interest and depreciation per MT of subject goods have declined in POI as compared to the base year and the injury suffered by domestic industry is on account of dumped imports leading to realization of sub optimal price for the PUC sold in the domestic market during POI.
- aa. The applicant has already provided the methodology adopted to convert the spindles in MT. It is calculated on the basis of average production per spindle for

the whole industry from 220 grams to 260 grams per Spindle/Shift.

I.2 Views of Other Interested Parties

79. The following submissions have been made by other interested parties with regard to injury and causal link:
- a. Erroneous data has been provided by the Applicant. There are completely different sets of figures on imports in relation to demand at different places in the application.
 - b. The Applicant has not disclosed the selling price of like domestic products.
 - c. There is no evidence of material injury.
 - d. There is no decline in production, capacity utilisation and sales of the Domestic Industry. There has been a steady increase in the market share of the Domestic Industry. There is no actual or potential decline in productivity, employment and wages.
 - e. There is no causal link between the volume of imports from subject countries and losses if any, suffered by the Domestic Industry. The Domestic Industry's share during the POI-A* compared to the year 2018-19 has increased by 7%. The share of Other Indian Industry during the POI-A* compared to the year 2018-19 has decreased by 17%. The share of imports during the POI-A* compared to the year 2018-19 has increased by 10%.
 - f. The Applicant has no prima facie evidence of injury as required by Article 5.2 of the Agreement, read together with Article 3.4 of the Agreement. As such, the Authority should have rejected the application in the first place.
 - g. All the economic indicators in the period of injury 2016-2017 to 2018-2019 were in perfect condition. Any injury allegedly suffered by the domestic industry has been caused by factors other than imports from China PR.
 - h. The price undercutting analysis was not made based on a fair comparison between type per type product as what is presented in the petition consists of only a general comparison. This does not qualify as positive evidence as required in Article 3.1 of the Agreement and that objective examination cannot be made based upon the same Article.
 - i. Does the import price reflect additional clearance cost, import duty, applicable taxes and any distributor margin to arrive at the correct landed cost price? If those factors are considered, there would be no price undercutting which could affect the Applicants' price.
 - j. In 2018-2019, import subject product from alleged countries only constituted 5%. With this small quantum of import of the import product, it would not be possible that import could have caused any injury or posed any threat of injury to the Applicants.
 - k. The capacity and quality of the domestic yarn industry cannot meet the needs of Indian market. In the last few years, the demand and consumption of viscose filament fabrics has risen multi-folds with multiple end-users.
 - l. The share of imports from Indonesia has remained constant and has not captured the incremental market at all.

- m. The raw material is subject to higher SGST & CGST (9%) rates than the finished product (6%). Producers of finished product will have unutilized credit of GST paid on input/raw material and the Authority needs to examine the relation between unutilized credit and the injury caused to the domestic industry.
- n. The domestic selling price of VSF, which apparently is manipulated by Grasim Industries, is at variance with Global VSF selling price. The global price of VSF fell during the injury period but not in India by same proportion.
- o. The injury showed is caused due to loss in export market share, predatory pricing practice by the supplier of raw material and comparatively low quality of the product produced.
- p. The textile industry reports all capacity in the number of spindles and not MT. The Applicant has provided the data in MT without explaining the calculation methodology adopted. Thus, the evaluation of figure presented in the Application is misleading and must not be relied upon. The Authority must use spindles installed to compute the capacity and capacity utilization. If this analysis is used, the capacity utilization of the Domestic Industry will show a high utilization of above 85% in all years of the injury period.
- q. The calculation of NIP must not be unnecessarily inflated due to predatory pricing of the raw material and should be determined by considering the best utilization of raw materials over the past three years period and the POI. Therefore, NIP must exclude the impact of such predatory pricing practice i.e. 5% as per the determination by the CCI.
- r. The Directorate in the past have terminated the investigations wherein the injury to the domestic industry was not due to dumping but other factors, such as in the matter of Non-Woven Fabric, Coated Paper and Playing Cards. The Authority should take a similar approach and terminate this case ab-initio.

I.3 Examination by the Authority

- 80. The Authority has taken note of various submissions made by the Domestic Industry and other interested parties and analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.
- 81. It is noted that Rule 11 dealing with injury specifies that the Authority shall record a finding whether dumped imports of such article into India cause or threaten material injury to any established industry in India or materially retards the establishment of any industry in India. Further, it specifies that the Authority shall determine the injury to Domestic Industry, threat of injury to domestic industry, material retardation to establishment of Domestic Industry and a causal link between dumped imports and injury, taking into account all relevant facts, including the volume of dumped imports, their effect on price in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles and in accordance with the principles set out under the rules.

I.3.1 Cumulative Assessment

82. Article 3.3 of WTO agreement and Para (iii) of Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigation, the Authority will cumulatively assess the effect of such imports, in case it determines that:
- a. Margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of imports from each country is three percent (or more) of the import of like article or where the import of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article; and
 - b. Cumulative assessment of the effect of imports is appropriate in the light of the conditions of competition between the imported article and the like domestic articles.
83. The Authority notes that:
- a. The subject goods supplied from various subject countries and by the Domestic Industry are like articles.
 - b. The subject goods are being dumped into India from subject countries. The margin of dumping from each of the subject countries is more than the de minimis limits prescribed under the Rules.
 - c. The volume of imports from each of the subject countries is individually more than 3% of total volume of imports.
 - d. Prices at which the goods are being exported from the subject countries indicate a clear inter se competition between the imports from these sources in the Indian market.
 - e. The competition between the dumped imported articles and the like articles offered by the domestic industry in the Indian market exists.
 - f. Cumulative assessment of the effect of imports is appropriate as the exports from the subject countries not only directly compete inter se but also with the like articles offered by the Domestic Industry in the Indian market.
84. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the Domestic Industry, “ *taking into account all relevant facts, including the volume of dumped imports. Their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles ...*” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the

Domestic Industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

85. In view of the above, the Authority considers that it is appropriate to assess injury to the domestic industry cumulatively from imports of the subject goods from the subject countries.

I.3.2 Volume Effect of Dumped Imports on the Domestic Industry

a) Assessment of Demand/Apparent Consumption

86. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources. The demand so assessed has increased over the injury investigation period. Even though the demand shows slight decline in the POI, overall demand has shown an increase over the injury period.

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Total imports from subject countries	MT	1,855	11,406	18,679	40,185	53,580
Trend	Indexed	100	615	1,007		2,889
Imports from other countries	MT	121	429	2,370	4,006	5,342
Trend	Indexed	100	356	1,964		4,427
Domestic Industry Sales	MT	***	***	***	***	***
Trend	Indexed	100	159	188		201
Sales of Other Producers	MT	***	***	***	***	***
Trend	Indexed	100	101	132		84
Total Demand	MT	***	***	***	***	***
Trend	Indexed	100	118	152		134

b) Import Volumes from subject countries

87. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports from subject countries, either in absolute terms or relative to production or consumption in India.

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Subject Country	MT	1,855	11,406	18,679	40,185	53,580
China PR	MT	984	4,725	8,279	16,602	22,136

Indonesia	MT	870	5,154	9,167	19,561	26,081
Vietnam	MT	-	1,527	1,233	4,022	5,363
Other Countries	MT	121	429	2,370	4,006	5,342
Total Import	MT	1,975	11,836	21,049	44,191	58,922

88. It is seen that dumped imports of the subject goods from the subject countries have increased in absolute terms. Imports of the subject goods which were 1,855 MT in 2016-17, increased to about 53,580 MT in POI(A), showing a significant increase by 22 times over the injury period.

c) Subject Countries Imports in relative terms

89. It is seen that the subject dumped imports in relation to production and demand increased throughout the injury period. Imports of the product from subject countries increased in relation to the Indian production from 2.31% in 2016-17 to 44.42% in POI(A) and have increased in relation to consumption in India from 0.77% in 2016-17 to 16.60% in POI(A).

Particulars	Unit	2016-17	2017-18	2018-19	POI Annualised
Share of subject imports in relation to					
Total Imports	%	93.89%	96.37%	88.74%	90.93%
Demand	%	0.77%	4.01%	5.10%	16.60%
Indian Production	%	2.31%	11.76%	16.72%	44.42%

I.3.3 Price Effect of Dumped Imports on the Domestic Industry

90. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the Domestic Industry on account of the dumped imports from subject countries has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the NIP of the domestic industry have been compared with landed price of imports of the subject goods from the subject countries.

a) Price Undercutting

91. For the purpose of price undercutting analysis, the NSR of the domestic industry has been compared with the landed value of imports from the subject countries. While computing the net selling price of the domestic industry all taxes, rebates, discounts and commissions have been deducted and sales realization at ex-works level has been

determined for comparison with the landed value of the dumped imports. The Authority has determined PCN wise price undercutting and thereafter weighted average for the subject countries. Accordingly, the undercutting effects of the dumped imports from the subject countries work out as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI (A)
Subject countries					
Net Sales Realization	Rs/Kg	***	***	***	***
Trend	Indexed	100	95	100	91
Landed Price	Rs/Kg	194.68	187.64	205.79	173.36
Trend	Indexed	100	96	106	89
Price undercutting	Rs/Kg	***	***	***	***
Trend	Indexed	100	84	64	108
Price undercutting	%	***	***	***	***
Price undercutting	Range	10-20	10-20	0-10	10-20
China PR					
Net selling realization	Rs/Kg	***	***	***	***
Landed price of imports	Rs/Kg	213.44	188.89	206.70	172.92
Price undercutting	Rs/Kg	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	0-10	10-20	0-10	10-20
Indonesia					
Net selling realization	Rs/Kg	***	***	***	***
Landed price of imports	Rs/Kg	173.46	185.78	204.49	173.82
Price undercutting	Rs/Kg	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	20-30	10-20	0-10	10-20
Vietnam					
Net selling realization	Rs/Kg	-	***	***	***
Landed price of imports	Rs/Kg	-	190.04	209.33	172.95
Price undercutting	Rs/Kg	-	***	***	***
Price undercutting	%	-	***	***	***
Price undercutting	Range	-	10-20	0-10	10-20

92. From the aforesaid table, it can be seen that the imports from subject countries are at prices substantially below the selling price of the Domestic Industry. Price undercutting during the POI is positive and significant for each of the subject countries.

b) Price Suppression and Depression

93. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, changes

in costs and prices over the injury period, were compared as below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Selling price	Rs/Kg	***	***	***	***	***
Trend	Indexed	100	95	100		91
Cost of Sales	Rs/Kg	***	***	***	***	***
Trend	Indexed	100	97	98		94
Landed Price	Rs/Kg	194.68	187.64	205.79	173.36	173.36
Trend	Indexed	100	96	106		89

94. The following is observed:

- a) Imports from subject countries were at prices lower than the cost of sales of the domestic industry throughout the injury investigation period including POI.
- b) A comparison of the cost of production and selling price shows that the selling price declined steeply in the POI, far more than the decline in cost of production.

95. It is thus seen that the imports are depressing and suppressing the prices of the Domestic Industry in the market.

c) Price Underselling

96. The Authority has also examined the price underselling suffered by the Domestic Industry on account of dumped imports from the subject countries. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports.

Particulars	Unit	China	Indonesia	Vietnam
NIP	Rs./Kg	***	***	***
Landed Price	Rs./Kg	172.92	173.82	172.95
Price underselling	Rs./Kg	***	***	***
Price underselling	%	***	***	***
Price underselling	Range	20-30	20-30	20-30

97. The NIP of the PUC has been determined by adopting the verified information/data relating to the cost of production of the domestic industry for the POI on the basis of principles mentioned in Annexure III of the Rules. It is seen that the imports are being made at a price much lower than the NIP. The price underselling from the subject countries during the POI is positive and quite significant.

I.3.4 Economic Parameters of the Domestic Industry

98. Annexure II to the Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic

producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the Rules further provide that the examination of the impact of the dumped imports on the Domestic Industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. An examination of the performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

99. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions.

a) Production, Capacity, Sales and Capacity Utilization

100. Capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the following table: -

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Total Capacity	MT	***	***	***	***	***
Trend	Indexed	100	114	122		122
Total Production	MT	***	***	***	***	***
Trend	Indexed	100	121	138		153
Production - PUC	MT	***	***	***	***	***
Trend	Indexed	100	121	139		150
Capacity Utilization	%	***	***	***	***	***
Trend	Indexed	100	106	113		126
Domestic Sales	MT	***	***	***	***	***
Trend	Indexed	100	159	188		201
Export Sales	MT	***	***	***	***	***
Trend	Indexed	100	50	98		122
Total Sales	MT	***	***	***	***	***
Trend	Indexed	100	146	178		192

101. The following is observed from the above table:

- a. The domestic industry increased its capacity for the PUC throughout the injury period in view of increasing demand in India.
- b. While production, sales and capacity utilization of the domestic industry increased throughout the injury period, the increase in sales were lower than the increase in production.

b) Market Share

102. While the share of the Domestic Industry increased over the injury period, including the POI, the share of other domestic producers, being much smaller in operations than the applicant companies, declined steeply from 76.90% in 2016-17 to 48.31% in the POI. The market share of imports from subject countries increased from 0.77% in 2016-17 to 16.60% in POI.

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Subject countries	%	0.77	4.01	5.10	16.60	16.60
Imports from other countries	%	0.05	0.15	0.65	1.65	1.65
Domestic Industry Sales	%	22.28	30.01	27.62	33.44	33.44
Sales of Other Producers	%	76.90	65.83	66.64	48.31	48.31
Total Demand	%	100.00	100.00	100.00	100.00	100.00

c) Profitability, return on investment and cash profits

103. Details of profitability, return on investment and cash profits of the Domestic Industry's Domestic Sales over the injury period are given in the table below: -

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Selling price	Rs/Kg	***	***	***	***	***
Trend	Indexed	100	95	100		91
Cost	Rs/Kg	***	***	***	***	***
Trend	Indexed	100	97	98		94
Profit/ loss	Rs/Kg	***	***	***	***	***
Trend	Indexed	100	18	184		6
Profit/ loss	Rs Lacs	***	***	***	***	***
Trend	Indexed	100	29	347		11
Profit/ loss before Interest and Tax	Rs Lacs	***	***	***	***	***
Trend	Indexed	100	96	265		77
Cash Profit	Rs. Lacs	***	***	***	***	***
Trend	Indexed	100	125	211		105
ROCE	%	***	***	***	***	***
Trend	Indexed	100	65	162		46

104. The following is observed from the above table:

- a. Profits of the domestic industry declined in 2017-18, but increased thereafter in 2018-19. Profits, however, declined significantly in the POI.
- b. Profits in the POI were at a level far below the profit levels in the previous years.

- c. Cash profit, PBIT and ROCE also followed the same trend as that of profits. Cash profit, PBIT and ROCE declined in 2017-18, increased thereafter in 2018-19 and then declined significantly in the POI. Cash profit, PBIT and ROCE in the POI were at a level much below the levels registered in base year or other preceding years.

d) Employment, productivity and wages

105. Details of employment, productivity and wages of the domestic industry over the injury period are given in the table below.

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Employee	Nos.	***	***	***	***	***
Trend	Indexed	100	108	145		154
Productivity per Day	MT/Day	***	***	***	***	***
Trend	Indexed	100	121	139		150
Productivity per employee	MT/Nos	***	***	***	***	***
Trend	Indexed	100	112	96		98
Wages	Rs. Lacs	***	***	***	***	***
Trend	Indexed	100	156	190		194

106. It is seen that the number of employees, wages and productivity per day have increased throughout the injury period in line with increase in capacity, production and cost of living.

e) Inventories

107. The inventory position with the Domestic Industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Inventories	MT	***	***	***	***	***
Trend	Indexed	100	157	231		287

108. It is seen that inventories with the Domestic Industry have increased throughout the injury period.

f) Growth

109. It is seen that growth of the Domestic Industry with regard to production, domestic sales, capacity utilization was positive over the injury period, whereas growth in respect of profits and return on investment is negative in the POI as can be seen from the table below:

Particulars	Unit	2017-18	2018-19	POI Annualised
Production (MT)	%	20.73%	15.20%	7.98%
Domestic Sales Volume (MT)	%	58.98%	18.49%	6.64%
Capacity Utilization	%	6.40%	6.45%	11.17%
Cost of Sales (Rs/Kg)	%	-3.05%	1.21%	-4.40%
Selling Price (Rs/Kg)	%	-5.19%	5.94%	-9.00%
Profit/ Loss (Rs/Kg)	%	-81.83%	912.94%	-96.94%
ROI	%	-5.32%	149.09%	-71.22%

g) Ability to Raise Capital Investments

110. The profits of Domestic Industry have declined steeply in the POI, thus impacting the ability of the domestic industry to raise capital investment.

h) Factors affecting domestic prices

111. The examination of the import prices from the subject countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the Domestic Industry in the domestic market, etc. shows that the landed value of imported subject goods from the subject countries is significantly below the selling price of the domestic industry, causing price undercutting in the Indian market. The benchmark for the Indian producers' prices is the import prices of the subject goods from subject countries. There is no viable substitute to this product. Demand for the product has shown significant increase during the injury period with slight decline in POI. However, this slight decline could not have been a factor responsible for price depression/suppression faced by the Domestic Industry. It is thus evident that the only factor responsible for the depressed and suppressed domestic industry prices are the import prices of the product. Though the cost of production of Domestic Industry declined in the POI as compared to the previous year, the decline in import prices and Domestic Industry prices were more than the decline in the cost of production. The principal factor affecting the domestic prices thus is the dumped imports of subject goods from subject countries.

I.3.5 Factors establishing Injury to domestic industry

112. The examination of the imports of the subject product and performance of Domestic Industry shows that the volume of imports increased manifold during the injury period in absolute terms and also in relation to production and consumption in India. With regard to price effect, it is noted that the imports are undercutting the prices of the Domestic Industry and the price underselling is also positive, and significant. It is also noted that the imports of subject goods from subject countries have also depressed/suppressed the prices of the Domestic Industry. The dumping margin from subject countries is positive

and significant.

113. The capacity of the Domestic Industry increased throughout the injury period. Production, sales, capacity utilization and inventories of the Domestic Industry increased throughout the injury period. Profits declined significantly in the POI. Profits, Cash profit, PBIT and ROCE in the POI were at a level far below the profit levels during the previous years.

I.3.6 NON-ATTRIBUTION ANALYSIS

114. As per the Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which at the same time are injuring the Domestic Industry, so that the injury caused by these other factors may not be attributed to the dumped imports.

Other known factors and causal link

115. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the Domestic Industry. It has been examined below whether factors other than dumped imports could have contributed to the injury to the Domestic Industry.

c) Volume and price of imports from third countries

116. The imports from countries other than the subject countries are negligible in volume terms. Thus, it cannot be said that imports from other countries are causing injury.

b) Export Performance

117. The Authority has considered the data for domestic operations only for its injury analysis.

c) Development of Technology

118. None of the interested parties have furnished any evidence to demonstrate significant changes in the technology that could have caused injury to the Domestic Industry.

d) Performance of other products of the company

119. The Authority notes that the performance of other products being produced and sold by the Domestic Industry does not appear to be a possible cause of injury to the Domestic Industry as the Authority has considered the data of PUC only for injury analysis.

e) Trade Restrictive Practices and Competition between the Foreign and

Domestic producers

120. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. No evidence has been submitted by any interested party to suggest that the conditions of competition between the foreign and the domestic producers have undergone any change.

f) Contraction in Demand and Changes in pattern of consumption

121. It is noted that the demand of the subject goods has increased from the base year with a slight decline in the POI. However, in the POI, whereas the demand slightly declined, imports increased very significantly. The Authority notes that the slight decline in demand during POI cannot be a cause of significant reduction in profitability of the Domestic Industry.

J. MAGNITUDE OF INJURY AND INJURY MARGIN

122. The Authority has determined Non-Injurious Price (NIP) for the Domestic Industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, a reasonable return (pre-tax @ 22%) on average capital employed (i.e. average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit.

123. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.

124. Based on the landed price and non-injurious price determined as above, the injury margins for producers/exporters have been determined and the same is provided in the table below:

Subject Countries/ Producer	NIP USD/K g	LV USD/K g	Injury Margin		
			USD/K g	%	Range %
China PR					
Yibin Spark Fine Spinning Tech Co. Ltd.	***	***	***	***	20-30
Yibin Grace Textile Co Ltd.	***	***	***	***	10-20
All Other Producers/Exporters	***	***	***	***	30-40
Indonesia					

PT Manunggal Adipura	***	***	***	***	10-20
PT Delta Merlin Sandang Tekstil	***	***	***	***	10-20
PT Delta Dunia Tekstil	***	***			
PT Delta Dunia Sandang Tekstil	***	***			
All Other Producers/Exporters	***	***	***	***	20-30
Vietnam					
All Producers/Exporters	***	***	***	***	10-20

K. CONCLUSION ON INJURY & CAUSAL LINK

125. On the basis of examination of information and analysis of the same, the performance of the Domestic Industry is summarized below:
- Imports of the product under consideration have increased significantly from the subject countries in absolute terms, in relation to production and consumption in India.
 - While demand for the product declined, imports of the product have increased.
 - Dumped imports are undercutting the prices of the Domestic Industry.
 - Imports are depressing and suppressing the prices of the Domestic Industry in the market.
 - Performance of the Domestic Industry improved in respect of parameters such as production, sales, market share, employees, wages and productivity, performance of the domestic industry deteriorated in respect of parameters such as inventories, profits, cash profits and return on investment.
 - Market share of domestic producers as a whole has significantly declined.
 - Significant deterioration in parameters such as profits, cash profits and return on investment when performance in respect of parameters such as production and sales implies that the Domestic Industry has suffered material injury.

L. POST DISCLOSURE COMMENTS

L.1 Views of the Domestic Industry

126. The following post-disclosure submissions have been made by the Domestic Industry:
- Average VSY prices prevailed at a higher level at around Rs 191 per kg during Apr'19 - Aug'19 and then also the market continued to grow as demand reached a level of 39,000 tons during Aug'19. Prices went down to Rs 146 per kg level during Jun'20 but demand remained subdued even after prices falling and demand was around 15,000 tons in Jun'20. So even if ADD of around Rs 15-20 per kg is imposed then also prices will be lower than that of the higher prevailing level.
 - Likely ADD applicable on VSY imports will be Rs 15-20/kg. This translates to only 5-7 US cents per garment (one garment is of 250 grams - so from 1 kg of yarn, 4 garments can be made). As most of the garments are in blends, considering VSF content at 35%, the impact of likely ADD per garment would be around 2 US cents per garment, which is insignificant compared to the cost of garment (which is around 5 US Dollar per piece).
 - The notion that ADD will lead to stagnation or competitiveness in garment exports is misplaced. Prices were in the range of Rs 184 - 197 per kg during Mar'19 and Apr'19, VSF based garment exports were around 9,100 - 10,500 tons per month. But then prices went down to Rs 150 per kg level during Aug'20/Sep'20; but VSF based

- garment exports also went down to 3500 – 4000 tons per month level.
- d. VSY prices will not go up as a result of imposition of proposed ADD. VSY prices had declined with dumping in the market, and will roll back, at the max. to the past levels. In fact, prices will not even roll back to the past levels, and fabric manufacturers will get VSY at a price lower than the past.
 - e. The VSY and downstream industry grew in the past, when VSY prices were higher. Further, industry did not show any additional significant increase when prices declined in the current period. Therefore, industry and consumption would not decline with imposition of ADD.
 - f. The impact on eventual fabric is insignificant and inconsequential on either domestic or export competitiveness.
 - g. Post-oral hearing additional domestic producers have communicated to the authority and requested for imposition of duty.
 - h. There is no available data for the total Indian production of VSY in India, either through government sources or through private agencies.
 - i. The CCI order has no relevance in the present matter. Grasim has filed an appeal against the Order of the CCI before the National Company Appellate Tribunal (NCLAT). Vide its order dated 04.11. 2020, NCLAT has stayed the recovery of penalty amount, till the pendency of the appeal.
 - j. Raw material prices are in tandem with international prices.
 - k. The Indian industry not only has the capacity much more than the existing demand in the country, but also will be able to cater to any foreseeable increase in demand, as well as earn valuable foreign exchange for the country by undertaking exports from the surplus production, thereby truly fulfilling the vision of Aatmanirbhar Bharat in so far as the product is concerned.
 - l. There are around 50,000 looms producing VSY and the average employment directly dependent on VSY is of half person per power loom. The direct employment engaged in this sector using VSY is about 30,000 persons, which forms around 0.05% of employment in the entire textile sector.
 - m. MSMEs are adversely impacted by dumping. There are many minor producers accounting for below 10% of the total Indian capacity. If the duties are imposed, the domestic producers will not unduly increase their prices due to market forces and high competition. Duties will lead to continued availability of product through multiple domestic sources at reasonable prices and free, fair and reasonable competition will prevail protecting the interests of the users.
 - n. There is no demand-supply gap.
 - o. There has been a huge lag in capacity utilization in post-Covid period, but at the same the VSY imports have touched record high.
 - p. Post-GST there is a sharp increase in the past few months in the imports of overseas fabric and garments due to lower import duties.
 - q. Turkey has recently concluded an anti-dumping investigation on the subject goods against Indonesia and China. The yarn industry of Indonesia and China may shift to India as India will be the potential market. This shift is mainly due to the shrinking of other markets that have lost competitiveness in the presences of dumped imports.
 - r. Imports of cheaper yarn from countries such as China and Indonesia are hurting India's second largest employer, the textile industry, and a large number of small and medium yarn producing units are on the brink of closure.
 - s. Anti-dumping duty is not a protection to the industry, but rather a means of price correction.
 - t. The imposition of anti-dumping duty will not have any significant adverse impact on

public at large. The duty will protect the domestic industry against dumping of subject goods.

- u. Chinese producers are not entitled to market economy treatment and the normal value for China PR could be determined on the basis of price in a market economy third country such as Thailand. Also, none of the Chinese producers have filed MET questionnaire to rebut the claim that the companies operate in the non-market economy situation.
- v. The duty may kindly be imposed on ad-valorem percentage. The subject goods have various PCNs. The different product types have significant differences in the associated prices.
- w. The Domestic Industry has submitted that the PUC is largely consumed in ladies top, skirts, and dresses and the impact of Rs. 20 per kg. proposed ADD on the eventual end product shall be in the region of 0.87% to 1%:

S. No.	End-Use	Ladies Top	Skirt	Dress
1	Average VSY Consumption per article (in kg)	0.350	0.750	1.000
2	Cost of product (Rs)/piece	800	1,500	2,000
3	Spun Yarn price -Rs/kg	170	170	170
4	Landed value (Spun Yarn import Price with basic Customs duty)	179	179	179
5	Increase in price due to ADD (assuming Rs. 20/kg)	20	20	20
6	Cost of Spun Yarn used per unit of end product	70	150	199
7	Spun Yarn Cost as a % of cost of end product	9%	10%	10%
8	Increase in spun yarn price (S.No. 5 * S.No.1)	7	15	20
9	Impact of ADD on the end product (S.No. 8/S.No. 2)	0.87%	1.00%	1.00%

L.2 Views of Other Interested Parties

127. The following post-disclosure submissions have been made by other interested parties:
- a. The Government of Indonesia is fully aware that Indonesian producers participating in this investigation have fully cooperated with the Authority, and in that, they have acted to the best of their ability. As such, the application of the best information available is completely unjustified. Non-cooperating treatment has been given to a large number of Indonesian producers, for which no proper explanation is given in the Disclosure Statement.
 - b. The Authority provided insufficient time to analyze the Disclosure Statement and submit a response.
 - c. The Authority has failed to address the facts and legal arguments submitted by the Government of Indonesia and Indonesian producers prior to issuance of the Disclosure Statement.
 - d. The Government of Indonesia is concerned with the application of a single dumping margin to all Indonesian producers that the Authority grouped as cooperating producers and another single dumping margin to the rest of Indonesian producers who have also fully cooperated in this investigation.
 - e. The dumping margin stated in the Disclosure ranging from 10% to 30% is very much confusing, not transparent, and unacceptable by ADA.
 - f. The source of data by exercising methodology using Grasim's production as the basis of India's total production was just a mere assumption which is misleading and totally unacceptable.
 - g. The Government of Indonesia strongly disagrees with the Authority's assumption on the

- representativeness of the Applicants as Indian domestic industry due to the fact there are a series of Authority's statements which are inconsistent from one and another.
- h. The deliberate omission of injury data of the other 71% of the Indian industry of the product under investigation has caused gross distortion of facts namely the performance of the Applicant.
 - i. The Duniatex Group submits that the Dumping margin computed by the Authority as reflected in the Disclosure Statement for the three companies belonging to the Duniatex Group appears to be misplaced and therefore ought to be reconsidered.
 - j. In the Disclosure Statement, the Authority has proposed not to exclude double yarn and multi-yarn from the product scope on the pretext that the Domestic Industry has provided evidence of sales in the form of invoices. It is submitted that if the invoices do not pertain to the POI but show sales post the POI, even then double yarn and multi-yarn should be excluded from the product scope. This is for the reason that when the Domestic Industry did not even produce double yarn and multi-yarn during the POI, then it cannot suffer injury due to imports of both these grades. Further, double yarn and multi-yarn are different from single yarn VSY because of difference in the production process.
 - k. It is surprising that Grasim is aware of the consumption by the producers of the subject goods. Further, Grasim is also aware to what extent such producers of the subject goods in India are consuming VSF to manufacture 100% pure viscose spun yarn and blended yarn such as poly-viscose. While Grasim may be aware of VSF sold by it during a year, but how is it aware that to what extent a producer has consumed VSF to manufacture 100% pure viscose spun yarn and blended yarn such as poly viscose?
 - l. The Domestic Industry is not affected by the alleged dumped imports because several injury parameters show significant improvement. In view of the above, it is submitted that the case of material injury is not made out and there is no causal link.
 - m. Anti-competitive practices of the raw material supplier Grasim which had sold the raw material to the Applicants at a very high price has also caused injury to the Applicants.
 - n. The cost of production of the Applicants has been skewed due to unfairly high prices of the raw material VSF which was supplied by Grasim Industries Limited.
 - o. The Authority is requested to disclose how the prices of the primary raw material VSF were considered to arrive at the non-injurious price.
 - p. The Respondents request the Authority to apply lesser duty rule in the present case in line with Rule 4(d) of the Rules.
 - q. The Authority has incorrectly and illegally rejected the entire submissions of the Respondents without giving any valid justifications as per the procedures set in WTO laws and the manual of Operating procedure of DGTR. The Authority is a Quasi-Judicial Authority that is under obligation to act as per set laws and regulations.
 - r. It is expected from the Authority, being a quasi-judicial body, which ordinarily flows from a precedent or established practice, that the Authority will give a fair opportunity to the interested party to represent himself. The term 'established practice' refers to a regular, consistent predictable, and certain conduct, process, or activity of the decision-making authority.
 - s. The rejection of entire submissions of the Respondents is against Natural Justice and Article 6.13 of the Agreement on Anti-dumping. The Respondent submits that during the entire course of the investigation, the Respondents provided all the documents requested by the Authority from time to time. The Respondents submitted all the questionnaire responses in the prescribed formats of DGTR i.e., as per Trade Notice No. 05/2018 dated 28th February, 2018. The Respondent in-fact provided all the data PCN wise as per the PCN identified by the Director-General as per the letter dated 4th March, 2020. The Authority during the course of the investigation made certain inquiries and sought certain information documents via mails and telephone calls. No deficiency letter was issued to

- any individual company despite mandatory obligation. All those were duly submitted and clarified. No further inquiries were made implying that the Authority did not have any further questions or had no further clarifications to seek on completeness and that no further deficiencies remained. Responses submitted were not even considered w.r.t export sales, domestic sales, cost data type-wise information, productions, landed value and other calculations.
- t. The Authority has unjustifiably rejected all the submissions of all the Respondents including the original questionnaire response.
 - u. The Disclosure Statement, without following the due process of law and verification process of information submitted is not only bad in law but also indicates disrespect of the sanity of the procedures and practice established globally.
 - v. The Authority only carried out the process of giving opportunity in general for all groups of exporters to submit certain documents, information and clarification via mail dated 4th September, 2020 which was duly responded despite COVID difficulties faced by the consultant as expressed to the authority via several e-mails. Post submissions of the desired information documents and clarifications for explanations further queries were made implying the satisfaction of the authority of a co-operative and information, etc.
 - w. The Authority should calculate the Injury Margin of the respondent based on the data submitted by the Respondents and available with the Authority.
 - x. The Domestic Industry has been incorrectly determined by the Authority.
 - y. With respect to the Authority's noting that Domestic Industry has production facility to produce fashion fabric through Airjet technology is not denied by the Respondents, however, the Indian Domestic Industry does not have enough capacities to meet the Domestic Demand in India for subject produced by such technology. Therefore, it is requested to Authority to exclude the subject goods produced through Airjet technology.
 - z. The Authority has not considered the interest of Small Scale Industry, weavers, garments, etc. which will be forced to shut down due to imposition of AD measures on subject goods.
 - aa. The Authority is required to specifically convey to each exporter as to which data in the response is missing which will not allow DGTR to compute the individual dumping or injury margin for the Responding exporters.
 - bb. The Applicant has not been able to depict any material injury to the domestic industry under the mandates of Article 3.1 of the Agreement on Anti-dumping.
 - cc. The export sales of the Domestic Industry have gone down considerably and it is continuously going down during the entire injury period. The Respondents submit that this is the real cause of losses and injury to the Petitioner industries.
 - dd. The Domestic Industry has been consistently raising capital for investment in plant and machinery and not facing any injury on this count.
 - ee. There is no increase in the inventory of PUC of the Domestic Industry.
 - ff. The cost of sales has declined in correlation to the decline in sales prices.
 - gg. The number of employees hired has been increasing steadily over the Injury Period, including the POI.
 - hh. The productivity per day has shown a steady increase during the injury period, including the POI for the Domestic Industry.
 - ii. The Applicant is suffering an injury mainly due to the dual and predatory pricing policy of the alleged sole domestic supplier of the raw material i.e. Grasim.

L.3 Examination by the Authority

128. The Authority notes that most of the issues raised in the post-disclosure comments have already been raised earlier and also addressed appropriately. Additional submissions

have been analysed as under –

- a. As regards the non-acceptance of questionnaire response of a number of Indonesian producers, the Authority notes that the questionnaire response filed by these producers could not be accepted in view of significant gaps in the questionnaire responses filed by these exporters. The gaps in the questionnaire response remained despite multiple opportunities provided to them. The Authority notes that it is obligatory on the part of the foreign producers/ exporters to ensure that the questionnaire response filed by them are complete in all respects and in the form and manner prescribed.
- b. In a situation where the exporters have not provided all relevant information prescribed in the formats, and the responses remained deficient, contradictory and unreliable, it was not feasible for the Authority to determine individual dumping margin and injury margin. Further, the possibility of seeking clarification by the Authority cannot be utilized by foreign producers/ exporters to provide basic information prescribed in the questionnaire. Gross deficiencies and inconsistencies in the questionnaire responses filed by these producers/exporters are briefly explained below.
- c. M/s. SBA Strategy Consulting LLP have filed the Exporter Questionnaire Response in March, 2020 on behalf of the following seven Indonesian producers/exporters:
 - i. PT Lotus Indah Textile Industries
 - ii. PT Sinar Pantja Djaja
 - iii. PT Primayudha Mandiri Jaya
 - iv. PT Adikencana Mahkotabuana
 - v. PT Sri Rejeki Isman, Tbk
 - vi. PT Bitratex Industries
 - vii. Embee Plumbin Telsti
- d. On examinations of the questionnaire response, it was observed that Appendix 7, 8, 10 and 11 were not in the form and manner prescribed. While this alone was sufficient to reject the questionnaire response, yet, vide email dated 29th June, 2020, these companies were advised to submit the requisite data by 3rd July, 2020.
- e. M/s. SBA Strategy Consulting, vide email dated 2nd July, 2020 filed the revised appendices. Further, working files in respect of PT Primayudha were filed vide email on 9th July, 2020. M/s. SBA Strategy Consulting filed the revised certifications after further corrections of errors in case of PT Primayudha vide email dated 22nd July, 2020, and in case of PT Bitratex Industries vide email dated 23rd July, 2020.
- f. The information filed by these companies were examined. After examination of these revised appendices it was observed that Appendix 8 of the questionnaire response of all the seven companies represented by M/s. SBA Strategy Consulting contained new information and there was no information for the previous year element-wise cost of production for the product under consideration. Further, it was seen that in case of three companies, namely PT Embee, PT Sri Rejeki Isman and PT Sinar Pantha Dajaj, element-wise cost claimed in Appendices i.e. 6, 7, 8 and 10 were not duly reconciled and differed with each other. M/s. Adikencana claimed under/over absorption of raw-material in different Appendices. Accordingly, another communication was sent vide email dated 24th July, 2020 to M/s. SBA Strategy Consulting to clarify the discrepancy and provide requisite details with complete back-up papers for all the seven companies, latest by 27th July, 2020. It was made clear that the Authority may resort to facts available in case the companies failed to respond within the time limits.
- g. M/s. SBA Strategy Consulting vide email dated 27th July, 2020 filed further information. The information filed was once again examined and compared with the original questionnaire response filed in March, 2020 and revised data and supporting

documents submitted in July, 2020. It was observed that there was a wide variation in data and still there were still significant gaps in data. The responses thus continued to remain deficient. The Authority once again provided an opportunity to the exporters vide email dated 4th September, 2020 to submit complete details/back-up papers/reasons for discrepancies. Some of the variation in data and data gaps as listed in the emails are as under: -

- i. In case of M/s. Adikencena and M/s. Sinar Pantja, the element-wise cost and profit figures varied at PUC as well as at Company level. Also, the profit and element-wise cost figures for the PUC has been changed in case of M/s. Bitratex, M/s. Lotus Indah, M/s. Primayudha and M/s. Sri Rejeki Isman.
 - ii. In all the seven companies Appendix 8 was not as per the prescribed format, the quantitative data for capacity, production, sales and per unit cost data, etc. has not been provided for the POI and previous accounting year.
 - iii. Related party transactions were involved in most of the companies particularly related to raw-materials. However, the details of the same was not reflected in Appendix 6 and Appendix 11 of all the companies. Different basis of pricing of raw-materials were used in Appendix 11 of the companies e.g. transactional net margin method, cost plus method etc. Company was asked to submit complete details and working for each of these methods.
 - iv. In Appendix 6, M/s. Embee has adjusted waste sale and WIP in Raw-Material consumption instead of showing it separately in relevant Appendices.
 - v. They were also requested to provide the Audited Accounts for the year 2019 and for the POI along with the complete back-up papers for basic records maintained along with screen shots from system.
- h. M/s. SBA Strategy Consulting vide email dated 9th September, 2020 requested the Authority to provide them 2 weeks' time due to wide outbreak of Covid-19 in their office in Jaipur, India. However, they responded with the revised data and clarifications at a very belated stage of investigation vide email on 5th November, 2020. However, still the data/information was not as per the Trade Notice No. 05/2018 dated 28th February, 2018, and continued to remain deficient. Some of the deficiencies notices are as under:
- i. The revised format for Appendix 8 with the calculation of unit cost of production submitted were not certified by a Practising Accountant as per Trade Notice No. 05/2018.
 - ii. Revised Appendix 11 submitted were not certified by a Practising Accountant as per Trade Notice No. 05/2018.
 - iii. Complete details and working for each of the methods used as the basis of pricing of raw-materials in Appendix 11 of the companies e.g. transactional net margin method, cost plus method etc. were not provided.
 - iv. The Audited Accounts provided is in a local language without English version of the same, thus making it impossible to examine the audited accounts.
- i. M/s. Sunrise Bumi Textiles, M/s. Elegant Textile Industry and M/s. PT Indo Liberty Textiles also filed deficient questionnaire response. After examination of the initial questionnaire response, separate emails dated 30th June, 2020 were sent to these producer/exporters to provide the requisite details e.g. Appendix 7, 8, 10 and 11 in the form and manner prescribed. The same were not certified by a Practising Accountant as per Trade Notice No. 05/2018 dated 28th February, 2018. All these companies responded but still there were major data gaps/deficiencies in the questionnaire response submitted by them. Therefore, one more opportunity was given to these

- companies to clarify and justify the data gaps. But no response was received from them in response to email dated 7th September, 2020.
- j. It is evident that the Authority provided adequate opportunity to all those producers/exporters whose questionnaire response have not been used to determine individual margin. While M/s. Sunrise Bumi Textiles, M/s. Elegant Textile Industry and M/s. PT Indo Liberty Textiles did not reply to Authority email dated 7th September, 2020, other seven companies namely PT Lotus Indah Textile Industries, PT Sinar Pantja Djaja, PT Primayudha Mandiri Jaya, PT Adikencana Mahkotabuana, PT Sri Rejeki Isman, PT Bitratex Industries and Embee Plumbin Telsti have not provided complete data within the prescribed time limits. Further, there have been changes in the essential basic data, which questions the very reliability of the data provided by these seven producer/exporters. Therefore, the Authority considers the information/ data provided by these producer/exporters is insufficient for determination of individual margin.
- k. As regards time given for offering comments to the disclosure statement, it is noted that six days' time was given to the interested parties to offer their comments. Time of six days cannot be considered insufficient. Besides, no request for additional time was made by any interested party. The Authority further notes that the approaching deadline for completion of investigation and difficulties faced due to COVID-19 pandemic also needs to be appreciated.
- l. It is clarified that all concerns raised by the Government of Indonesia and other interested parties, including Indonesian producers, have been adequately addressed and dealt with while arriving at the conclusion in the present findings.
- m. It is clarified that Authority has determined individual dumping margin in respect of only those producers/exporters who have filed questionnaire response complete in all respect. Further, the Authority has determined one weighted average dumping margin and injury margin for companies forming part of one group.
- n. As regards the range of dumping margin and injury margin given, the Authority notes that the dumping margin and injury margin have been given in a range in order to protect confidentiality of information provided by the responding exporters. The treatment is consistent with practice adopted by authority. Further, actual dumping margin has been disclosed to the exporters concerned.
- o. As regards confidentiality claims of interested parties, as stated above, the Authority has considered the confidentiality claims of various interested parties including the foreign producers, and on being satisfied, allowed the same.
- p. As regards quantification of Indian production, the Authority notes that in a situation such as the present one where the industry is highly fragmented and the product is produced by a large number of producers and where there is no published information with regard to gross Indian production, production is required to be assessed in a reasonable and scientific manner, which may involve taking into account the data of upstream industry. The assessment of production in such cases by considering gross consumption of raw material is a reasonably appropriate and fair methodology. The source of supplies of raw materials in the present case is imports into India and supplies by the only producer in the country. A statement, duly certified by an independent practicing Chartered Accountant, indicating sales of raw material, Viscose Staple Fibre (VSF) to various consumers of VSF for manufacture of the product under consideration has been provided by M/s. Grasim Industries Ltd. In situations where information with regard to raw material procurement by various domestic producers is given by the raw material supplier itself, there is no reason to believe that the same would have led to understatement of production. In fact, the Domestic Industry contended that the gross eligible Indian production adopted for

- determining standing could be overstated because of the fact that some of the domestic producer have imported the product (either directly or through an affiliate) and therefore, should be treated ineligible as Domestic Industry under Rule 2(b). While the applicant provided its own assessment of imports into India, the Authority has adopted the information published by the DGCI&S for the purpose.
- q. As regards the contention of the Government of Indonesia regarding rejection of questionnaire response, the Authority reiterates that the questionnaire responses filed by these Indonesian producers are indeed grossly deficient and the responses neither contain all information required nor are in the form and manner prescribed in the questionnaire. While deficiencies in the questionnaire responses were pointed out earlier, the subsequent data provided in the responses by these exporters were at material variance as compared to the information earlier provided. Further, the foreign producers were given sufficient time to address those discrepancies in the questionnaire responses but despite further extension having been given, these producers have not addressed the requirements. The Authority notes in this regard that onus to provide all relevant information, document and back up information in a timely manner lies on the foreign producers participating in the investigation. Even though the deficiencies found in the initial questionnaire response itself were sufficient to reject these responses, yet the Authority nevertheless provided repeated opportunities to these foreign producers to address the deficiencies. It is noted that the opportunity to provide clarification cannot be used to provide such information which is required to be provided by the foreign producers in their questionnaire response at the first instance itself. If foreign producers are allowed to provide subsequently what was required to be provided at the first instance, then it would render the time limits for questionnaire response meaningless.
- r. A number of interested parties have disputed existence of injury to domestic industry. The interested parties have pointed out at improvement in performance of the Domestic Industry in respect of few injury parameters. It is noted that the performance of the Domestic Industry has improved in respect of some parameters. However, it is well established that it is not necessary that performance of domestic industry should show deterioration in respect of each injury parameter and thus improvement in some parameters does not imply absence of injury. So long as the performance of Domestic Industry shows deterioration in respect of some parameters and such deterioration outweighs positive developments in other parameters, it can be concluded that the Domestic Industry has suffered injury. The Authority notes in this regard that if the performance of the Domestic Industry deteriorates in respect of profits, cash profits and return on investment in a situation where its production, sales and capacity utilization improves, it can be safely concluded that material injury has been caused.
- s. As regards competition between companies constituting Domestic Industry and other domestic producers, the Authority notes that no interested party has provided any evidence to show that the performance of the Domestic Industry has deteriorated because of competition caused by other domestic producers not forming part of the Domestic Industry. Further, parameters such as domestic sales and market share of non-petitioning domestic producers clearly show a significant decline in their sales and market share. The market share of other domestic producers has in fact declined from 77% in base year to 48% in the POI. Thus, performance of the Domestic Industry could not have deteriorated due to competition by other domestic producers.
- t. It is clarified that the Authority has given confidential calculations of dumping margin to those foreign producers for whom individual dumping margin have been determined in the disclosure statement. These foreign producers are aware of the actual dumping margin determined by the Authority. Further, while disputing the

- dumping margin determined in the Disclosure Statement, Government of Indonesia has not established how the dumping margin determined in the Disclosure Statement is inappropriate.
- u. As regards inclusion of double yarn and multi yarn, it is clarified that evidence on record indicates the sale of these products being made by the Domestic Industry during POI.
 - v. As regards the information provided by the Grasim, it is clarified that Grasim has provided details of sales made by the company and not consumption of VSY in the country. The company has provided a statement of sales made to various parties duly certified by the independent practicing Chartered Accountant. Since Grasim itself has provided information with regard to its sales made to various customers, all contentions made with regard to reliability of the data or filing of consumption information by Grasim are without any basis.
 - w. As regards contention of higher prices paid by the VSY producers, the Authority compared the consumption price reported by the constituents of Domestic Industry with the import price of VSF in India at the same level. It is seen that the consumption price adopted for the purpose of determination of NIP is quite comparable to the import price of VSF. Thus, information on record does not show that the consumption price of VSF adopted for determination of NIP is unduly high.
 - x. The Authority has noted the quantification of impact of ADD on the eventual end product as furnished by the Domestic Industry is around 1%.
 - y. The Authority notes that none of the interested parties barring the Domestic Industry have quantified impact of proposed ADD on the eventual end product.
 - z. The Authority notes that none of the interested parties have brought any evidence in support of their argument that imposition of proposed ADD will have significant adverse impact on downstream products.

M. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

129. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Interested parties have not established that imposition of duties is going to adversely impact the public interest.
130. It is recognized that the imposition of anti-dumping duty might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

N. CONCLUSION

131. After examining the submissions made by the interested parties and issues raised therein, and considering the facts available on record, the Authority concludes that:

- a. The product under consideration has been exported to India from the subject countries below its normal value.
- b. The Domestic Industry has suffered material injury.
- c. Material injury has been caused by the dumped imports of subject goods from the subject countries.

O. RECOMMENDATIONS

132. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the Domestic Industry, exporters, importers and other interested parties to provide information on the aspects of dumping, injury and the causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Rules, the authority is of the view that imposition of Anti-Dumping is required to offset dumping and injury. Therefore, Authority recommends imposition of anti-dumping duty on imports of subject goods from the subject country.
133. In terms of provision contained in Rule 4(d) & Rule 17(1) (b) of the Rules, the Authority recommends impositions of anti-dumping duty equal to lesser of margin of dumping and the margin of injury so as to remove the injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to amount mentioned in column 7 of the duty table below is recommend to be imposed for five (5) years from the date of the Notification to be issued by the Central Government, on all imports of goods described at Column 3 of the duty table, originating in or exported from China PR, Indonesia and Vietnam.

DUTY TABLE

SN	Tariff	Description of goods	Country of origin	Country of export	Producer	Duty amount	Currency	Unit
	Heading*							
1	2	3	4	5	6	7	8	9
1	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	China PR	Any Country including China PR	Yibin Spark Fine Spinning Tech Co., Ltd.	0.51	USD	KG
2	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	China PR	Any Country including China PR	Yibin Grace Textile Co., Ltd.	0.41	USD	KG
3	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	China PR	Any Country including China PR	Any producer other than at serial numbers 1 and 2	0.80	USD	KG

SN	Tariff	Description of goods	Country of origin	Country of export	Producer	Duty amount	Currency	Unit
	Heading*							
1	2	3	4	5	6	7	8	9
4	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Any Country other than China PR, Indonesia, Vietnam	China PR	Any	0.80	USD	KG
5	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Indonesia	Any Country including Indonesia	PT. Manunggal Adipura	0.25	USD	KG
6	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Indonesia	Any Country including Indonesia	PT. Delta Merlin Sandang Tekstil	0.35	USD	KG
7	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Indonesia	Any Country including Indonesia	PT. Delta Dunia Tekstil		USD	KG
8	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Indonesia	Any Country including Indonesia	PT. Delta Dunia Tekstil		USD	KG
9	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Indonesia	Any Country including Indonesia	Any producer other than at serial numbers 4 to 8		0.44	USD
10	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Any Country other than China PR, Indonesia, Vietnam	Indonesia	Any	0.44	USD	KG
11	55101110, 55101210, 55101190,	Viscose Spun Yarn*	Vietnam	Any Country	Any	0.41	USD	KG

SN	Tariff	Description of goods	Country of origin	Country of export	Producer	Duty amount	Currency	Unit
	Heading*							
1	2	3	4	5	6	7	8	9
	55101290, 55109010, 55109090			including Vietnam				
12	55101110, 55101210, 55101190, 55101290, 55109010, 55109090	Viscose Spun Yarn*	Any Country other than China PR, Indonesia, Vietnam	Vietnam	Any	0.41	USD	KG

*The product under consideration is Viscose rayon spun yarn containing 85% or more by weight of artificial viscose staple fibre, other than sewing thread, not put up for retail sale.

**Note: Customs classification is only indicative, and the determination of anti-dumping duty shall be made as per the description of the PUC.

P. FURTHER PROCEDURE

134. An appeal against these findings after its acceptance by the Central Government shall lie before the Customs, Exercise and Service tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff Rules, 1995.



(B.B. Swain)

Special Secretary and Designated Authority