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**F. No. 7/04/2021-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
Jeevan Tara Building, 5 Parliament Street, New Delhi -110001**

Dated 28.10.2021

NOTIFICATION

FINAL FINDINGS

Case No. AD (SSR) - 04/2021

Subject: Sunset review anti-dumping investigation concerning imports of PVC Flex Films originating in or exported from China PR.

Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the “Rules”) thereof.

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter referred to as the “Authority”) had initiated the original anti-dumping investigation in respect of PVC Flex Films (hereinafter referred to as the “subject goods” or the “product under consideration”) originating in or exported from China PR on 1st February 2010. Provisional anti-dumping duty was recommended vide Notification No.14/04/2010-DGAD dated 22nd June 2010 and was imposed vide Notification No. 79/2010-Customs dated 30th July 2010. Thereafter, the Designated Authority recommended definitive anti-dumping duty vide Final Findings No.14/04/2010-DGAD dated 29th July 2011 and the same was imposed vide Notification No. 82/2011-Customs dated 25th August 2011. A new shipper review was initiated on 12th April 2012, pursuant to which final findings No. 15/23/2011-DGAD dated 29th June 2016 were issued. A sunset review investigation was initiated vide Notification No. 15/13/2015-DGAD dated 27th July 2015. The Authority recommended continuation of anti-dumping duty vide final findings dated 30th June 2016 and the same was imposed by the Central Government vide Notification No. 42/2016-Customs (ADD) dated 8th August 2016.

2. Whereas, in terms of the Act and the Rules, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition.
3. Notwithstanding the above provision the Authority is required to review, on the basis of a duly substantial request made by or on behalf of the domestic industry within reasonable period of time prior to the date of the expiry of the measure, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
4. Whereas, in terms of the above provisions, All India Laminated Fabric Manufacturers Association (AILFMA), Pioneer Polyleathers Limited, Qrex Flex Private Limited and SRF Limited (hereinafter referred to as the “applicants” or the “domestic industry”) filed an application, before the Authority in accordance with the Act and the Rules for initiation of sunset review investigation concerning imports of the PVC Flex Films from China PR (hereinafter also referred to as the “subject country”) and requested for extension of anti-dumping duty. The request is based on the ground that the dumping has continued in spite of imposition of anti-dumping duty on imports of the subject goods from the subject country. The applicants have further argued that the expiry of anti-dumping duty is likely to result in continuation or recurrence of dumping and injury to the domestic industry.
5. And whereas, the Authority, on the basis of prima facie evidence submitted by the applicants issued a public notice vide Notification No. 7/04/2021-DGTR dated 24th March 2021, published in the Gazette of India, Extraordinary, initiating sunset review investigation in accordance with Rule 6(1) of the Rules to examine as to whether the expiry of anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
6. After initiation of the investigation, the Central Government extended the anti-dumping duty in force on the imports of the subject goods originating in or exported from the subject country up to 31st January 2022 vide Notification No. 38/2021-Customs (ADD) dated 30th June 2021.
7. The scope of the present review covers all aspects of the previous investigation concerning imports of the subject goods originating in or exported from the subject country.

B. PROCEDURE

8. The procedure described hereinbelow has been followed with regard to the investigation:
 - a. The Authority notified the Embassy of the subject country in India about the receipt of the present application before proceeding to initiate the investigation in accordance with Rule 5(5) of the Anti-Dumping Rules.

- b. The Authority issued a public notice dated 24th March 2021, published in the Gazette of India, Extraordinary, initiating an investigation concerning imports of the subject goods from the subject country.
- c. The Authority sent a copy of the initiation notification to the Embassy of the subject country in India, known producers and exporters from the subject country, known importers / users and the domestic industry as well as other domestic producers as per the information made available by the applicants and requested them to make their views known in writing within the prescribed time limit.
- d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject country in India, in accordance with Rule 6(3) of the Anti-Dumping Rules. A copy of the non-confidential version of the application was circulated to other interested parties.
- e. The Embassy of the subject country in India was also requested to advise the producers / exporters in the country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers / exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
- f. The Authority forwarded a copy of the public notice initiating sunset review investigation to the following known producers/exporters in the subject country and offered an opportunity to make their submissions known in accordance with Rule 6(4) of the Rules:
 - i. Guangzhou Tome Advertisement Material Company Limited
 - ii. HaiNing FengTai Compound New Material Company Limited
 - iii. Haining Fengtai Flex Company
 - iv. Haining Hongliang New Material Company Limited
 - v. Hangzhou HDL New Material Company Limited
 - vi. Hebei Hongding Plastic Manufacturing Company Limited
 - vii. Heytex Technical Textiles (Zhangjiahang) Company Limited
 - viii. Jiangyin Nanwei Plastics Company Limited
 - ix. Jiangyin Yuyuan Plasticizing Company Limited
 - x. Ningxia Yipang Trade Company Limited
 - xi. Quzhou Kaiciang Biological Tech Company Limited
 - xii. Shanghai Der New Material Company Limited
 - xiii. Shanghai Global Sign Display & Sign System Company Limited
 - xiv. Shanghai Unisign Industrial Material Company Limited
 - xv. Taya Canvas (Shanghai) Company Limited
 - xvi. Zhejian MSD Warp Knitting & Coating Company Limited
 - xvii. Zhejiang Dejia New Material Company Limited
 - xviii. Zhejiang Ganglong New Material Company Limited
 - xix. Zhejiang Hailide New Material Company Limited
 - xx. Zhejiang Huifeng New Materials Corporation Limited
 - xxi. Zhejiang Longteng New Material Company Limited
 - xxii. Zhejiang Minglong Plastic Cement Company Limited
 - xxiii. Zhejiang Tianyang New Material Technology Company Limited

- g. In response to the initiation notification of the subject investigation, following producer from the subject country has responded by filing questionnaire response:
 - i. Heytex Technical Textiles (Zhangjiagang) Company Limited
- h. Further, one of the exporters, Haining Hengchuang Coated Fabric Co., Ltd. has filed submissions during the course of the investigation.
- i. The Authority sent Questionnaires to the following known importers / users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
 - i. Abuzar International Associate
 - ii. Ad Edge Media Printers
 - iii. Ad on Publicity
 - iv. Ad Sign
 - v. Ad Station
 - vi. Ad Wave Creation
 - vii. Adcom Display Private Limited
 - viii. Adtek Print & Media Private Limited
 - ix. Advance Flex
 - x. Advantage Outdoor
 - xi. Aggarwal Enterprise
 - xii. Ahm Advertiser
 - xiii. AIDAS
 - xiv. Aimass Digital Printing
 - xv. Ajay Plastic Sign
 - xvi. Akriti Print World
 - xvii. Akshra Digital
 - xviii. Ambica Traders
 - xix. Amito Label Craft
 - xx. Anubhav Advertiser
 - xxi. Anupam Graphics
 - xxii. Aone Graphics
 - xxiii. Art Way Advertising
 - xxiv. Arvind Advertising
 - xxv. Asmirti Advertising
 - xxvi. Azaad Art
 - xxvii. B K Enterprise
 - xxviii. Balaji Inc.
 - xxix. Bandhu Sign World
 - xxx. Bansal Graphics & Advertiser
 - xxxi. Basant Arts
 - xxxii. Bharat Art
 - xxxiii. Big Ads
 - xxxiv. Big Eye Advertisement Private Limited
 - xxxv. Bihar Graphic Supplier
 - xxxvi. BP Design

xxxvii.	Bright Digital
xxxviii.	Caterpillar Signs Private Limited
xxxix.	Chakshu Printers
xl.	Chawla Computer
xli.	Chicago Flex Printing
xlii.	Chitra Graphics
xliii.	Chopra Signage
xliv.	Clear Graphics Solutions
xlv.	Codex Media
xlvi.	Colour Creations
xlvi.	Colour Solution
xlvi.	Creative Creation
xlix.	Creators
I.	Dass Milti Services Private Limited
li.	Deep Flex Printing
lii.	Deepa Advertising
liii.	Deepa Public City
liv.	Dev Painter
lv.	Dhawan Global Venture
lvi.	Digital Logicom Private Limited
lvii.	Direction Retail
lviii.	Dwarka Digital
lix.	Engravo Graphics
lx.	Eureka International
lxi.	Fair Enterprises
lxii.	Fine Digital System
lxiii.	Flex Zone
lxiv.	Force Advertisers
lxv.	Ganapati Digital
lxvi.	Ganesh Enterprises
lxvii.	Gaurav Enterprises
lxviii.	Gauri Enterprises
lxix.	Gita & Company
lxx.	Global Advertiser
lxxi.	Global Art
lxxii.	Global Flex Media
lxxiii.	Golden Sign
lxxiv.	Gopi Raju Arts
lxxv.	Graphic World
lxxvi.	Grey Mindz
lxxvii.	H.M. Graphics
lxxviii.	Hannu Marketing
lxxix.	Hans Advertiser
lxxx.	Hari Sign System

lxxxi.	Harsh Photo Lamination
lxxxii.	Haryana Offset Printers
lxxxiii.	Hi-tech Digital
lxxxiv.	Hindustan Glow Sign
lxxxv.	Hindustan Publicity
lxxxvi.	Icon Digital (Media Print)
lxxxvii.	Idea Xerox
lxxxviii.	Illusion Art
lxxxix.	Impact Ad Vision
xc.	Impect
xci.	In & Out
xcii.	Indian Digital
xciii.	Indrasagar Traders
xciv.	Inkline Printer
xcv.	Innovative Media Solutions
xcvi.	Ishwar Glow Sign
xcvii.	J.D. Foam
xcviii.	Jain Media
xcix.	JCW Flex
c.	JJ Plastic
ci.	JMD
cii.	Jumbo Digital
ciii.	Jyoti Media
civ.	Jyoti Printer
cv.	Kalyan Digital
cvi.	Kolor Catalyst
cvii.	Kripa
cviii.	Krishna Enterprises
cix.	Krishna Publicity
cx.	Krishna Signage Private Limited
cxi.	Kuldeep Enterprises
cxii.	Kunal Flex Printing
cxiii.	Kushlam Uria Sansthan
cxiv.	Lalit Advertising
cxv.	Latest Fex
cxvi.	Limra Art
cxvii.	M&K Creatives
cxviii.	Macro Media
cxix.	Mahima Digital
cxx.	Maruti Digi Sign
cxxi.	Master Plast India
cxxii.	Matallicz Media
cxxiii.	Media Solution
cxxiv.	Metro Printing

cxxv.	Micro Graphics
cxxvi.	Mishti Raj Foods Private Limited
cxxvii.	Mithila Advertising
cxxviii.	Mohit Enterprises
cxxix.	Mukta Enterprises
cxxx.	N A Graphics Sign Private Limited
cxxxi.	Narvada Marketing
cxxxii.	New Bhatia Advertisers
cxxxiii.	New Jyoti Art
cxxxiv.	Nishant Advertisers
cxxxv.	Om Ganpati Traders
cxxxvi.	Om Graphics
cxxxvii.	Om Sai Digital
cxxxviii.	Om Sai Guru Digital
cxxxix.	Orient Graphics
cxl.	Panjuri Digi Sign
cxli.	Peacock Art
cxlii.	Pioneer Publicity
cxliii.	Plastic House
cxliv.	Pooja Advertising Agency
cxlv.	Prakash Art Studio
cxlvi.	Prime Advertising
cxlvii.	Print Journey
cxlviii.	Print Mitra
cxlix.	Priya Creative Design
cl.	Pushp India Limited
cli.	R.K. Multimedia Private Limited
clii.	R.K. Print Art
cliii.	Rachnakar Advertising
cliv.	Radhey Advertising & Marketing Company
clv.	Raghav Systems & Technology
clvi.	Raj Flex Banner
clvii.	Rampion Advertising
clviii.	Rana Advertising
clix.	Ranjeet Signage Solutions
clx.	Rap Graphics
clxi.	Redarrows
clxii.	Retail Impact
clxiii.	Retail Junction
clxiv.	RK Digital
clxv.	RNV Graphics
clxvi.	Rohot Sign Ads
clxvii.	Roop Sign & Graphics
clxviii.	S K Uniprint Private Limited

clxix.	S-Tech Graphics
clxx.	S-tech Graphics
clxxi.	S.L.N. Digital
clxxii.	Sai Aid Agency
clxxiii.	Sanjay Flex Printing
clxxiv.	Sapphire Media Services
clxxv.	Satyam Acrylic Plastics Private Limited
clxxvi.	Satyam Process
clxxvii.	SB Design
clxxviii.	Screen Digital
clxxix.	Sethi Digigraph
clxxx.	Shalimar Advertising
clxxxi.	Sharda Flex
clxxxii.	Sharpline Publicity Service
clxxxiii.	Sharthak Publicity
clxxxiv.	Sheetal Sign
clxxxv.	Shikhar Advertising
clxxxvi.	Shiv Advertiser
clxxxvii.	Shiva Enterprises
clxxxviii.	Shivam Advertiser
clxxxix.	Shree Advertising
cxc.	Shree Enterprises
cxci.	Shree Ram Shine World
cxcii.	Shridhar Arts
cxci.	Shyam & Sons
exciv.	Sibco Overseas Private Limited
excv.	Sign Age Media
excvi.	Sign Solution
excvii.	Silver Sign Private Limited
excviii.	Singh Advertisers
excix.	Sippy Advertiser
cc.	Smart Sign
cci.	Sree Ads Sign Digital
ccii.	Sri Balaji Digitals
cciii.	Srijan Digital
cciv.	Srinivasa Digital
ccv.	SS Digital Point Private Limited
ccvi.	Star Advertising
ccvii.	Star Digital Printers
ccviii.	Status Graphics
ccix.	Stylo Maximaze
ccx.	Sukhman Advertiser
ccxi.	Sun Print
ccxii.	Sun Sign and Technologies

- ccxiii. Sunil Digital
- ccxiv. Sunrise Media
- ccxv. Super Traders
- ccxvi. Surya Adds
- ccxvii. Swastic Enterprise
- ccxviii. Swastik Enterprise
- ccxix. Symbol Digital
- ccxx. Tell Us Solutions Private Limited
- ccxxi. Ujjwal Graphic
- ccxxii. Unique Advertising & Marketing Services
- ccxxiii. Vardhmana Ad Graphics
- ccxxiv. Varshman Graphics
- ccxxv. Varshney Paper Mart
- ccxxvi. Vasavi Digital
- ccxxvii. Vatsal Offset
- ccxxviii. Veda Digital Printing
- ccxxix. Venkatramana
- ccxxx. Vicky Arts
- ccxxxi. Vimal Art
- ccxxxii. Vishal Arts
- ccxxxiii. Vishnu Digital
- ccxxxiv. Visual Displays
- ccxxxv. VVT Communication
- ccxxxvi. Wall Graphics
- ccxxxvii. Wonder Images
- ccxxxviii. Yaagi Sign
- ccxxxix. Zara Enterprise

- j. The Authority also sent initiation notification to the following Associations asking them to intimate all their members regarding the initiation of investigation and submit response or comments, if any.
 - i. Tamil Nadu Flex Printer Association
 - ii. Karnataka State Digital Printers and Flex Printers Association
 - iii. Kerala Master Printers Association
- k. None of the importers and users of the subject goods have filed a response to the questionnaire response.
- l. The period of investigation (POI) for the purpose of present investigation is 1st October 2019 to 30th September 2020 (12 months). The injury analysis period covers 1st April 2017 – 31st March 2018, 1st April 2018 – 31st March 2019, 1st April 2019 – 31st March 2020 and the period of investigation.
- m. Transaction-wise imports data for the period of investigation and the preceding three years was procured from the DGCI&S. The Authority has relied upon the data of DGCI&S for calculating the volume and value of imports of the subject goods in India.

- n. Further information was sought from the applicants to the extent deemed necessary. Verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of present investigation.
- o. The Authority made available the non-confidential version of the submissions made by various interested parties. A list of all interested parties was uploaded on the DGTR website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file was not accessible physically due to ongoing global pandemic.
- p. The domestic industry has submitted financial data duly certified by their Chartered/Cost Accountant. The non-injurious price (NIP) has been determined based on the optimum cost of production and cost to make & sell the subject goods in India as per the information furnished by the domestic industry and in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules. Such non-injurious price has been considered to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- q. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to the interested parties to present their views orally in a public hearing held on 14th July 2021 through video conferencing. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.
- r. The submissions made by the interested parties, arguments raised and information provided by various interested parties during the course of investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in these final findings.
- s. The Authority, during the course of investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of these final findings, to the extent possible and verified the data / documents submitted by the domestic industry to the extent considered relevant and possible.
- t. 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.
- u. 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.
- v. In accordance with the Rules, the Authority disclosed the essential facts of the case that would form the basis of its findings in the form of a disclosure statement on

- 20.10.2021. The comments of the interested parties, to the extent relevant, have been considered by the Authority and have been addressed in these findings.
- w. *** in these final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
 - x. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs. 74.38.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

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

"5. The scope of the product under consideration in the present investigation is 'PVC Flex Film' also known as PVC Flex Banners and PVC Flex Sheets for advertising signage, billboards and PVC Flex Tarpaulins, etc.. The following are excluded from the scope of product under consideration.

- i. PVC Films*
- ii. PVC Rigid Films*
- iii. Cotton/Canvas Tarpaulins*
- iv. Self-adhesive Vinyl*
- v. One way vision film/Perforated window film*
- vi. Coloured vinyl*
- vii. Mesh Banner/Fabric"*

C.1. Submissions of the other interested parties

10. The other interested parties have submitted as follows with regard to the scope of the product under consideration and like article:
- a. The applicants have proposed PCN in the present investigation without any basis but no such methodology was used in the original or first sunset review investigation.
 - b. The scope of the product under consideration for the present investigation should be the same as defined in the original investigation as per the decision in Apar Industries vs. Designated Authority.
 - c. While the domestic industry has stated that only one product type was imported during the period of investigation, they have themselves considered six product types for calculating dumping and injury margins.
 - d. Since the Authority has not invited any comments on the proposed PCN, it implies that PCN proposed by the applicants has been rejected by the Authority. Accordingly, the applicants were required to submit revised data not based on the PCN, which they have failed to do.

C.2. Submissions of the domestic industry

11. The domestic industry has submitted as follows with regard to the scope of the product under consideration and like article.
 - a. Contrary to the claims of the interested parties, the domestic industry has not included coloured vinyl in the scope of the product under consideration.
 - b. There is a need for consideration of PCN methodology as only a few products have been imported from the subject country, while the product basket of the domestic industry is wider.
 - c. No PCN was proposed in the original investigation as the product basket of exporters and the domestic industry was comparable. However, the situation has changed in the present case.
 - d. Similar request for consideration of PCN was accepted by the Authority in the investigation concerning Cold-rolled flat products of stainless steel from China PR, Korea RP, EU, South Africa, Taiwan, Thailand and USA, even though no PCN was considered in the original investigation.
 - e. Since the Authority has not made any official communication regarding acceptance or rejection of PCN, the same cannot be assumed to be rejected.
 - f. The domestic industry has produced like article to the imported goods.

C.3. Examination by the Authority

12. The product under consideration in the present investigation is “PVC Flex Films”. It is also known as PVC flex banner and PVC flex sheets for advertising signage billboards, PVC flex tarpaulins. However, the following are excluded from the scope of the product under consideration –
 - a. PVC films
 - b. PVC rigid films
 - c. Cotton / canvas tarpaulins
 - d. Self-adhesive vinyl
 - e. One way vision film / perforated window film
 - f. Coloured vinyl
 - g. Mesh banner / fabric
13. PVC flex film is a multi-layered PVC film with sandwich lamination of reinforced textile. The major raw materials required for production are PVC Resin (suspension grade) and DOP. PVC flex film can be produced either using lamination process or coating process. Under the lamination process, the raw materials along with lubricants, stabilizers, brightening agent, calcium carbonate and other additives are mixed through manual/auto mixers to make PVC compound. The PVC compound is transferred onto a calendar to produce PVC Film. Finally, two layers of PVC film (top and bottom film) are fed along with polyester fabric at the laminators wherein the fabric is sandwiched between two layers of PVC films and fabric is laminated by heat to make a laminated flex film.
14. In the coating process PVC flex film is produced by coating the polyester fabric with PVC. The Authority in the original investigation had concluded that products produced

using lamination process or coating process are technically and commercially substitutable.

15. PVC flex films are classified under the Chapter 39 under the tariff codes 3920 4300, 3920 4900, 3921 1200 and 3921 9026. The product under consideration is also being imported under tariff codes 3920 9922, 3920 9929, 3920 9932, 3920 9939 and 3921 9029. The customs classification is only indicative and is not binding on the scope of the product under consideration.
16. With regards to the claim of the other interested parties that the domestic industry has modified the scope of the product under consideration, the Authority notes the domestic industry in its petition had excluded certain products, based on the findings in the earlier sunset review. However, coloured vinyl, was also excluded by the Authority as per the duty table in earlier findings, which was not excluded in the scope of the product under consideration in the said findings. Therefore, the domestic industry only clarified that coloured vinyl should also be treated as excluded from the scope of the product under consideration. Therefore, no modification has been made to the scope of the product under consideration.
17. The Authority notes that the present investigation being a sunset review investigation, the scope of the product under consideration in the present investigation remains the same as that of the original investigation.
18. The Authority notes that the domestic industry has claimed that it has produced like article to the imported goods and the interested parties have also not claimed any difference in the goods produced by the domestic industry and the imported product. The Authority notes that the subject goods produced by the domestic industry and that imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. In view of the same, the Authority holds that the subject goods produced by the domestic industry are like article to the product under consideration imported from the subject country.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1. Views of the other interested parties

19. The other interested parties have submitted as follows with regard to the scope of the domestic industry and standing.
 - a. Out of 12 producers only 3 producers have provided the data. To view the effects of imposition of anti-dumping duty, there should be at least 60-70% participation from the domestic industry rather than 27%.

- b. Contrary to the submissions of the domestic industry, there are 19 domestic producers in the country which indicates that duty has served its purpose.
- c. Apart from the producers listed by the domestic industry, there are other producers of the subject goods in India, namely Sunlex Fabrics Pvt. Ltd, Vaishnavi Media, Allflex Plastic LLP, Apollo Polyvinyl Pvt. Ltd, Vortex Flex Pvt. Ltd., Alok Packaging Pvt. Ltd and Caprihans India Ltd.
- d. The applicants are providing data for selective producers which have the least improvement in performance and higher non-injurious price during injury period.
- e. The applicants did not provide the source and evidence of production data of other domestic producers.

D.2. Submissions of the domestic industry

20. The domestic industry has submitted as follows with regards to the scope of the domestic industry and standing.
 - a. The application is filed through All India Laminated Fabric Manufactures Association, with Pioneer Polyleathers Limited, Qrex Flex Private Limited and SRF Limited.
 - b. The applicant domestic producers constitute 27% of the total domestic production in India.
 - c. The application is being supported by 4 producers who contribute 28% of the total domestic production in India.
 - d. Other than the applicants and supporters, there are 5 other producers of the subject goods in India which constitutes 44% of total domestic production in India.
 - e. The applicants have not imported the subject goods from the subject country during the injury period and are not related to any exporter in the subject country or importer of the subject goods in India.
 - f. While the production of supporters is based on information supplied in the support letters, the production of other producers has been determined based on market estimates.
 - g. In response to the claim that producers accounting for at least 60-70% of the production should have provided data, it was submitted that the applicants account for a major proportion. Further, the applicants along with supporters account for 56% of the domestic production.
 - h. Since the domestic industry has not claimed injury on account of subject imports, the claim that data of selective producers showing least improvement has been provided, is irrelevant.

D.3. Examination by the Authority

21. Rule 2(b) of the Anti-Dumping 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”.

22. The application was filed by All India Laminated Fabric Manufacturers Association (AILFMA) along with Pioneer Poly leather Limited, Qrex Flex Private Limited and SRF Limited. The applicant producers are not related to any importer or exporter of the subject goods in the subject country, nor have they imported the subject goods from the subject country.
23. The application has been supported by following four domestic producers who have filed support letters along with relevant information.
 - a. Addica Industries LLP
 - b. Navaratan Specialty Chemicals LLP
 - c. Sunflex Fabrics Limited
 - d. Supersign Industries
24. There are five other domestic producers of the subject goods in India which constitute 44% of the total domestic production, which have neither supported nor opposed the application.
25. With regards to the claims of the other interested parties that only three producers out of twelve producers in the country have participated in the present investigation, it is noted that the requirement under Rule 5(3) is for the applicants to constitute at least 25% of the total domestic production. The number of domestic applicants is irrelevant as long as they satisfy the requirement of 25% composition under Rule 5(3). The three applicant domestic producers account for a major proportion of the total domestic production. Further, four other domestic producers have also supported the present application and have submitted the relevant details required by the Authority. The applicants along with the supporters account for 56% of the total domestic production. The Authority, therefore, holds that the applicants constitute the domestic industry within the meaning of Rule 2 (b) of the Anti-dumping Rules.

E. CONFIDENTIALITY

E.1. Submissions of the other interested parties

26. The other interested parties have submitted as follows with regards to confidentiality.
 - a. The applicants have claimed excessive confidentiality and failed to disclose (i) average industry norms for capacity utilization, (ii) actual sales value, PBIT, total PBIT, wages, interest and depreciation (iii) Average industry norms for

- productivity, inventory and return on investment and (iv) R&D expenses. This is inconsistent with the guidelines laid down under Trade Notice 10/2018.
- b. PCN-wise export price has not been provided. Further, no information has been provided regarding price underselling and injury margin.
 - c. The domestic industry needs to provide DGCI&S data in Excel format, as required by virtue decision in Exotic Décor Pvt Ltd vs Designated Authority.
 - d. The applicants have not shared non-confidential version of Format H of each company precluding the respondents from commenting on individual performance of each company.
 - e. The applicants have not provided the data filed by the supporters even in an indexed form making it impossible for the respondents to comment on the same.
 - f. No evidence has been provided regarding adjustment of export price for marine insurance, commission, port expense and inland transportation.
 - g. The domestic industry has claimed confidentiality regarding the volume of imports for determining price undercutting without providing reasons for it.
 - h. Contrary to the claim of the domestic industry, Heytex has claimed confidentiality only with regards to information that is allowed to be kept confidential and all actual information has been submitted in the confidential version of response.

E.2. Submissions of the domestic industry

27. The domestic industry has submitted as follows with regards to confidentiality.
- a. Heytex has not complied with the requirements of Trade Notice 10/2018, with regard to disclosure of sales realization, cost of sales, profit, R&D expenses, net fixed assets, interest, depreciation and broad stage-wise write-up of manufacturing process. It has left information as blank and did not even provide indexed figures for the same.
 - b. Disclosure of actual sales value, wages, interest and profits PBIT would adversely impact the applicants in inter-se competition with other producers, and their ability to negotiate prices with their customers. Further, the Authority has also considered such information as confidential, in its recent findings.
 - c. The applicants have disclosed that they are unaware of the average industry norms for productivity, inventory and return on investment.
 - d. Information regarding R&D expenses and funds raised being for the company as whole and not attributable to the product under consideration, is as per the financial statements of the applicants.
 - e. Contrary to the claims of the interested parties, PCN-wise export price and injury margin have been provided by the domestic industry.
 - f. Economic parameters of each individual company constitute business proprietary information, disclosure of which would adversely impact the companies. However, consolidated Format H has been provided, which is sufficient for the interested parties to make submissions with regard to injury.
 - g. The data submitted by the supporters is their business proprietary information which the domestic industry is not authorized to disclose. Further, such data is

irrelevant as the Authority is only required to examine injury to the defined domestic industry

- h. Transaction-wise import data has been provided in PDF form as per Trade Notice 07/2018.

E.3. Examination by the Authority

28. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential versions of the evidence submitted by various interested parties in the form of public file.
29. With regards to the claim of the other interested parties that the domestic industry has not provided non-confidential version of Format H of individual companies, it is noted that the domestic industry has submitted consolidated Format H of all the applicants which allow interested parties to comment upon the injury parameters of the domestic industry. Since injury is required to be seen for the defined domestic industry, the performance of individual constituents of the domestic industry is not relevant.
30. With regards to the DGCI&S data, the Authority notes that the data has been shared with interested parties relating to volume & value of imports from exporting countries into India. Further, the applicant has provided a complete list of transaction wise import data. It is also noted that any interested party can obtain data independently from the DGCI&S and lodge its own counter claim based on the data so received. The Authority holds that 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. Sorted import data was made accessible to the interested parties based upon declaration/undertaking as per prescribed format. The Authority, thus, notes that the procedure now being applied is consistent, uniform across parties and investigations and provides adequate opportunity to the interested parties to defend their interests.

F. MISCELLANEOUS ISSUES

F.1. Submissions of the other interested parties

31. The other interested parties have made the following miscellaneous submissions.

- a. During the original investigation, there was only one producer. But, now in the current investigation, there are more than 12 producers in the domestic market. The purpose of imposition of anti-dumping duty has been achieved.
- b. The domestic industry has received sufficient protection from imports of the subject goods with duties being imposed for the last 11 years resulting in negligible volume of imports and remarkable improvement in the financial performance of the domestic industry with Pioneer Polyleathers Limited having enhanced capacities.
- c. The applicants are seeking continuation of duties with malicious intent of weeding out any competition despite holding 96% of the market share and not with the intent to protect the domestic industry.
- d. In absence of any demand-supply gap in the country and the ability of the domestic industry to cater to the entire demand in the country, the domestic industry does not need to be threatened by the negligible subject imports.
- e. Non-participation of users could be due to variety of reasons and cannot imply that there is no impact of continuation of duties on the users.
- f. Availability of alternate sources of imports cannot be a ground for continuation of duties.
- g. Export potential of the domestic industry is irrelevant for the purpose of the present investigation. Further, the domestic industry has already expanded their exports significantly over the injury period, particularly in Brazil.

F.2. Submissions of the domestic industry

32. The domestic industry has made the following miscellaneous submissions.
 - a. The imposition of anti-dumping duties has helped in the growth of the domestic industry. At the beginning of the duty there was only one producer and now the size of the Indian industry has grown over time and currently there are 12 producers of the subject goods in the country. The domestic industry has sufficient capacities to fulfil the domestic demand.
 - b. The continuation of anti-dumping duty on imports of the product under consideration would be in public interest. The duty would prevent injury to the domestic producers, and by doing so, would ensure that the consumers are not left to the mercy of exporters.
 - c. There is no demand and supply gap in the country. The domestic industry has sufficient capacities to fulfil the entire demand in the country.
 - d. There is no evidence of adverse impact on users, as they have not participated in the sunset review.
 - e. The domestic industry is competing with producers in a non-market economy, which receive significant support from the Government. Such support has a detrimental effect on the conditions of competition in Indian market, as it reduces the cost of production of the exporters.
 - f. The subject goods can also be imported from other countries such as Belgium, Korea RP, Japan, Thailand, USA, Vietnam, etc. at fair prices.

- g. The domestic industry has invested in capacities, and are capable to meet the domestic demand as well as compete in the international market. With the global presence of the domestic industry, India would also become a significant exporter of the subject goods. However, if dumped imports are allowed to destroy the domestic market conditions, the domestic industry would suffer and would not be able to achieve its export potential as well.
- h. Whether duties are required to be continued pursuant to a sunset review investigation is to determine based on likelihood of continuation of injury or dumping, and not the number of years for which the duty has been in place. The Authority has recommended duties in various sunset review investigation irrespective of duration of duties.
- i. The Authority discontinued duties in the case of dry cell batteries and viscose filament yarn as there was no likelihood of continuation of dumping or injury, which is the not so in the present case.
- j. The findings of the Authority in the case of Nonyl phenol from China PR recommending discontinuation of duties was set aside by the CESTAT, and on remand, the Authority has recommended continuation of duties

F.3. Examination by the Authority

- 33. With regards to the contention of the other interested parties regarding the long duration of duties imposed and the duties having achieved their purpose, the Authority notes that the purpose of anti-dumping duty is only to create a level playing field and to provide relief to the domestic industry against injurious dumping. The present investigation has been initiated to examine the likelihood of continuation or recurrence of dumping or injury, in the event of expiry of duty. Should the Authority find that dumping and injury are likely to continue or recur in the absence of duties, the anti-dumping duties shall be extended, notwithstanding the period of imposition of duties or the number of investigations.
- 34. With regards to the claims of the other interested parties that the present duties must be allowed to expire as was the case in dry-cell batteries and viscose staple yarn, it is noted that in such investigations, the Authority recommended discontinuation of duties after concluding that their existed no likelihood of continuation or recurrence of dumping and injury in the event of expiry of duties.
- 35. With regard to the public interest, the Authority notes that there is no demand-supply gap in the country, and significant inter-se competition between domestic producers, which ensures availability of the subject goods to users at competitive prices. The product under consideration is also imported from other countries, which can additionally cater to the demand in the country.
- 36. Additionally, no users have participated in the investigation to provide evidence of adverse impact of the duties. On the other hand, the domestic industry has highlighted

that the imposition of duties is in public interest, considering the significant capacities of the domestic producers, export potential of the domestic industry and competitive market conditions in the country.

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

G.1. Submissions of the other interested parties

37. The other interested parties have submitted as follows with regards to normal value, export price and dumping margin.
- a. The Section 15(a)(ii) of the protocol of Accession of the People's Republic of China to WTO has expired on 11th December, 2016 for considering China PR as non-market economy while determining the normal value. Therefore, normal value in the current investigation must be determined based on domestic price and cost of the subject goods in the subject country. Any other method will violate the India's obligation towards WTO.
 - b. Construction of normal value based on third country import price which is Korea RP is not appropriate. As per the decision in Kuitun Jinjiang Chemical Industry Co. Ltd. vs. UOI, volume of import and whether the import are non-dumped imports are required to be considered in selecting a surrogate country.
 - c. The applicants did not provide the domestic price in Korea to determine that the imports are un-dumped imports and without such data, examination cannot be fulfilled.
 - d. Korea RP cannot be considered as an appropriate surrogate country since they are dumping the subject goods in Brazil and are likely to be dumping in India as well.
 - e. By claiming that the normal value is only understated if the price of Korea is dumped, the domestic industry is trying to not follow precedent. Contrary to the argument, dumping of the subject goods from Korea RP would not result in a suppressed normal value and rather would definitely result in a positive dumping margin due to the comparison of price of expensive products from Korea RP with the price of cheaper products from China PR.
 - f. Korea RP cannot be considered as an appropriate surrogate country in the present investigation only on the basis of volume of exports as Korea RP is a developed country with high standards and cost of living while China PR is a developing country. The Authority has rejected the adoption of Taiwan as surrogate country for China PR on the same grounds in the case of SAV from China PR.
 - g. There was no notice to the interested parties regarding selection of the third country, nor were interested parties requested to suggest or change the same. This is inconsistent with the Supreme Court judgment in the case of Shenyang Matsushita 2005 (181) ELT 320 (SC).
 - h. The applicants have failed to prove that types and grades of products produced in Korea RP is the same as goods produced in India or China PR. Such similarity is

- not likely due to the price and quality difference between Korean and Chinese products. The volume of imports from the two is also not comparable.
- i. The volume of imports from Korea RP is not comparable to the volume of imports from the subject country, and therefore, the price of former cannot be considered as normal value.
 - j. The applicants have calculated the dumping margin for various PCNs using the export price from Korea RP despite only 2 PCNs actually being exported from China PR which leads to a skewed apple to apple comparison.
 - k. The applicants have determined the dumping margin for only a limited number of PCNs compared to the PCNs used for calculation of normal value.
 - l. The normal value determined by the applicants is highly inflated since the prices of certain products such as Back Lit520 imported from Korea RP are costlier than similar products Back Lit510 imported from China PR.
 - m. In case of constructed normal value, the same must be determined based on the cost of production of the most efficient domestic producer to ensure that the normal value is not artificially inflated due to inefficiency.
 - n. Heytex is the 100% fully owned subsidiary of German Company Heytex, Germany. There is no interference by the government of China in operation of the company.
 - o. Since the dumping margin for Heytex was below de minimis in first sunset review, investigation with regard to it should have been terminated and it should not have been included in present review.
 - p. Haining Hengchuang Coated Fabric Co. Limited has not filed a response as it did not export the subject goods during the period of investigation.

G.2. Submissions of the domestic industry

38. The domestic industry has submitted as follows with regard to the normal value, export price and dumping margin.
- a. The market economy claim of Heytex should not be accepted, as it has procured raw material from the local suppliers of China. This is because raw material is supplied in Chinese market at subsidized price and is often supplied by the Government of China.
 - b. The market economy claim of the producers was rejected on the same basis in the original and first sunset review investigations.
 - c. Contrary to the claims of the Heytex, utilities are provided by the Government of China at subsidised rates, as noted by the Designated Authority in anti-subsidy investigations against China.
 - d. China PR should be treated as a non-market economy in accordance with Article 15(a)(i) of China's Accession Protocol, and the normal value should be determined in terms of Annexure I, Rule 7 of the Rules.
 - e. China PR cannot be considered a market economy since provisions of Article 15(a)(i) continue to remain in force, despite the provisions of Article 15(a)(ii)

having expired on 11th December 2016. Further, the Authority has considered China PR as non-market economy in all recent investigations.

- f. The reliance on the case of EC – Fasteners is not appropriate, as the issue before the Appellate Body was not specifically whether the entire provisions of Article 15(a) or only the provisions of Article 15(a)(ii) shall lapse on the expiry of 15 years.
- g. Applying the principles laid down in Kuitun Jinjiang Chemical Industry Co. Ltd. vs. Union of India, normal value should be determined based on imports from Korea RP to India, having regard to the volume of imports and that the imports are undumped.
- h. Contrary to the contention of the respondents, the domestic industry is not required to show that Korea RP is at the same level of development as China PR considering the decision of CESTAT in Kuitun Jinjiang Chemical Industry Co. Ltd. v. Union of India.
- i. The domestic industry had clearly stated its claim for considering Korea RP as a surrogate country for determination of normal value in the petition, providing sufficient opportunity to other interested parties to comment on the same.
- j. The Authority is not required to record a finding on appropriateness of Korea RP as a surrogate country since the domestic industry has not suggested cost or price in Korea RP for determination of normal value.
- k. The PCNs imported from Korea RP includes all PCNs imported from China PR and thus, the product types are comparable. The domestic industry has referred to normal value of only those PCNs which have been imported from China PR for determination of dumping margin.
- l. Dumping margin for Back Lit 510 has been claimed based on normal value and export price for the same PCN and not for Back Lit 520.
- m. The price of imports from any country selected as a surrogate would always be higher or lower compared to prices from the subject country and thus, the claim that Korea RP should not be considered as surrogate country due to high prices and volume is irrelevant.
- n. High volume of imports from Korea RP implies that the volume and price is more representative of the prices of the subject goods.
- o. Anti-dumping duties imposed by Brazil against Korean producers in June 2016 have already expired and the fact that no expiry review has been initiated implies that Korean producers are no longer dumping in Brazil.
- p. Even if the prices of exports from Korea RP to India are dumped, it only means that the normal value would be suppressed. Therefore, no prejudice is caused to exporters by this.
- q. Even if constructed normal value is considered, the actual cost of production should be considered and not the optimum cost of production.
- r. De minimis dumping margin in first sunset review does not result in termination of investigation against a particular producer as Rule 14(c) is not applicable to sunset reviews. Further, the Authority did not terminate the investigation against Heytex. The Authority has, as a practice, included exporters in review despite assigning

them nil duties in past investigations. Reliance has been placed on the decision of CESTAT in Robin Resources v. Designated Authority.

- s. Since Haining Hengchuang has not filed an exporter questionnaire response, they must be subject to residual duties.
- t. Export price has been determined based in the CIF price which has been adjusted for ocean freight, marine insurance, port expenses, inland freight and commission to derive net export price.
- u. Dumping margin for the subject country is positive and significant.

G.3. Examination by the Authority

39. The Authority sent questionnaires to the known producers / exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. The following producer have filed response to the exporters questionnaire:
- a. Heytex Technical Textiles (Zhangjiagang) Company Limited

G.3.1. Determination of normal value

Examination of Market Economy Treatment claim by Heytex Technical Textiles (Zhangjiagang) Company Limited

40. The Authority has examined the market economy treatment claim made by Heytex Technical Textiles (Zhangjiagang) Company Limited. The responding producer has stated that they are a 100% owns subsidiary of a German company and are not related to any Chinese entity. Further, they have also stated that they have procured raw materials for manufacture of the product under consideration from unaffiliated Chinese suppliers at arm's length price. However, the producer has failed to establish that the cost of major inputs substantially reflect market prices. Accordingly, upon examination of the present claim as well as taking into consideration the previous findings, the Authority holds that in absence of any substantial evidence submitted in order to support the claim of market economy treatment as well as any new information that would require the Authority to change its findings in the previous investigations, the Authority has decided not to grant market economy status to Heytex Technical Textiles (Zhangjiagang) Company Limited.

Normal value for China PR

41. Since Heytex Technical Textiles (Zhangjiagang) Company Limited has not been granted market economy treatment, the normal value for China PR is required to be determined in accordance with para 7 of Annexure I of the Rules which reads as under:

"In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the

price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments. "

42. At the application stage, the applicants had claimed Korea RP as the appropriate market economy third country. The applicants have claimed that the product under consideration is exported from Korea RP, Vietnam and Thailand. The applicants have further stated that while imports from Vietnam and Thailand are negligible, the volume of imports from Korea RP are significant and thus, would be appropriate for comparison.
43. The Authority notes that under the provisions of para (7) of Annexure – I, the normal value may be determined on the basis of price or constructed value in a market economy third country, or the price of exports from such a third country to other countries, including India. However, when such basis is not possible, only then the Authority can determine normal value on any other reasonable basis, including the price paid or payable in India. This has also been observed by the Hon'ble Supreme Court in the case of Shenyang Mastushita S. Battery Co. Ltd. vs. Exide Industries Ltd., as under.

"7.By this notification a separate procedure was prescribed for determining the normal value of non-market economies. Paragraph 7 to Annexure I now provides for the determination of the normal value with reference to the price paid by a third country with a market economy to India of a like product. If such a third country is selected, the Designated Authority has to inform the exporters of the selection and grant them a reasonable period to offer their comments. It is only if this procedure is not possible that the Designated Authority can act on any other 'reasonable basis'. In other words, the Designated Authority must exhaust the first method before moving to the alternative procedure. "

The Supreme Court has held that the Authority may move to the alternative procedures, only when it has exhausted the first method, that is, price or constructed value in market economy third country, or price of exports from such a third country to other countries, including India.

44. In the present case, there is no information with regard to price of the goods or constructed value in Korea RP. The applicants have, accordingly, claimed normal value on the basis of price of exports from Korea RP to India. In this regard, the Authority

notes the findings of the Hon'ble CESTAT in the case of Kuitun Jinjiang Chemical Industry Co. Ltd. vs. Union of India, wherein it was held that when normal value is determined based on exports from a market economy third country, the relevant criteria for determining appropriate third country is volume of exports from the country and that the country should not be dumping during the period of investigation.

“48. The producer / exporter is also not justified in asserting that Qatar could not have been taken as a surrogate country as the level of development is not similar to that of China. The level of development would be relevant only if the domestic sale price or cost of production of a market economy third country is adopted since the level of development affects the price and cost. The price in international trade is a function of demand and supply in the international market and it is not affected by the level of development of the supplier country. The price to India is, therefore, the price meant for consumption in the Indian market. When the second option under paragraph 7 is exercised for determination of the normal value, what is relevant is the volume of exports and the country concerned should not be dumping during the period of investigation, since these parameters will affect the price comparability in the Indian market.”

45. With regards to the claim of other interested parties that no opportunity was granted to make comments on the selection of Korea RP as an appropriate market economy third country, it is noted that in the initiation notification issued by the Authority, selection of Korea RP as an appropriate third country for the purpose of determination of normal value was made known to all interested parties and comments on the same were invited by the Authority. Thus, such claim of the other interested parties is unfounded and without any basis.
46. With regards to the contention that Korea RP is not an appropriate market economy third country due to larger variety of imports from Korea RP compared to subject imports, the Authority notes that while the applicants had proposed a PCN methodology, the same was opposed by the exporters on the grounds that the same is not required. The Authority has not found it appropriate to consider a PCN methodology in the present case. That being the case, the Authority does not find merit in the contention that the product basket for China PR is different than the product basket for Korea RP.
47. The Authority notes that there are significant imports from Korea RP, and the imports from the Korea RP cannot be considered as dumped. Further, since other products are also covered under the same codes, and it not possible to accurately identify the volume and value of exports of product under consideration from Korea RP to third countries, the normal value cannot be determined based on the price of exports from Korea RP to other countries. Accordingly, the Authority finds it appropriate to determine the normal value based on the price of exports from Korea RP to India. For this purpose, the Authority has considered the CIF price as reported in the DGCI&S data for imports from Korea RP. The price has been adjusted for ocean freight, marine insurance, commission,

bank charges, port expenses and inland freight on the basis of facts available to arrive at the ex-factory price. The normal value so determined is mentioned in the dumping margin table.

G.3.2. Determination of Export Price

Export price for Heytex Technical Textiles (Zhangjiangang) Company Limited

48. M/s Heytex Technical Textile (Zhangjaingang) Company Limited has exported *** MT of the subject goods directly to unrelated customer in India during POI. The exporter has claimed adjustments on account of inland transports, port expenses, Credit cost, Bank charges, Ocean Freight and Insurance wherever applicable which has been accepted by the Authority. The net export price determined accordingly has been mentioned in the dumping margin table below.

Export price non-cooperating producers/exporters from China PR

49. The export price for all other producers and exporters that have not participated in the present investigation has been determined on the basis of facts available.

G.3.3. Determination of Dumping Margin

50. Considering the normal value and export price for the subject goods, the dumping margin for the subject goods from the subject country is proposed to be determined as follows:

SN	Name of Producer	Normal Value	Export Price	Dumping Margin	Dumping Margin	Dumping Margin
		(USD/MT)	(USD/MT)	(USD/MT)	(%)	(Range)
China PR						
1	Heytex Technical Textile (Zhangjaingang) Company Limited	***	***	***	***	5-15
3	Non-cooperative / residual exporters	***	***	***	***	20-30

H. EXAMINATION OF INJURY AND CAUSAL LINK

H.1. Submissions by the other interested parties

51. The other interested parties have submitted as follows with regards to injury and causal link.
- The domestic industry is not suffering material injury in the present investigation.

- b. It is the consistent practice of the Authority to consider all import transactions for price undercutting determination and not to exclude transactions having negative margins, as in the case of Viscose Filament Yarn from China PR.
- c. The applicants have admitted that the main cause of injury to the domestic industry is Covid-19 and not the negligible imports. The demand which has declined due to the pandemic will likely resume once the pandemic ends.
- d. Subject imports have declined in absolute and relative terms and were negligible during the period of investigation irrespective of the demand in the country due to the absence of any export orientation of Chinese producers. The market share of other imports is higher than the market share of the subject country. However, the volume of all imports is very low to impact the applicants.
- e. Upon exclusion of the effects of Covid-19 pandemic, the profitability of the domestic industry has increased as seen from the data of the applicants and the ICRA reports in 2018-19 and 2019-20 for Pioneer.
- f. The rise in interest / finance cost of the domestic industry is due to increase in capacity and capital expenditure by Pioneer in 2019-19.
- g. The establishment of causal link is required even in a sunset review as Rule 11 is mutatis mutandis applicable to the sunset review investigations and it has been the practice of the Authority to examine such link, as in the case of NBR from Korea RP.
- h. There is no causal link in the present case as the volume of imports is negligible, the market share of the imports is 0% and the price undercutting is negative and any injury to the domestic industry is due to Covid-19 pandemic.
- i. The applicants have failed provide any substantiated reasons which would justify the apprehension of likelihood of increase in the volume of imports upon cessation of duties.
- j. Despite imposition of negligible duties on Heytex, it has been unable to sell the subject goods in India due to the aggressively low prices offered by domestic producers.
- k. The applicants have failed to disclose source relied on to determine excess capacity and inventories which raises questions on its reliability.
- l. The producers in China PR do not hold significant inventories and rather sell all products in domestic or third country markets and thus, there is no likelihood of dumping.
- m. No evidence has been given with regard to price attractiveness of India.
- n. The domestic industry has used clandestine methods to obtain the confidential details of prices of the exporters from China PR and the same should be disregarded.
- o. Third country dumping is not a criterion used by the Authority for determination of likelihood of continuation or recurrence of injury.
- p. The domestic industry has not provided details of communications with customers based on which dumping of the subject goods in third countries has been determined and in the absence of such information, the submission must be

- rejected. Further, no reasonable conclusions can be drawn on the basis of few communications which are not even actual transactions.
- q. The Indian industry has significant excess capacity to the extent of almost 65% of the demand in the country and thus, there is no likelihood of injury in case of discontinuation of duties.
 - r. Environmental bans on the product under consideration have affected demand in both India and China PR and it cannot be implied that decline in demand in China PR would result in increase in exports to India.
 - s. Due to imposition of duties for more than 11 years, the Chinese producers / exporters have lost market share and all incentive to export to India, implying lack of any price attractiveness of Indian market.
 - t. Decline in performance due to Covid-19 pandemic cannot be ground for seeking continuation of duties as the effect of the pandemic are likely diminish over time.

H.2. Submissions by the domestic industry

52. The domestic industry has made the following submissions with regard to injury and causal link.
- a. Due to the anti-dumping duty in force, the subject imports have not caused injury to the domestic industry. The demand for the product under consideration declined due to Covid-19 and due to this the profitability of the domestic industry declined in the period of investigation.
 - b. The volume of imports in absolute terms and in relation to production and consumption have declined over the period. The capacity, production and sales increased during injury period but declined in the period of investigation.
 - c. The price undercutting is positive but due to duties in force, and negligible volume of imports, there is no price suppression or depression.
 - d. The profits, cash profits and return on investments of the domestic industry showed a healthy growth and have declined only in the period of investigation.
 - e. There is a need to evaluate transaction-wise price undercutting in the present case as same PCNs have been imported at significantly different prices during the period of investigation.
 - f. The contention that Appellate Body report cannot be relied upon with regard to transaction-wise price undercutting is not appropriate. Anti-dumping investigations in India cannot be conducted in a manner inconsistent with the provisions of Anti-dumping Agreement and findings of the WTO, as has been held in *Commissioner of Customs, Bangalore v. G.M. Exports* and in *Saint Gobain India Private Limited v. Union of India*.
 - g. Volume of transactions where price undercutting is positive and their impact on the domestic industry need to be examined. While negligible volume of low-priced transactions may lead to a conclusion of no injury in terms of price undercutting, in case of a significant volume of low-priced transactions, average price undercutting being negative cannot lead to a conclusion that there is no injury in terms of price undercutting.

- h. Contrary to the claims of other interested parties, injury margin can be determined based only on injurious transactions as per the CESTAT decision in Kothari Sugars & Chemicals Limited v. Designated Authority and Honest Enterprises Limited v. Designated Authority.
- i. In accordance with the decision of Appellate Body in United States – OCTG (Mexico), there is no requirement to establish causal link between likely dumping and likely injury.
- j. Despite increase in capacity, the cost including depreciation have remained stable implying that such expansion has not impacted the performance of the domestic industry.
- k. In order to exclude injury due to Covid-19, the domestic industry has submitted adjusted data to exclude the effects of the lockdown. For such adjustments, fixed cost per unit is calculated by assuming there had been no shutdown and the lower fixed cost has been used to determine the total cost of production and profitability for the period.
- l. While the domestic industry has expanded into export markets, their dependence on domestic market has not reduced.
- m. Since there is no injury to the domestic industry in the present case, there is no requirement to examine causal link. In past cases as well, such as fully drawn yarn from China PR and caustic soda from China PR and Korea RP, the Authority conducted only a non-attribution analysis.
- n. While the present injury to the domestic industry may be due to other factors, the major concern is not regarding such injury, rather the injury likely to be caused in the event of cessation duties. Further, none of the interested parties have submitted that would not resort to aggressive pricing and exports in significant volumes.
- o. In case of absence of duties, if the domestic industry is forced to compete with the price of imports, it is likely to incur losses and face negative returns.
- p. Considering the idle capacities of the producers in the subject country, in the absence of duties, the imports are likely to take over the demand in the country. If the domestic industry does not reduce its prices to compete, it would have to shut down its operations.
- q. The decline in imports as a result of duties shows that the exporters are unable to find a market in India unless they dump the subject goods.
- r. The exporters in the subject country have a tendency to engage in dumping as they have history of dumping into India, and there is continued dumping in the present period as well.
- s. The producers in China PR are also dumping the subject goods to the third countries as well. The dumping margin, price undercutting and injury margin for exports to third countries is significant.
- t. The producers in China PR have surplus capacities, higher than the demand in the country. The capacity above demand is 5.4 lakh MT, as against a demand of only 1 lakh MT in India.
- u. The producers in China PR are highly export oriented.

- v. The demand in the subject country is declining due to restrictions on use of plastics in various provinces. The downstream demand was further impacted due to Covid-19.
- w. The producers in the subject country have significant idle capacities, to the tune of 24%, which are likely to be used for exports to India, in case of cessation of duties. Normal business sense dictates that producers would always try to maximize output. This is because the additional sales would go towards recovering fixed costs and improving profits.
- x. Even if the producers in the subject country utilize an additional 5% of their capacity, the resultant volumes would be higher than the demand in India.
- y. The contention that the producers in China PR have merely 24% idle capacities is misleading as such capacities amounting to 5.4 lakh MT against the Indian demand of 1 lakh would injure the domestic industry.
- z. The claim of Haining Hengchuang Coated Fabric Co. Limited that they are operating at 76% capacity utilization cannot be accepted in absence of the duly filed questionnaire response. Further, the claims of only one exporter are not relevant for establishing absence of any likelihood.
- aa. The producers in the subject country are holding significant inventories, of 40,000 MT.
- bb. The information submitted in the questionnaire response by the responding exporters clearly demonstrates increase in inventories.
- cc. The export of the subject goods from the subject country declined due to Covid-19. Once the effects of Covid-19 begin to decline, such exports are likely to increase and return to previous level. In the event of cessation of duties, it is likely that a major share of such increased exports are made to India.
- dd. The response of Heytex shows that while its capacity has increased, its production and capacity utilization is the lowest in the period of investigation. Further, inventories of the exporter has increased, while exports to third countries have declined.
- ee. The domestic industry is already in a weak position and its performance has declined due to impact of Covid-19 pandemic. In the event of cessation of duties, there is a likelihood that the dumped imports are likely wreak havoc on the industry and take away the limited market which is presently available to the domestic industry.
- ff. Many states have banned the use of the subject goods in India which is likely to impact the demand for the subject goods and in the event of cessation of duties, such limited market is likely to be taken away by the exporters.

H.3. Examination by the Authority

- 53. The Authority has examined the arguments and counter arguments of the interested parties with regard to injury to the domestic industry. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

I. Assessment of demand / apparent consumption

54. For the purpose of the present investigation, the Authority has defined demand or apparent consumption of the product concerned in India as the sum of domestic sales of the domestic industry and other Indian producers and imports from all sources. The demand so assessed is given in the table below.

Particulars	Unit	2017-18	2018-19	2019-20	POI
Sales of the domestic industry	MT	42,816	44,468	37,461	23,824
Trend	Indexed	100	104	87	56
Sales of supporters and other domestic producers	MT	87,008	99,352	1,09,189	75,167
Trend	Indexed	100	114	125	86
Subject imports	MT	2,329	836	341	202
Other imports	MT	7,846	5,758	7,185	4,444
Demand	MT	1,40,000	1,50,415	1,54,176	1,03,637

55. It is seen that the demand for the subject goods has increased till 2019-20 and declined thereafter in the period of investigation.

II. Volume effect of the dumped imports

56. 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, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S. The import volumes of the subject goods from the subject country and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2017-18	2018-19	2019-20	POI
Subject imports	MT	2,329	836	341	202
Other imports	MT	7,846	5,758	7,185	4,444
Total	MT	10,175	6,594	7,527	4,647
Imports in relation to					
Domestic production	%	1.50%	0.54%	0.21%	0.19%
Consumption	%	1.66%	0.56%	0.22%	0.20%
Total Imports	%	23%	13%	5%	4%

57. The Authority notes that the volume of imports of the product under consideration from the subject country declined from the base year to the period of investigation, both in absolute and relative terms. In relation to consumption and production in India, subject imports recorded a similar trend from the base year to the period of investigation.

III. Price effect of the dumped imports

58. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. In this regard, a comparison has been made between the landed price of imports from the subject country with the net sales realization of the domestic industry for the subject goods.

a. **Price undercutting**

59. To determine price undercutting, a comparison has been made between the landed value of the product and the average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade.

Particulars	Price undercutting (%)
Landed Value	1,26,601
Net Sales Realisation	***
Price Undercutting	***
Price undercutting %	Negative

60. It is noted that price undercutting is negative for the subject country in the period of investigation.

b. **Price suppression/depression**

61. In order to determine whether the effect of imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred, the information given by the domestic industry for the changes in the costs and prices over the injury period has been compared with the landed value.

Particulars	Unit	2017-18	2018-19	2019-20	POI
Cost of sales	Rs./MT	***	***	***	***
Trend	Indexed	100	101	101	105
Selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	100	96	95
Landed price	Rs./MT	1,01,689	1,11,756	1,26,394	1,26,601
Trend	Indexed	100	110	124	124

62. It is seen that cost of sales increased in 2018-19, remained almost constant in 2019-20 and increased in the period of investigation. While the selling price of the domestic

industry has declined over the injury period, the landed price of imports has increased. The domestic industry has itself conceded that its cost was higher during the period of investigation due to plant shutdown as a result of Covid-19.

IV. Economic parameters of the domestic industry

63. Annexure II to the Rules 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. Various injury parameters relating to the domestic industry are discussed below.

a. Capacity, production, capacity utilization and sales

64. The performance of the domestic industry with regards to capacity, production, capacity utilization and sales is as follows:

Particulars	Unit	2017-18	2018-19	2019-20	POI
Capacity	MT	93,600	1,23,600	1,23,600	1,23,600
Trend	Indexed	100	132	132	132
Production	MT	49,355	51,856	46,587	29,136
Trend	Indexed	100	105	94	59
Capacity utilization	%	53	50	46	40
Trend	Indexed	100	94	88	76
Domestic sales	MT	42,816	44,468	37,461	23,824
Trend	Indexed	100	104	87	56

65. The Authority notes that:
- The capacity of the domestic industry increased over the period.
 - Production and sales increased in 2018-19, declined in 2019-20 and thereafter, steeply in the period of investigation. The applicants have claimed that such decline can be attributed to the effects of Covid-19 pandemic.
 - The capacity utilization has declined over the injury period.

b. Market share

66. Market share of the domestic industry and other Indian producers is as below.

Particulars	Unit	2017-18	2018-19	2019-20	POI
Domestic industry	%	31%	30%	24%	23%

Trend	Indexed	100	97	79	75
Other producers	%	62%	66%	71%	73%
Trend	Indexed	100	106	114	117
Subject imports	%	2%	1%	0.22%	0.20%
Trend	Indexed	100	97	79	75
Other imports	%	6%	4%	5%	4%
Trend	Indexed	100	68	83	77

67. It is seen that the market share of the domestic industry has reduced throughout the injury period. However, the market share of other Indian producers as a whole has increased, while the market share of subject imports has declined.

c. Inventories

68. Inventories with the domestic industry over the injury period are as below:

Particulars	Unit	2017-18	2018-19	2019-20	POI
Opening inventory	MT	1,316	2,445	2,694	4,074
Closing inventory	MT	2,445	2,694	3,956	3,564
Average inventory	MT	1,881	2,570	3,325	3,819
Trend	Indexed	100	137	177	203

69. It is seen that the inventories of the domestic industry increased over the injury period, indicating accumulation of inventories.

d. Profitability, cash profits and return on capital employed

70. Profitability, return on investment and cash profits of the domestic industry over the injury period is as follows:

Particulars	Unit	2017-18	2018-19	2019-20	POI
Cost of sales	Rs./MT	***	***	***	***
Trend	Indexed	100	101	101	105
Selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	100	96	95
Profit/(loss)	Rs./MT	***	***	***	***
Trend	Indexed	100	88	54	5
Cash profits	Rs./MT	***	***	***	***
Trend	Indexed	100	91	56	19
Return on capital employed	%	***	***	***	***
Trend	Indexed	100	52	38	15

71. The Authority notes that the profits per unit, cash profits and return on capital employed declined throughout the injury period. However, the volume of imports is too low to compel the domestic industry to sell at lower profits. The domestic industry has conceded that this is a result of Covid-19.

e. Employment, wages and productivity

72. The Authority has examined the information relating to employment, wages and productivity, as given below.

Particulars	Unit	2017-18	2018-19	2019-20	POI
No of employees	Nos	298	464	455	402
Trend	Indexed	100	156	153	135
Productivity per day	MT/Day	137	144	129	81
Trend	Indexed	100	105	94	59
Productivity per employee	MT/Nos	166	112	102	72
Trend	Indexed	100	67	62	44
Wages	Rs. Lacs	***	***	***	***
Trend	Indexed	100	112	109	88
Wages per unit	Rs./MT	***	***	***	***
Trend	Indexed	100	107	115	149

73. It is seen that number of employees of the domestic industry increased till 2018-19 but declined thereafter. Further, the productivity of the domestic industry has declined over the injury period. The wages increased over the injury period.

f. Growth

74. The trend of volume and profit parameters of the domestic industry are as under:

Particulars	Unit	2017-18	2018-19	2019-20	POI
Capacity	%	-	32%	0	0
Production	%	-	5%	(10)%	(37)%
Domestic sales	%	-	4%	(16)%	(36)%
Profit/(loss) per unit	%	-	(9)%	(48)%	(94)%
Cash profit	%	-	(9)%	(38)%	(66)%
Return on capital employed	%	-	(48)%	(26)%	(60)%

75. It is noted that both the volume and profitability parameters of the domestic industry has witnessed negative growth in the period of investigation. The applicants have claimed that such decline in the period of investigation is due to the impact of Covid-19 pandemic.

g. Ability to raise capital investment

76. The Authority notes that the ability of the domestic industry to raise capital investment has not been affected due to subject imports.

h. Factors affecting prices

77. The Authority notes that the volume of imports during the period of investigation was insignificant, and therefore, did not create a strain on the prices of the domestic industry. Selling price of the domestic industry has not been affected by the subject imports.

i. Magnitude of dumping

78. It is noted that the subject goods are being dumped into India despite anti-dumping duties and the dumping margin is positive and significant.

V. Conclusions on injury

79. From the above, it is evident that while the domestic industry has suffered a decline in performance, such decline is not due to the subject imports, which are negligible in volume.

I. LIKELIHOOD OF RECURRENCE OF DUMPING AND INJURY

80. The present investigation being a sunset review investigation, the fact that the whether domestic industry is not suffering injury or not is not relevant to determine whether the duties may be continued or not. In a sunset review investigation, the Authority is required to analyze whether revocation of a measure is likely to result in continuation or recurrence of injury to the domestic industry, contrary to the determination of injury in an original investigation

81. The applicants have claimed that the following factors demonstrate that the cessation of duty is likely to lead to recurrence of dumping and injury.

a. Decline in imports due to present duties

82. It is noted that volume of imports has declined significantly over the injury period upon imposition of anti-dumping duties which demonstrates that the exporters have been unable to sell the goods in the Indian markets at dumped prices. In the event of expiration

of duties, dumping would make the subject imports more attractive and the volume of dumped imports is likely to increase and cause injury to the domestic industry.

b. Significantly low-priced imports

83. It is noted that the volume of imports from the subject country have declined significantly over the injury period due to the presence of anti-dumping duties. However, upon a transaction-wise analysis of such imports, it can be seen that the imports have been made at significantly varying prices with certain imports being imported at prices below the selling price and cost of production of the domestic industry.

c. Continued dumping and injury margin

84. There is continued and significant dumping of the subject goods from the subject country.

d. Third country dumping

85. The Authority notes that in addition to dumping in India, the producers / exporters in the subject country are also dumping the subject goods in third countries. The applicants have provided information with regard to prices at which the subject goods are being offered by the producers / exporters in third countries. Based on the information available on record, it can be seen that the prices offered by the Chinese producers to customers in third countries are significantly below the domestic selling prices.

Country of export	Chinese price	Normal value	Dumping margin	Landed value	Non-injurious price	Injury margin
UOM	\$/MT	\$/MT	%	Rs./MT	Rs./MT	%
Average	***	***	25-35%	1,00,241	***	25-35%

e. Significant excess capacities for the production of the subject goods

86. The exporters in the subject country have significant surplus capacities compared to the demand in China PR. Such excess unutilized capacities have increased over the period. Further, one-third of the capacity in the subject country is intended for exports, which shows that the imports are likely to increase in the event of cessation of duty.

Volume in lakh MT

Particulars	2020
Capacity	22.4
Domestic demand	14.9
Exportable capacity	7.5
Exportable capacity	33%

Output	17.0
Unutilized capacity	5.4
Unutilized capacity	24%
Unutilized capacity in relation to Indian demand	521%

f. High degree of export orientation of exporters in the subject country

87. It is noted that the producers in the subject country are highly export oriented, as can be seen from the table below. In the event of expiry of duties, producers in China PR are likely to export the subject goods at a much higher rate.

Producer / exporter	Stated export orientation
Guangzhou Tome Advertisement Material Co., Ltd.	91%-100%
Haining Fengtai Compound New Materials Co.,Ltd.	71%-80%
Haining Hongliang New Material Co., Ltd.	61%-70%
Hebei Hongding Plastic Manufacturing Co., Ltd.	31%-40%
Jiangyin Nanwei Plastic Co., Limited	51%-60%
Shanghai Global Sign Display & Sign System Co., Ltd.	91%-100%
Shanghai Unisign Industrial Material Co., Limited	91%-100%
Zhejiang Dejie New Material Co., Limited	61%-70%
Zhejiang Huifeng New Materials Corp., Ltd.	72%
Zhejiang MSD Warp Knitting & Coating Co., Ltd.	90%

g. Decline in demand from downstream industries

88. The Authority also notes that in addition to the above, the demand in the subject country has also declined, as is visible from the declining sales of the producers in the subject country. In the event of cessation of duties, the producers in the subject country are likely to resort to dumping in India in light of the declining demand in their own domestic market.

Volumes in lakh MT

Particulars	2017	2018	2019	2020
Domestic sales quantity	15.5	16.3	17.4	16.6

h. Significant inventories held by the producers in China PR

89. It is noted that the producers in the subject country hold significant capacities since the production of 17 lakh MT in the subject country exceeds the domestic sales of 16.6 lakh MT in the country. Such inventories amount to 40% of the total demand in the country, as can be seen below.

Volume in lakh MT

Particulars	2020
Output	17.0
Sales	16.6
Inventories	0.4
Demand in India	1.0
Inventories in relation to demand	40%

i. Decline in exports from the subject country due to Covid-19

90. China PR is one of the largest exporters of the subject goods with highest exports being made in 2019. However, the volume of exports from China PR has declined in 2020 due to the impact of the Covid-19 pandemic. It is noted that such export volume is likely to increase once the effects of the pandemic decline and in the event of discontinuation of present duties, such exports may also be diverted to India.

Particulars	2017	2018	2019	2020
Exports from China PR (<i>lakh MT</i>)	17.97	18.52	20.24	18.62

j. Data filed by the responding producer

91. In addition to the above, the Authority also notes, based on the information submitted by the responding producer M/s Heytex Technical Textiles (Zhangjiagang) Co. Ltd which is given below:

Particulars	Unit	2017	2018	2019	POI (Oct 19-Sep 20)
Installed Capacity	Indexed	100	100	140	140
Production Quantity*	Indexed	100	81	109	80
Capacity Utilisation Percentage	Indexed	100	81	78	57
Inventory	Indexed	100	584	680	876
Export to Third Countries	Indexed	100	70	76	41

92. It is noted that, the capacities with the producers have increased, its production and capacity utilization have declined. On the other hand, inventories have increased significantly as well as inventory holding period of the producer has increased significantly. The data filed by the producer specifically shows that the capacity

utilization of the producer is extremely low, leaving it with significant underutilized capacities. The exports to third countries of the producers have also declined.

J. MAGNITUDE OF INJURY MARGIN

93. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of Annexure III to the Rules has been compared with the landed value of the exports from the subject country for determination of injury margin during the period of investigation and the injury margin so worked out is as under:

SN	Name of producers	Non-injurious price	Landed price	Injury margin	Injury margin	Injury margin
		(Rs/MT)	(Rs/MT)	(Rs/MT)	(%)	(Range)
China PR						
1	Heytex Technical Textiles (Zhangjiagang) Company Limited	***	***	***	***	Negative
2	Non-cooperative / residual exporters	***	***	***	***	Negative

K. CONCLUSION ON INJURY AND LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

94. The domestic industry has suffered a decline in performance due to the effects of Covid-19 pandemic. With regard to likelihood of dumping and recurrence of injury, the Authority notes as under:
- The volume of imports of subject goods from China PR has declined significantly both in absolute and relative terms. The imports of subject goods from China PR has been less than 1% of the Indian demand and Indian production from 2018-19 onwards.
 - To establish the likelihood of continuation/recurrence of injury, the domestic industry has furnished 'Report of Special Research and Investment Feasibility Assessment on China Polyvinyl Chloride Flexible Film/Sheet Market 2021-2025'. However, the name of the author/ agency which has prepared this report has not been mentioned in the report. The data source for the report has been indicated as 'the project team statistical collation' but there is no reference to original source of data. The reliability and authenticity of this report therefore is suspect and thus no conclusion can be arrived at regarding likelihood analysis.

- iii. Even though there is continued dumping of the subject goods from China PR, sufficient independent evidence corroborating the likelihood of continuation/recurrence of injury to the domestic industry in the event of revocation of duty is not available

L. POST DISCLOSURE COMMENTS

Submissions of the other interested parties

95. Other interested parties have reiterated their submissions with regard to determination of normal value, injury and causal link and likelihood of continuation or recurrence of dumping and injury. Additionally, the following submissions have been made:
- a. There are 19 producers in the country and considering the production of such producers, the share of the petitioning producers in the total domestic production would not account for “a major proportion”.
 - b. It is the practice of the Designated Authority to discontinue duties where such duties have served their purpose, as held in Barium Carbonate.
 - c. It is admitted that that there exists no demand-supply gap in the country with the total Indian production exceeding the total demand in the country.
 - d. The likelihood of similarity between prices from Korea RP and China PR is very unlikely given the stark price difference between the products, which clearly suggests difference in quality and the premium grade of PVC flex film produced and exported from Korea RP.
 - e. There is absence of causal link because there is no material injury in the first place. The subject imports are negligible, and their market share is 0% of the demand in India. Price undercutting is negative. There is absence of price suppression or depression. The performance of all economic factors is stellar.
 - f. The Authority itself has not found causal link between alleged injury suffering by the domestic industry and the subject imports.
 - g. The decline in imports from China PR is due to decline in domestic demand and increased competition in the Indian market. This is evident from the decline in demand in imports from other countries as well.
 - h. Chinese producers are already supplying to customers in third countries wherein the demand for the subject goods is steady.
 - i. There is no continued dumping of the subject goods in the present period of investigation, since the normal value determined based on the price of exports from Korea RP has led to determination of skewed dumping margin. Further, there is no continued injury, evident from the negative injury margin determined by the Authority.
 - j. Third country dumping is not a factor ever considered by the Authority for likelihood analysis and is irrelevant to the present case as well.
 - k. Significant inventory or export orientation does not necessarily mean that the product would be exported to India, once duty is removed. Exporters in China PR

may have the option of selling the same in the domestic market and / or exporting to third country export markets

- l. Factors such as declining exports due to Covid-19 cannot be ground for likelihood of injury.
- m. If the impact of the pandemic is excluded from the present injury analysis, it would be seen that the volume and profitability parameters of the domestic industry have shown growth and there was no injury caused.
- n. The Authority has not sought or analyzed post-POI data as has been the consistent practice of the Authority in sunset review investigations.
- o. The scope of the product under consideration should be defined as “PVC Flex Film”, also known as PVC Flex Banners, PVC Flex Sheets for advertising signage, billboards and PVC Flex Tarpaulins” which is the same as the original investigation.
- p. The relevant information provided by the supporters is limited to capacity, production and sales figures which has also not been examined by the Authority.
- q. Normal value under para 7 can be determined based on price of exports from a third country to other countries and not only one country, as has been considered in the present case.
- r. Effect of factors relating to Covid-19, inter-se competition, over-supply, restrictions on sales of plastic and increased fixed cost should be segregated from the injury analysis.
- s. The Authority has not examined the decline in exports by Heytex in the last 11-12 years despite Nil duties.
- t. Transaction-wise analysis of imports to examine price differences is immaterial in the present case in light of the negligible subject imports which can have no impact on the performance of the domestic industry.
- u. Decline in exports to other countries and increased inventories of Heytex are miniscule compared to the domestic capacity, production, sales and inventories.

Submissions of the domestic industry

96. The domestic industry has emphasized its earlier submissions with regard to likelihood of recurrence of injury and public interest, and in addition has submitted as follows in its comments to the Disclosure Statement.
 - a. While the demand for the subject goods is expected to be stable in the coming years, it is apprehended to decline in the extended future and thus, the domestic industry is need of extended protection.
 - b. Demand for the subject goods has increased during the tenure of the duty, declining in the period of investigation only due to the impact of Covid-19 pandemic.
 - c. Imposition of duties would allow the domestic industry to continue its growth, earn healthy profits and generate employment
 - d. In absence of participation by the users, there is no evidence of adverse impact on the users. Further, the impact of the duties on the end-users would be negligible i.e. 0.40% to 0.84%.

- e. Since the subject goods have a shelf life of only 90 days and since the imports from China PR take 45-50 days to reach the consumers, procuring the goods from the domestic industry would be in the interest of the consumers as it would reduce inventory holding and the cost for maintaining such inventories.
- f. The Indian industry has made massive investments to the tune of Rs. 2,000 crores indicating their willingness to contribute to the growth of the country.
- g. The Indian industry employs 10,000 people directly and indirectly and if the duties are allowed to expire, the Indian industry would be forced to shut operations causing loss of livelihood for its employees.
- h. The reliance on imports of the subject goods has shrunk from 90% to 10% due the present duties. This is in line with the Aatmanirbhar Bharat mission of the Hon'ble Prime Minister.

Examination by the Authority

- 97. The Authority notes that some of the submissions by the domestic industry and other interested parties are repetitive in nature. These submissions have already been examined at appropriate places in the Final Findings. Further, the Authority has examined the additional submissions of the interested parties as under:
- 98. The arguments on the scope of product under consideration have been addressed by the Authority. It is confirmed that the scope of product under consideration is the same as that in previous investigation.
- 99. The interested parties have contended that the information concerning production, sales and capacities of supporters have not been examined by the Authority. The Authority notes that as per the provisions of the Customs Tariff Act, 1975 read with Anti-Dumping Rules, the Authority is required to examine injury only in respect of petitioners. Besides, when the petitioners themselves have not claimed injury, a conclusion cannot be reached that the domestic industry has suffered material injury, even if performance of other non-petitioning producers shows decline.
- 100. With regard to the arguments concerning determination of normal value based on imports from Korea RP, the same have already been examined hereinabove. The interested parties have not brought forth any new information to establish that the normal value determined is inappropriate. Regarding the argument that the difference in prices of imports from China PR and Korea RP suggests that the quality of the two is different, it is noted that no evidence has been put forth by the interested parties to demonstrate differences in quality. Merely because the prices are different does not imply difference in the quality.
- 101. Regarding the claim that the normal value cannot be determined on the basis of price of exports from a market economy third country to an individual country, the Authority notes that the provisions of para 7 allow determination of normal value based on exports from a market economy third country to other countries, including India. In the present

case, it was not possible to determine the normal value based on exports to all countries, as the product does not have a dedicated code. The Authority, in the past also has determined normal value based on the price of exports from a market economy third country to India. This approach has been affirmed by the Tribunal, in the case of Kuitun Jinjiang Chemical Industry Co. Ltd. vs. Designated Authority as well.

102. The interested parties have contended that the injury caused due to other factors such as Covid-19 pandemic, inter-se competition, restrictions on sales of plastic and increased fixed cost should be segregated. In this regard, the Authority notes that the domestic industry itself has admitted that the injury has not been caused due to subject imports and therefore there is no need of segregating injury caused by other factors.
103. With regard to the consideration of post-POI data, the Authority notes that none of the interested parties have brought forth any information to suggest that the position during post-POI is different from that prevailing during the period of investigation. Therefore, the Authority did not find any need for consideration of post-POI data.

M. CONCLUSION

104. Having regard to the contentions raised, information provided, submissions made and facts available before the Authority as recorded in these findings and on the basis of the determination of dumping and consequent injury to the domestic industry made hereinabove, the Authority concludes that:
 - a. The volume of imports of subject goods from China PR has declined significantly both in absolute and relative terms. The imports of subject goods from China PR has been less than 1% of the Indian demand and Indian production from 2018-19 onwards.
 - b. The Authority notes that the decline in the performance of the domestic industry, therefore, is not attributable to the dumped imports, as admitted by the domestic industry itself too.
 - c. The reliability and authenticity of the 'Report of Special Research and Investment Feasibility Assessment on China Polyvinyl Chloride Flexible Film/Sheet Market 2021-2025' relied upon by the domestic industry to establish the likelihood of continuation/recurrence of injury is suspect because neither the name of the author/publishing agency which has prepared this report has been mentioned nor is there any reference to the original source of data cited in the report. Therefore, any conclusion with regard to likelihood of continuation/recurrence of dumping and injury cannot be made on the basis of this report.
 - d. Even though there is continued dumping of the subject goods from China PR, the likelihood of continuation/recurrence of injury to the domestic industry in the event of revocation of duty could not be conclusively established due to lack of sufficient independent corroborative evidence.


- e. Therefore, based on examination of information on record, it is concluded that there is no justification for recommending continuation of anti-dumping duty in the present investigation.

N. RECOMMENDATION

105. In view of above, the Authority considers it appropriate to recommend withdrawal of antidumping duty on import of subject goods from the subject country recommended vide Notification No. 15/13/2015-DGAD dated 30th June, 2016 and enforced vide Customs Notification No. 42/2016-Customs (ADD) dated 8th August 2016 and further extended vide Customs notification No 38/2021-Customs (ADD) dated 30th June 2021 till 31st January 2022.

O. FUTRHER PROCEDURE

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


(Anant Swarup)
Designated Authority