

**TO BE PUBLISHED IN PART 1 SECTION-10F GAZATTE OF INDIA
EXTRAORDINARY**

**F. No. 7/3/2018-DGAD
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 19th March, 2019

FINAL FINDING

Subject: Anti-Circumvention investigation concerning alleged circumvention of anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh.

A. Background of the case

No. 7/3/2018-DGAD: - Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as the Rules) thereof;

2. Whereas, Designated Authority, on the request of Indian Jute Mills Association, conducted an anti-dumping investigation on the imports of “Jute Products” viz,-Jute Yarn/Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags, the Product Under Consideration (PUC), and recommended definitive Anti-Dumping Duty (ADD) vide Notification No. 14/9/2015-DGAD, dated 20th October, 2016 which was levied by Ministry of Finance vide Customs Notification 1/2017-Customs (ADD) dated 5th January, 2017 and amended further by Customs Notification No 11/2017-Customs (ADD) dated 3rd April, 2017.
3. Whereas in the ongoing Anti-Circumvention investigation, regarding imports of Jute Sacking Cloth, an unfinished, incomplete and only the penultimate form in the production of jute sacking bags, Indian Jute Mills Association (IJMA) (herein referred as "petitioner" or “Applicant association”) filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Section 9A of the Act read with Rule 26(1) Customs Tariff (Identification, Assessment & Collection of Anti-Dumping Duty on the Dumped Articles & for Determination of Injury) Rules, 1995 (AD Rules) for initiation of Anti- Circumvention Investigation concerning imports of Jute Sacking Cloth (hereinafter also referred to as the “Product under Investigation” or “PUI”), a penultimate stage of “Jute Sacking Bag” (hereinafter also referred to as the “Jute Sacking Bag” or “Product under consideration” or “PUC”) originating

in or exported from Bangladesh (herein referred as subject country). The petitioner requested for extension of existing anti-dumping duties on the imports of the Jute Sacking Bag to the PUI, the penultimate stage product of the PUC originating in or exported from the subject country.

4. Whereas, in view of a duly substantiated application filed by the petitioner under Rules 26 (1), the Authority initiated the investigation vide Notification No.7/3/2018-DGAD dated 20th March, 2018 to determine the existence and effect of the alleged circumvention of the ADD levied and to consider recommendation of extension of ADD on imports of Jute Sacking Bag to imports of Jute Sacking Cloth, in accordance with relevant AD rules.

B. Procedure

5. The procedure described below has been followed with regard to the investigation:
- i. The Authority issued notification vide notification no. 7/3/2018-DGAD dated 20th March, 2018 initiating anti-circumvention investigation, which was published in the Gazette of India.
 - ii. The Authority sent copy of the initiation notification to the Bangladesh High Commission in India, known exporters of PUI in Bangladesh and known importers of PUI in India, as per information available in the petition.
 - iii. The Authority wrote to the exporters/ producers of the PUC/PUI and requested them to file their responses in the prescribed questionnaire and make their views known in writing within the time limit prescribed. Copies of the letter and questionnaires sent to the exporters were also sent to Bangladesh High Commission along with a list of known exporters/ producers, with a request to advise the exporters/ producers from Bangladesh to respond to the Authority within the prescribed time.
 - iv. A copy of the non-confidential version of the application filed by the petitioner was sent to the Bangladeshi producer/ exporters, and Government of Bangladesh. A copy of the non-confidential version of the application was also made available to the interested parties, on request, through public file.
 - v. The Authority forwarded a copy of the public notice initiating the anti- circumvention investigations to the following known producers/ exporters in Bangladesh and gave them opportunity to make their views known in writing within 40 days from the date of the letter in accordance with the AD Rules:

Name of the Exporter	
Corofin Jutex Corporation, Bangladesh	Shamsher Jute Mills Ltd. Bangladesh
Shinepukur Holdings Ltd., Bangladesh	World Trading Corporation, Bangladesh
Sonali Aansh Trading (Pvt) Ltd.,	Abir International, Bangladesh
Atmmr Enterprise, Bangladesh	Alam Trade International, Bangladesh
Alif International, Bangladesh	Aliss International, Bangladesh
Amanat International, Bangladesh	Anss Corporation (Pvt) Ltd, Bangladesh
ABC Agency, Bangladesh	ACME Trade International, Bangladesh

Anika Overseas Discovery Service, Bangladesh	Arkay & Kayar Associates, Bangladesh
Asimpex Trading Corp. Ltd, Bangladesh	Amin Jute Products, Bangladesh
Bengulf Trading Co. Ltd., Bangladesh	Bengal Braided Rugs Ltd., Bangladesh
Blue Bell Enterprise, Bangladesh	Bonny International Ltd, Bangladesh
Bengal Jute & Burlap Agencies, Bangladesh	BBI Jute & Product Export Ltd, Bangladesh
Bag & Burlap International Ltd, Bangladesh	Bangladesh Allied Business Asso.,
B.N. Trading, Bangladesh	Bankor International Corporation,
Banglar Annsh (Pvt) Ltd, Bangladesh	Bangladesh Jute Processing Co., Bangladesh
Beiico International Ltd., Bangladesh	Bhuiyan Int'l Corp, Bangladesh
Bulk Trade International, Bangladesh	Bizline Corporate Ltd., Bangladesh
Burlap World Ltd., Bangladesh	Brothers International, Bangladesh
B.desh Jute Diversification Center, Bangladesh	Bangladesh International Trade, Bangladesh
Beheshti Export & Import, Bangladesh	Bangladesh Export Limited, Bangladesh
CDR Trade International, Bangladesh	Commimpex, Bangladesh
Confident Jute & Bag Ltd., Bangladesh	Concrete Fibres International, Bangladesh
Consolidated Commodities, Bangladesh	Creation (Pvt) Ltd, Bangladesh
Corr-The Jute Works, Bangladesh	Crifoo Intertrade Ltd., Bangladesh
Corofin Jutex Corporation, Bangladesh	Cosmotic, Bangladesh
Dubai Jute & Bag Corporation, Bangladesh	Continental Trade Exchange Ltd., Bangladesh
Dipali Agncies, Bangladesh	Delca Bangladesh Ltd, Bangladesh
Dawan Export International, Bangladesh	Desh Bidesh Enterprise, Bangladesh
Dewan Trade International, Bangladesh	Eastern Trade International, Bangladesh
Erans Trade International Ltd., Bangladesh	Ecotrade International, Bangladesh
East Asian Business Associates, Bangladesh	Exim N. Trade, Bangladesh
Erab Limited, Bangladesh	Esses Exporters Ltd., Bangladesh
Enam & Sons, Bangladesh	Eehamm International Ltd., Bangladesh
Extra Pace Logistics Ltd, Bangladesh	Enam Express Limited, Bangladesh
Edge Trading, Bangladesh	Early Bird Corporation, Bangladesh
Faisal Trading Co., Bangladesh	Farhana Style Limited, Bangladesh
Fibres International Ltd., Bangladesh	Eshana Jute Products, Bangladesh
Food Grade Jute Traders, Bangladesh	Fibre Deals Limited, Bangladesh
Faimex Trade International, Bangladesh	Fair Trading Company, Bangladesh
Global Jute Goods, Bangladesh	Globe Solidarity Ltd., Bangladesh
Golden Jute Diversification Center Ltd., Bangladesh	Global Jute Trading Ltd., Bangladesh
H.F Exporters, Bangladesh	Hamona Trading Corporation, Bangladesh
Hanif Impex International, Bangladesh	Hossain Jute Trading Co., Bangladesh
HN Enterprise, Bangladesh	International Trade Exchange, Bangladesh
International Burlap Supplier, Bangladesh	Indus Enterprise, Bangladesh
Immense Trading House, Bangladesh	Jute Expo Trading Ltd., Bangladesh
Jute & Bags Export Corporation Bangladesh	Jute Heaven, Bangladesh

Jutex Bangladesh, Bangladesh	Jute Export Corporation, Bangladesh
Jainex International, Bangladesh	Jutex International, Bangladesh
Jahan Trader, Bangladesh	Jahan International Trading Co., Bangladesh
Jute Mate Packaging Co., Bangladesh	Jute Export Trading Corporation, Bangladesh
JBL International, Bangladesh	Jupiter Jute Leather Corporation, Bangladesh
Jahan Enterprise, Bangladesh	Kiron Enterprise, Bangladesh
Knaf International, Bangladesh	Kingshuk Limited, Bangladesh
Khan Sons Interl (BD) Ltd, Bangladesh	Lupa International, Bangladesh
Lotus International , Bangladesh	Louis Dreyfus Co. Ltd., Bangladesh
Metropolitan Export Corp, Bangladesh	Lipton Jute Trade International, Bangladesh
Monami International Ltd., Bangladesh	M.F International, Bangladesh
Maico Jute & Bag Corporation Bangladesh	Mask Associate (Pvt) Ltd., Bangladesh
Marium Enterprise, Bangladesh	Meem International, Bangladesh
Mowlik Trade & Services Ltd, Bangladesh	Monir Trading Corporation, Bangladesh
Mohajan Trade International, Bangladesh	M.R. Associates, Bangladesh
M. Rahman & Co., Bangladesh	M.H Trading, Bangladesh
Mikuni Corporation, Bangladesh	Mawada Traders, Bangladesh
Mart Overseas Ltd, Bangladesh	Monsur & Brothers, Bangladesh
Mee Trading Corporation, Bangladesh	M.M International, Bangladesh
Modern Import & Export, Bangladesh	Neptune Enterprise, Bangladesh
Narsingdi Jute Traders, Bangladesh	Natural Jute Products, Bangladesh
Natural Fibre Services Ltd, Bangladesh	New Agencies, Bangladesh
Orient Trade International, Bangladesh	Omega Fashion Limited, Bangladesh
Neety Enterprise, Bangladesh	Online Limited, Bangladesh
Prime Enterprise, Bangladesh	Rainbow Associates, Bangladesh
Passco Jute, Bangladesh	Relible Trade International, Bangladesh
Rose Corner (Pvt) Ltd., Bangladesh	Riimex Enterprise, Bangladesh
Rush Export International Ltd. Bangladesh	Rean Trade International, Bangladesh
R.E.B Agencies, Bangladesh	Rafique Trade International, Bangladesh
Raj Fibres Ltd, Bangladesh	Seatex International, Bangladesh
Swift Trade Impex, Bangladesh	Shathi Export International Ltd., Bangladesh
Sami Enterprise, Bangladesh	Shams Trade International Ltd, Bangladesh
Sealand Export International, Bangladesh	SWS Trade Lines (Pvt.) Ltd., Bangladesh
Sonali Aansh Trading (Pvt) Ltd. Bangladesh	Sagorika International, Bangladesh
Shyamol Bangla Jutex Ltd., Bangladesh	Sonali Fibres Trading Co., Bangladesh
Sea-Rock Consortiam, Bangladesh	Sonargaon Fibres, Bangladesh
Sonjes International, Bangladesh	SMSN Trade International, Bangladesh
Sadi Enterprise, Bangladesh	Skyland & Fam Ltd., Bangladesh
Saddat Trading Co. Ltd., Bangladesh	Samser Enterprise, Bangladesh
Sadia Jute Trading, Bangladesh	Shudepta Trade Co., Bangladesh
Sharifpur Trading Agency, Bangladesh	Sutapa Impex, Bangladesh
Sacks Export & Trading Intel., Bangladesh	S. Islam & Sons, Bangladesh
S.S Engineering Works, Bangladesh	S.S enterprise, Bangladesh
Takawa Mah Enterprise Ltd, Bangladesh	The Globe Traders, Bangladesh

The Golden Fibre Trade Center Ltd, Bangladesh	Trade International, Bangladesh
Taurus Limited, Bangladesh	Trade Impex, Bangladesh
Tamara Trading Agencies Ltd. Bangladesh	Uni Exim, Bangladesh
Ujala Trading Corporation, Bangladesh	Vicar International, Bangladesh
Victory Enterprise Ltd. , Bangladesh	Varity Jute Trading Co., Bangladesh
Vertex International Ltd, Bangladesh	William Agencie, Bangladesh
Yakub Ali (Faridpur) Ltd, Bangladesh	Wizard Incorporation, Bangladesh
Bengal Carpet Ltd., Bangladesh	Saleh Carpet Mills Ltd., Bangladesh
Arku Industries Manufacturing Ltd., Bangladesh	Bangladesh Export Limited, Bangladesh
Lalmal Footwear Ltd., Bangladesh	Metropolitan Export Corporation, Bangladesh
Sonali Aansh Industries Ltd., Bangladesh	Tradewinde, Bangladesh
Afzal Jute Industries Ltd., Bangladesh	Beico International Ltd., Bangladesh
Alijan Jute Mills Ltd., Bangladesh	B.R. Corporation, Bangladesh
Rupsa Import & Export Ltd., Bangladesh	William Agencies, Bangladesh
A.R.A Jute Mills Ltd., Bangladesh	ABC Agency, Bangladesh
Ahad Jute Mills Ltd., Bangladesh	Akij Jute Mills Ltd., Bangladesh
Al-Haj Aminuddin Jute Mills Ltd. Bangladesh	Alijan Jute Mills Ltd., Bangladesh
Anwar Jute Spinning Mills Limited Bangladesh	Aziz Fibres Ltd., Bangladesh
Bangladesh Jute Association Bangladesh	Bangladesh Jute Mills Corporation
B.S. Jute Spinners Ltd. , Bangladesh	Bengal Jute Industries Ltd., Bangladesh
Chittagong Jute Mfg. Co. Ltd. Bangladesh	Charmuguria Jute Mills Ltd. , Bangladesh
Ferdaus Jute Mills Ltd., Bangladesh	Islam Khan Jute Mills Ltd. , Bangladesh
Janata Jute Mills Ltd., Bangladesh	Jute Spinners Ltd., Bangladesh
Keraniganj Jute Fibres Ltd., Bangladesh	Lytton Jute Mills Limited, Bangladesh
Karim Jute Spinners Ltd., Bangladesh	Metropolitan Exports Corporation
New Dacca Industries Limited Bangladesh	Nissan Jute Mills Limited, Bangladesh
Nawab Abdul Malek Jute Mills (BD) Ltd. Bangladesh	Mutual Jute Spinners Ltd., Bangladesh
Northern Jute Manufacturing Co. Ltd. Bangladesh	Nowapara Jute Mills Ltd., Bangladesh
Popular Jute Mills Ltd., Bangladesh	Patuakhali Jute Mills Ltd., Bangladesh
Sadat Jute Industries Limited Bangladesh	Saddat Trading Co. Ltd., Bangladesh
Sayed Jute Spinning Ltd., Bangladesh	Sagar Jute Spinning Mills Limited Bangladesh
Sarwar Jute Mills Ltd., Bangladesh	Shamsher Jute Mills Ltd., Bangladesh
Sharif Jute Mills Ltd., Bangladesh	Shihab Jute Spinners Ltd., Bangladesh
Shyamol Bangla Jutex Ltd., Bangladesh	Shinepukur Holdings Limited. Bangladesh
Sidlaw Textile (Bangladesh) Ltd.	Sonali Aansh Industries Ltd., Bangladesh
Specialised Jute Yarn & Twine Mfg. Co. Ltd., Bangladesh	Supreme Jute and Knitex Limited Bangladesh

Transocean Fibres Processors (BD) Ltd. Bangladesh	Usha Jute Spinners Ltd. , Bangladesh
World Trading Corporation, Bangladesh	Victory Jute Products Ltd. , Bangladesh

vi. The following producers/exporters of the PUC/PUI from Bangladesh responded to the Authority and filed response to the questionnaire in the form and manner prescribed. Further various advocates filed Authorizations to represent these producers/exporters/traders as mentioned below:

a. M/s World Trade Consultants & Advocates

1. M/s Motahar Hossain Chowdhury Jute Mills Ltd. Bangladesh
2. M/s Mohini Nabil Jute Mills Ltd. Bangladesh
3. M/s Mirza Jute Mills Ltd. Bangladesh
4. M/s A.N International, Bangladesh
5. M/s Bangla Jute Mills Ltd. Bangladesh
6. M/s Glory Jute Ltd.
7. M/s Hasen Jute Industries Ltd.
8. M/s G Traders
9. M/s Gem Jute Ltd.
10. M/s Ranu Agro Industries Limited Bangladesh
11. M/s Rahman Jute Mills (Pvt.) Ltd. Bangladesh
12. M/s Sagar Jute Spinning Mills Ltd. Bangladesh
13. M/s Arnu Jute Mills Ltd. Bangladesh
14. M/s Jamuna Jute Industries Ltd. Bangladesh
15. M/s Aba Jute & Twine Industries Ltd. Bangladesh
16. M/s Rabeya Jute Mills Bangladesh
17. M/s Ecotrade International
18. M/s Erans Trade International Ltd.
19. M/s Mouna Jute Mills Ltd.
20. M/s Uttara Jute Fibres & Industries Ltd.
21. M/s Nabarun Jute Mills Limited

b. M/s PriceWaterhouse Coopers Private Ltd.

1. Afil Jute Weaving Mills Ltd.
2. Sonali Jute Mills Ltd.
3. Jobaida Karim Jute Mills Ltd.
4. R. M. Jute Diversification Mills Ltd

c. M/s M.S. Pothal and Associates

1. M/s Partex Jute Mills Limited Bangladesh
2. M/s Sidlaw Textiles (Bangladesh) Limited
3. M/s Nawhata Jute Mills Ltd.
4. M/s Kurigram jute Processing Works Bangladesh
5. M/s Sarah Composite Mills Limited Bangladesh
6. M/s Mymensingh Jute Mills Ltd.
7. M/s Asha Jute Industries Limited
8. M/s Purabi trading

d. M/s TracoLegal- Advocates & Consulatants

1. M/s Jute Textile Mills Ltd.

e. Responses filed directly by producers/exporters

1. M/s Nothern Jute Manufacturing Company Limited
2. M/s Alijan Jute Mills Limited
3. M/s Sonali Aansh Industries Limited
4. M/s South Trade International
5. M/s Rajbari Jute Mills Ltd.
6. M/s Ahyan Jute Mills Ltd.
7. M/s Hafiz Jute Mills Ltd.
8. M/s Rahman Mustafiz Haq & Co.
(InterLink International)
9. M/s Latif Bawany Jute Mills Limited
10. M/s Jatio Jute Mills Ltd.
11. M/s Eastern Jute Mills Ltd. filed an incomplete response through Email only with no signed hard copy.

Name of Importer	
Ahmed Export, West Bengal	K.L.Jute Products Pvt.Ltd, West Bengal
Kamal Kumar Goyal, West Bengal	R. Harilal & Co.(Calcutta), West Bengal
Navin Gupta West Bengal	Sheo Kumar Agarwal West Bengal
Ashim Kar & Industries Pvt. Ltd., West Bengal	Coastal Packagers Pvt. Ltd., West Bengal
Naresh Kumar Agarwal, West Bengal	Churiwal Commercial Co. (P) Ltd., West Bengal
Ai Champdany Industries Ltd., West Bengal	Ganges Jute Pvt.Ltd., West Bengal
Mohan Jute Ltd. West Bengal	Yucon Exports Private Ltd, West Bengal
H.R. International Limited West Bengal	Bhagwati Sales Agency, Maharashtra
S L Packaging Private Limited, West Bengal	Terai Overseas Ltd. West Bengal
Tarun Dokania, West Bengal	G M Jute Exports Co. West Bengal
Jayvardhan Bansal, West Bengal	Sandoz Merchants Pvt. Ltd., West Bengal
Ramiz Ahamed, West Bengal	Nirmal Khandelwal, West Bengal
Sarada Trading Company, West Bengal	Hooghly Infrastructure Private Limited West Bengal
Vijaykumar & Co Jute Pvt, West Bengal	Aditya Translink Pvt. Ltd., West Bengal
Romy Enterprise, Maharashtra	J.K. Sons & Co., West Bengal
Rajesh Trading Co., Haryana	Narendra Kumar Ruia Huf, West Bengal
Krishna Jute Sales, Haryana	Ramsaran & Sons, West Bengal
Anil Traders, Haryana	Ram Kishore Luhariwala And Ors West Bengal
L G W Limited, West Bengal	Khandelwal Jutex Private Limited West Bengal
Golden Floor Furnishing Pvt Ltd, New Delhi	Magnum Marketing, West Bengal
Shilpi Saha, West Bengal	Shree Udyog, West Bengal
Mira Goel, West Bengal	Industrial Associates (Jute) Pvt Ltd West Bengal
Gopiram Gupta & Company Pvt Ltd West Bengal	Kailash Traders, Karnataka
Pratap Kumar Banerjee, West Bengal	Jindal Fibres Ltd, Punjab

Mohan Jute Bags Mfg Co, West Bengal	Vardhman Plastics Pvt. Ltd, West Bengal
Ganapati Rope Works, West Bengal	Indo Cotspin Ltd, Haryana
Shri Girirajji & Company, Madhya Pradesh	Abdul Mazed Sardar West Bengal
Sri Bajrang Jute Mills Ltd, West Bengal	Haryana Bardana Trading Co., Haryana
Impex Private Limited, West Bengal	Radha Krishna Jute Products Private Limited, West Bengal
Srinivasa Jute Mills (P) Ltd., Andhra Pradesh	SDJ International, West Bengal
Vivek & Company, West Bengal	Northbrook Jute Company Ltd, West Bengal
Goel Trading Company, West Bengal	Jain Associate, Assam
M.N. Associates, Madhya Pradesh	Ramesh Chandra Agarwal, West Bengal
Meghraj Madanlal Gattani, Rajasthan	JK Sons Jute Co. Private Limited, West Bengal
Global Exim Private Ltd, West Bengal	Franktex Enterprises Pvt.Ltd, West Bengal

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

MMB Jute Udyog, Madhya Pradesh	Jay Vardhan Bansal, West Bengal
Prabir Mitra, West Bengal	Shri Anand Jute Centre, Haryana
Sarifuddin Ahmed, West Bengal	Vishal Jute Private Limited, West Bengal
Shifa Impex, Gujarat	Tirupathi Packagers, Karnataka
Manoj Kumar Bajoria, West Bengal	Vivek Gupta, West Bengal
Satyendra Packaging Pvt. Ltd, Gujarat	Chem Worth, West Bengal
Terai Overseas Private Ltd, West Bengal	S.N. Brothers, Kerala
Chhaju Ram Nitin Kumar, Haryana	Balkrishan Gupta, West Bengal
Riviera Home Furnishings, Delhi	GM Jute Exports Co., West Bengal
Jaikrishandass Mall Jute Products (P) Ltd., Orissa	Jagrati Trade Services Pvt. Ltd. West Bengal
Reliance Jute Mills (International) Ltd, West Bengal	Bhagtara Jute Industries (P) Ltd, Maharashtra
Howrah Mills Company Ltd, West Bengal	Ramdev Industries Limited, Andhra Pradesh
Rama Trading Company, Delhi	Rajdhani Bardana Corporation, Rajasthan

- viii. However, one of the importer of the PUI i.e. M/s Meghraj Madanlal Gattani responded to the questionnaire issued by the Authority stating that he has not imported PUI from the subject country in POI and earlier years.
- ix. The Authority on the request of certain producer/exporters has granted the extension to file Questionnaire response till 8th June, 2018. Further, on the request of Government of Bangladesh, the Authority has granted time to complete minor data gaps till 15th June, 2018.
- x. In accordance with Rule 6(6) of the Anti-dumping Rules, the Authority provided opportunity to the interested parties to present their views orally in a public hearing held on 28th August, 2018. The public hearing on 28th August, 2018 was attended by the domestic industry and the other interested parties. The parties, who presented their views in public hearing, were requested to file written submissions of the views expressed orally.
- xi. The Authority has issued the disclosure statement on 7th March, 2019 to the concerned interested parties. Comments were requested by 14th March, 2019. Comments received on

the disclosure statement to the extent considered relevant by the Authority have been considered in this final finding.

- xii. The Authority had sent the disclosure to the Bangladesh High Commission for obtaining comments of concerned producers/exporter from Bangladesh. The request by Bangladesh High Commission to provide further time to respond could not be considered as the last date was nearing and it was not possible to grant any time beyond the normal provision.
- xiii. The Authority however has considered the response filed by the Bangladesh High Commission including that on behalf of certain producers/exporter who approached them on certain issues.
- xiv. Exporters, importers other domestic producers and other interested parties who have not responded to the Authority nor supplied information relevant to this investigation, have been treated as non-cooperating.
- xv. Details of imports of subject goods for April 2014- March 15, April 2015–March 2016, April 2016-March 2017 and the period of investigation October, 2016 - December 2017 (15 months), were requested from DGCIS, for above mentioned period.
- xvi. The submissions made by the interested parties during the course of this investigation have been considered by the Authority, wherever found relevant, in this finding.
- xvii. On-spot verification to the extent deemed necessary was carried out in respect of the information & data submitted by the Applicant. Further, Desk study validation was done of the data filed by the petitioner. On-spot verification of the data filed by cooperating exporters was also conducted by the Authority during January 2019.
- xviii. 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.
- xix. 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 the findings on the basis of the facts available.
- xx. *** represents information furnished by an interested party/any other party on a confidential basis and so considered by the Authority under the Rules.
- xxi. The average exchange rate of 1US\$ = 66.50 prevailing during the POI has been adopted by the Authority in this finding.

C. Product under Consideration/ Product under Investigation and Like Article

Product under Consideration

- 6. The product under consideration (PUC) for this investigation is “Jute Sacking Bags” originating in or exported from Bangladesh. Jute Sacking Bags is classified under custom heading 6305. Jute Sacking Bag is one of the type of the product under consideration as identified in the final finding

of the original investigation dated 20th October 2016.

Product under Investigation

7. The Product under Investigation (PUI) is “Jute Sacking Cloth”, alleged to be circumventing the anti-dumping duty. The circumventing product goes significantly into the use of Jute Sacking Bags and no other significant use of the Product under Investigation has been brought to the notice of the Authority. The product under investigation is classified under custom heading 5310. The Customs classification is indicative only and not binding on the scope of this investigation

C.1. Views of Exporters, Importers, Consumers and Other Interested Parties

8. Following submissions have been made by the other interested party –
 - i. The PUI was consciously not included in the scope of the PUC in the previous investigation and so it is hit by the Rule of Estoppel as it cannot now allege the circumvention of Jute sacking cloth. Despite imports of the same earlier too it was not included in the previous investigation. Provisions of Rule 25(1) cannot be invoked as it is a necessary product for making Jute sacking bags, it was and still is being manufactured in India, it is not a new or altered product and was selectively excluded from the previous investigation. There was no logic for the exclusion of Jute sacking cloth as it is the middle product between yarn and jute sacking bags and sacking bags cannot be made without.
 - ii. The circumvention investigation is untenable as ‘Jute Sacking cloth’ was specifically excluded from the scope of the PUC in the original investigation even when it was being imported even at that point of time and at a price lower than sacking bag. An excluded item cannot be now covered through circumvention provision as it curtails the right of the exporters to have sought an individual margin for this type.
 - iii. In the original investigation Jute Yarn was included, Hessian Fabric was included but not Jute Sacking Cloth which is a raw material for making Jute Sacking Bags. Further, there was no classification of Jute Yarn which are covered under the original investigation. It appears that all types of Jute Yarn were covered and product coverage of Jute Yarn was very wide as all types of jute products are manufactured using Jute Yarn. With regard to allegation of dumping and injury for the next stage of products, the domestic industry was very selective and included only Hessian Fabric and Jute Sacking Bags to the exclusion of all other products. The Jute Sacking Cloth is not a new or altered product and even the domestic industry is also necessarily manufacturing it. Jute Sacking Cloth was being manufactured prior to the anti-dumping investigation in India and is being manufactured now as without the production of Jute Sacking Cloth, Jute Sacking Bags cannot be manufactured. Therefore, the provisions of Rule 25(1) cannot be invoked in the current investigation.
 - iv. Had the PUI been not imported into India at the time of original investigation, then the case would have been different. However, the approach now taken is highly disputable and amounts to misuse of anti-circumvention provision.

- v. Anti-circumvention provision cannot lie against a product and import of which was in the knowledge of the petitioning DI and also the Authority in the original investigation itself. The DI listed three types of jute products excluding jute sacking cloths that's when they had all the opportunity to propose specific inclusion of jute sacking cloth in the scope of PUC then.
- vi. The producers/exporters of jute sacking cloth cannot be implicated of circumvention on export of an excluded type of PUC as per the original case. In fact, the producers/exporters were exporting a product which was excluded from the scope of duty by India. An allegation of circumvention in such a scenario is not at all justified.
- vii. If the cloth was included in the scope of PUC in the original case, the producers/exporters could have claimed individual margins for such type which is not possible now. The present approach curtails the rights of the exporters to disprove dumping and get individual margin as per the AD Agreement and also leaves them remediless which is not a fair situation

C.2. Views of Domestic Industry

9. The domestic industry has made the following submissions with regard to the PUI-
 - i. The product forming the object of circumvention is "Jute Sacking Cloth".
 - ii. The product under investigation in this case is nothing but just the unfinished, incomplete and the penultimate stage/ form of the PUC in the original investigation and requires minimal value addition to the tune of ***% for conversion into the PUC.
 - iii. It requires minimal value addition for conversion into the PUC and the only process involved further is stitching of the cloth into the PUC.
 - iv. The duty is being circumvented through the imports of Jute Sacking Bag albeit in the form of Jute sacking cloth thereby undermining the remedial effects of the anti-dumping duty imposed. The PUI of the present investigation and the PUC of the original investigation are nothing but the same product but in a different form. Furthermore, the product under investigation has no other use other than being used for the production of the PUC.
 - v. The product under investigation is classified under custom heading 5310. The Customs classification is indicative only and not binding on the scope of this investigation.
 - vi. Sacking bag is made from sacking cloth and the only process involved is of giving a shape/structure to sacking cloth in the form of bag which typically involves the process of stitching, either manually or by a machine. Sacking cloth in itself doesn't have market. Production of Jute Sacking Cloth is a penultimate step in the process of Jute Sacking Bag. By no stretch of imagination can it be contended that the circumvented form of the product under consideration is a different product.
 - vii. The domestic industry could not have foreseen that on the imposition of the duties on the PUC, the imports of the PUI would increase. Without a foresight of such a malpractice, the PUI could not have been included in the original investigation. A case of circumvention is not limited only to a new or an altered product, but includes the any such product wherein the same circumvents the duty imposed on the PUC only to undermine the remedial effects of such duty. The rule of estoppel has been placed out of context as it relates only to the admissibility of evidence which is designed to upset a finding of fact recorded by a

competent Court at a previous trial. The rule applies where same issue was distinctly raised and inevitably decided in earlier proceedings between the same parties. However, no such issue as alleged was raised in any investigation before.

- viii. At the time of the original investigation it could have never apprehended that upon the imposition of the duty on the PUC, the exporters would resort to the malpractice of dumping the PUI into India. The domestic industry could have and had claimed a relief from the injury it was suffering only for the products that it produces and not for something which it does not.

C.3. Examination of the Authority

10. The product under consideration attracting anti-dumping duty is Jute Sacking Bags. The product under investigation is “Jute Sacking Cloth”, (referred to as the “Product under investigation” or “PUI”) which is claimed to be the unfinished, incomplete and the penultimate stage in the production of “Jute Sacking Bags” (also referred to as “Product under Consideration” or “PUC”). The product under consideration was examined and recorded by the Designated Authority in the original investigation as follows:

‘The product under consideration is “Jute Products” comprising of Jute Yarn/twine (multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags. At the time of initiation the classification was considered under Chapter 53 and 63 of the 1975 Act and further sub-classified under custom heads 5307, 5310 and 6305. However, it is later noted from the data filed by producers/exporters from Nepal that the exports of yarn/twine have also been made by exporters/producers of the product from Nepal under Custom heading no. 5607, which covers Twine, Cordage, Ropes and Cables whether or not Plaited or Braided and whether or not impregnated, coated, covered or sheathed with rubber and plastics.’

11. In the present case since Anti-circumvention is for only one type of PUC i.e. Sacking Bags, the PUC in this investigation is restricted only to product type Sacking bags. The Product under investigation (PUI) is Jute Sacking Cloth. It is noted from the verification conducted at the premises of the domestic producers and exporters that the process from the stage of PUI to PUC entails a value addition of about 5% which involves giving a shape/structure to sacking cloth and converting it to the form of sacking bag and most typically involves the process of stitching, either manually or by a machine. Sacking cloth is thus a penultimate step in the process of Jute Sacking Bag. Jute Sacking Cloth is classified under Chapter 53 under subheading 5310. The customs classification is indicative only and in no way binding on the scope of the investigation.
12. As regards the contention that Jute Sacking Cloth was specifically not included in the original investigation and that it is not a new product, the Authority notes that circumvention of anti-dumping duties in the form of a product type (PUI) does not mean that the product type (PUI) should be a new product. The Rule 25 (1) (a) provides that circumvention exists when imports of PUI *starts or increases* after imposition of measure on PUC. This indicates that the PUI could be in existence and imported even prior to imposition of AD duties on PUC. The Authority in this regard also recalls

the final finding dated 15.02.2017 in the case of Diclofenac Sodium DFS wherein the penultimate stage product was investigated for circumvention even though the same was being manufactured by domestic industry for producing PUC.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1. Views of Exporters, Importers, Consumers and Other Interested Parties

13. Views of other interested parties with regard to domestic industry are as follows:

- i. The current investigation initiated is not in accordance with the anti-dumping law in India. The Rule 26 specifically lays down that the application for circumvention investigation has to be by or on behalf of the domestic industry whereas the application submitted by the applicant Association was not on behalf of the domestic industry as only an authorization from Indian Jute Mills Association and the list of the 35-member mills of the association has been provided. The applicant association has not identified the total number of domestic producers and the number of producers who are members of the association. They have also not provided the details of the total domestic production of product under consideration and also the details of the production of the member mills of the association have not been provided. They have also not specified as to how many members of the association are in favour of the current investigation and how many members are against the current application as there are no authorization on records by any member of the association. There is also no specific resolution of the Association on record authorizing the filing of the application for initiation of the current investigation
- ii. It is amply clear from Annexure F that the share of the applicant is in the range of 30%-40%. It may be appreciated that in terms of Rule 5(3) as well as the consistent practice of the Authority, an investigation is initiated only if the applicant accounts for a major proportion of the total domestic production. This major proportion in terms of the Rule 5(3) and as a matter of practice is deemed to have been passed if the applicant accounts for at least 50% of the total production in the country.
- iii. The applicant has just made a hollow claim in Para 12 of their application that they account for majority proportion, and therefore, constitutes domestic industry in terms of Rule 2(b) of the Anti-dumping Rules, 1995.
- iv. The applicant has conveniently assumed in the original application that all the members of the applicant association have supported the petition while from the information provided in Para 4.1.2, Para 4.1.3 and Para 4.3 of the revised application it is amply clear that only 13 Mills have supported the application.
- v. Applicant has belatedly filed the revised application with new details like names & production of the applicant mills, injury details etc. on 8 June, 2018 and has baselessly assumed that it passes the requirements relating to standing since the application has been filed by Jute Mills Association. Major proportion in terms of the Rule 5(3) and as a matter of practice is deemed to have been passed if the applicant accounts for at least 50% of the total production in the country.
- vi. The current investigation is not in accordance with the law as from the facts and evidences available on record it is clear that the petition filed by the association is not on behalf of the

domestic industry. Only an authorization from the association and a list of 35 member mills has been provided.

- vii. Total domestic production of the PUC and the details of the production of the member mills of the association have not been provided. There is also an absence of the authorization by any of the members and the resolution of the association authorizing the filing of the current petition. In the absence of a specific resolution it cannot be concluded that the application was on behalf of the domestic industry

D.2. Views of domestic industry

14. Following submissions have been made by the domestic industry –

- i. The Petitioner is an association of the Indian Jute industry representing the manufacturers of Jute products in India. At present it has 34 members. The Petition has been filed by Indian Jute Mills Association [IJMA] for and on behalf of producers of subject goods. Because of being an association by, for and of the producers of subject goods; it passes the requirements relating to standing. Even otherwise, production of participating companies constitutes a major proportion of total domestic production.
- ii. Member companies who have provided information have not imported subject goods are not related to any exporter or importer of the product concerned.
- iii. No revised application filed by the applicant association. The submission dated 8th June, 2018 was in response to the questionnaire issued by the Authority to the domestic producers and was filed well within the time limits permitted by the Authority.
- iv. The claim that share needs to be at least 50% is incorrect. Article 4.1 of the Agreement and Rule 2 (b) of Rules do not mean that share of domestic industry's production needs to be 50% or more to constitute "*a major proportion*" of domestic production. Reliance placed on the WTO Panel Report on Argentina – Definitive anti-dumping duties on Poultry from Brazil and in the matter of Lubrizol (India) Pvt. Ltd. versus Designated Authority. As has been the practice of the Authority, there have been instances wherein industries with a standing of less than what is in the present case have been held to constitute domestic industry.
- v. In a case of circumvention the details on domestic production of the PUC or any such data is not of primary importance as the basis of the circumvention investigation is the manner in which the remedial effects of a duty imposed, are being undermined and the manner in which the duty imposed on the PUC is being evaded.
- vi. The claim that share needs to be atleast 50% is incorrect and without any legal basis. Petitioner submits that Article 4.1 of the Antidumping Agreement and Rule 2 (b) of Antidumping Rules does not mean that share of domestic industry's production needs to be 50% or more to constitute "*a major proportion*" of domestic production. Further, the Designated Authority has also considered proportion less than 50% as a major proportion of total Indian production in various cases.
- vii. Association is a registered association under the laws of the country and that it is the apex organization in the country representing the Indian Jute Industry. In view of the same and when working for the industry, it is not mandatory that the authorization letters be filed on behalf of every member producer. Further, when producers have given their data for filing of petition, it should be deemed that these producers have filed the petition.

D.3. Examination of the Authority

15. The Authority notes that the petition for anti-circumvention investigation and extension of existing ADD on imports of Jute Sacking bag to the imports of Jute sacking Cloth has been filed by Indian Jute Mills Association (IJMA) on behalf of the domestic industry as per Rule 26(1) which reads as under

“(1) Except as provided herein below, the designated authority may initiate an investigation to determine the existence and effect of any alleged circumvention of the anti-dumping duty levied under section 9A of the Act , upon receipt of a written application by or on behalf of the domestic industry.”

16. The Authority notes that Rule 26 (1) requires an anti-circumvention petition to be filed by the Domestic Industry representing the PUC on which the ADD has already been levied. In this investigation, following 13 domestic producers of PUC have provided requisite information.

- a. RDB Textiles Ltd
- b. Cheviot Co. Ltd
- c. Birla Corporation Ltd
- d. Budge Budge Co. Ltd
- e. Gloster Ltd.
- f. Naihati Jute Mills Co. Ltd.
- g. Kamarhatty Co. Ltd.
- h. Hastings
- i. Reliance Jute Mills(INTL) Ltd
- j. Bowreah Jute Mills Pvt. Ltd
- k. Hooghly Infrastructure Private Limited
- l. Ludlow Jute &Specialities Ltd.
- m. India Jute Mills

17. The member producers participating in the present investigation are not related (either directly or indirectly) to any exporter of PUC or PUI or an importer of the same in India. The Authority notes that the member producers of the applicant association have not imported the PUC or PUI from Bangladesh during the period of investigation. It is further noted that 17 companies who participated in the original investigation constituted 42.78% of total Indian production. The petitioner companies participating in the present investigation had also participated in the original investigation. The production of these producers accounts for 36% of the total Indian production. There is no opposition to the domestic industry’s application from any other producer in the country in the present investigation. Thus, the Authority notes that the domestic producers constitutes a major proportions of the total Indian production and considered them as an eligible domestic industry in terms of Rule 2 (b).
18. In any case, the test of 25% and 50% are not per se applicable for an investigation initiated under Rule 26.

E. Miscellaneous Submissions

E.1. Views of Exporters, importers and other interested parties

19. Views of other interested parties with regard to domestic industry are as follows:

- i. The initiation of the current investigation on the basis of the selected POI i.e. 1st October 2016 to 30th September 2017 is fundamentally and legally flawed. The anti-dumping duties on the Jute products was imposed on 05th January 2017 vide Customs Notification No. 01/2017-Customs (ADD) and the POI selected covers the period from 1st October 2016 to 30th September 2017 and includes the period from 1st October 2016 to 04th January 2017 for which there was no anti-dumping duty in existence on the Jute products. Therefore, there is no legal sanctity for examination of allegation of circumvention for the aforesaid period i.e. 1st October 2016 to 04th January 2017 (more than 3 months) being an integral part of the POI.
- ii. The Hon'ble Authority in the original investigation carried out separate analysis of dumping and injury for each type/class of the Jute products and also recommended separate duty for each type/class of Jute Products. Within the framework and rational or reasons for defending the definition of the product under consideration in the original investigation, there was no reason for not including the Jute Sacking Cloth in the original investigation as it is an intermediate product and involves a small incremental cost from Jute Yarn even less than the incremental cost in manufacturing the Jute Sacking Bags from Jute Yarn. Jute Sacking Cloth was also imported in the POI of the original investigation. In fact, the domestic industry has not given any reasons on record in the original investigation nor in the current circumvention investigation for keeping the Jute Sacking Cloth out of the ambit of the original investigation.
- iii. Had Jute Sacking Cloth been included in the original investigation, there could have been separate analysis of dumping and injury and separate imposition of anti-dumping duty on positive finding of dumping, injury and causal link. With the initiation of the current circumvention investigation, the domestic industry has cleverly avoided the analysis of dumping, injury, causal link and separate duty on Jute Sacking Cloth which otherwise could not have been possible in the original investigation.
- iv. The product under investigation is not only exported to India but also it is being exported to other countries. The Product under investigation was also exported even prior to the original investigation. It is clear that the production, export and sale of the product under investigation is evident and existent and the imposition of the anti-dumping duties is not the cause for exporting the product under investigation to India. Therefore, the allegation of applicant association with regard to exports of PUI to India due to imposition of anti-dumping duties on Bangladesh does not hold correct under the facts and circumstances of the case.
- v. The information on imports and the allegation of undermining of measures depicted on the basis of landed values provided in the written submissions are significantly at variance than the information provided in the application by the domestic industry. It clearly indicates that the initiation of the current investigation was made on the basis of the wrong information and the domestic industry is changing the data at their will to suit the needs of the case.
- vi. Jute mills were unable to meet the supply orders. There is a wide gap between demand for Government Supplies and meeting the same by Indian Jute Mills. In view of the same the Office of Jute Commissioner, through various orders, has directed the Indian Jute Mills not to divert, in any manner, production of sacking other than B Twill Jute Bags as per production control cum sales order. As a result, Indian Jute mills are not authorized to sell the B. Twill jute products in the open market. Thus, imports from subject countries are not at all

competing with the goods produced in India and thus not causing injury to the domestic industry in any manner.

- vii. The Jute Commissioner has warned all the jute mills to not to supply a single bag to government which has been procured from abroad, the officer will not only black list the respective organizations from supplying to government for a period of two (2) years but also initiate criminal proceedings against the owners and directors of the company.
- viii. The applicant has belatedly filed the revised application with new details like names & production of the applicant mills, injury details etc. on 08 June, 2018 i.e., almost three month after the initiation on 20th March, 2018 and six months after filing of the original application in December, 2017. The applicant would have filed these details with the original application. The respondent requests the Authority to not accept the revised application at such belated stage of the investigation as it will adversely affect the interest of the interested parties and will encourage the applicants(s) to resort to malpractices to achieve their ulterior motives.
- ix. The respondent has filed a letter on 27 August, 2018 in line with para 2(vi) of Trade Notice No. 7/2018 dated 15th March, 2018. However, yet we have not received the soft as well as hard copy of the import data (processed / transformed data) submitted by the applicant to DGTR. Para 2(vi) of Trade Notice No. 7/2018 is reproduced below for the ready reference of the Authority.

*“vi. The **hard copy of the import data** (processed / transformed data) submitted by the applicant/ petitioner industry to DGAD at the time of filing of the application **can be accessed by the interested parties only after providing a declaration/ undertaking to the Investigating Officer (LO.) as per Annex-I attached.**”*

- x. The initiation shall contain a summary of the factors on which the allegation of injury is based. However, since Rule 6(1)(iv) is applicable mutatis mutandis to a circumvention investigation the Rule 6(1)(iv) should be read as "a summary of the factors based on which it has been alleged or concluded that the anti-dumping duty so imposed has been rendered ineffective".
- xi. No summary of the factors like production, sales, capacity, profit based on which it has been alleged or concluded that the anti-dumping duty so imposed has been rendered ineffective has been provided either in the applicant or in the initiation notification.
- xii. Imports of Jute Sacking bags from other countries accounts for 69% of the total imports of Jute Sacking Bags at low price.
- xiii. The Jute Commissioner restricts supply of jute sacking bag in the open market. Jute Commissioner vide its order no. Jute (Mktg)/2/2003 dated 14 February, 2018 directed all jute mills to obtain prior permission from his office before selling any jute sacking cloth or bag to any agency.
- xiv. Excessive confidentiality has been claimed by the applicant. Incomplete information has been given as the POI is October 2016 to December 2017 but information has been provided only for October 2016 to September 2017; Copy of the original/raw transaction wise data has not been provided. Transaction wise sorted import data and list of excluded imports has also not been provided; Names of the domestic producers of the PUC and the PUI have not been provided; Details of domestic production, normal value, export price and dumping margin has not been given.

- xv. Indian Jute mills are not authorized to sell the B. Twill jute products in the open market. Imports from subject countries are not at all competing with the goods produced in India and not causing injury to the domestic industry in any manner
- xvi. Punjab Government, the biggest buyer of jute bags has pointed out that jute mills were supplying poor quality, inferior and second-hand bags at almost double the original price, resulting in blacklisting of seven jute mills of West Bengal.
- xvii. The process from cloth to bag involves multiple stages and this was prevalent even prior to imposition of the duty. Extension of duty on cloth will lead to unemployment of this industry.

E.2 Submissions by the domestic industry

20. The following submissions were made by the domestic industry :-

- i. The initiation notification has sufficient information indicating the factors considered relevant for prima facie satisfaction of evidence of circumvention and the same undermining the remedial effect of ADD earlier imposed.
- ii. The evidence that the remedial effects of the duties are undermined in terms of the price and or the quality of like products is applicable only in case of circumvention cases falling under Rule 25(3). For circumvention practice falling under Rule 25(1), the Designated Authority is not required to examine whether the remedial effects of the anti-dumping duties are being undermined. There is no requirement to substantiate injury in terms of Rule 11(2) and principles laid down under Annexure II under circumvention investigation. Analysis of parameters such production, sales etc is not required under an anti circumvention application as is established from the practice followed globally as well as the past practice of the Authority.
- iii. Imports of Sacking Bags from other countries have remained at similar levels. Majority of these are from Nepal which is already attracting Anti dumping duty.
- iv. Saying that orders of the Office of Jute Commissioner prohibit jute mills from supplying to local market and export market is wrong. Jute producers/mills are free to sell in the open market provided they comply with the orders undertaken for the government supply.
- v. All information has been provided on index basis or in range and has not been claimed completely confidential for any information filed. Information filed by responding exporters is in violation of all confidentiality norms. All important information have been marked (*) rendering the domestic industry handicapped and incapable to respond or comment on the same. Petition contained information for Oct 16 to Sept 17. The Authority initiated investigation and extended POI till December. Letter dated 8th June 2018 filed by the domestic industry provides all information for complete POI. Transaction wise data can be sought by the interested party after getting an authorization from the Department. Sorted data cannot be shared unless interested parties make specific undertaking as per trade Notice.
- vi. There has been circumvention of the duties in force, as after imposition of duty imports of Jute Sacking bags have declined and there has been an increase in imports of Jute sacking cloth, which is only the penultimate stage of sacking bag. Value addition from sacking cloth to bag is below the levels prescribed. There has been a clear change in pattern of trade from 2014-15 to POI, in relation to sacking cloth and bag. After initiation of investigation, there has been a dramatic shift again in the pattern of trade as imports of sacking bag have revived and that of cloth have gone down.

- vii. The Authority, in the original investigation, settled the debate regarding different market segments by segregating the injury for sacking bags to open market only.
- viii. In relation to the argument on procurement by Punjab government, a newspaper article, itself states that IJMA strongly protested against the decision as they did not receive a single complaint from Punjab government and that they were unjustly penalized without thorough enquiry and opportunity for fair trial.
- ix. Production of jute bag involves 20 steps. There are only 5 steps left after production of cloth. Steps such as bundling, branding, bale press are indeed not production steps unique to product. These are more in the nature of packing activities to enable transportation of the product. As far as product and its usage are considered, it is ready for use after sewing operation.

E.3 Examination by the Authority

- 21. The authority has analyzed and considered the claims and the views raised by all the interested parties. Relevant submissions made by the interested parties have been addressed herein below.
 - i. As regards the contentions of the other interested parties that the initiation notification has to provide a summary of the allegations, it is noted that the initiation notification contains a summary of all the parameters that were considered by the authority which prima facie evidence the existence of circumvention of the duty imposed and in the pursuance of which the present investigation was initiated. The primary factors considered by the Authority for arriving at a prima facie satisfaction of existence of the circumvention have been listed in the initiation notification and the Authority proceeded with the investigation accordingly.
 - ii. As regards the contentions regarding the absence of factors like production, sales, capacity, profit based on which it has been alleged or concluded that the anti-dumping duty imposed has been rendered ineffective the Authority notes that the examination of undermining of the remedial effects of the anti-dumping duty imposed has to be seen in terms of effect on price and/or quality. The authority notes that the undermining effect of anti-dumping duty has been analyzed in this finding considering, erosion of duty, impact on market share of domestic industry and Indian industry as a whole and price undercutting effect on domestic industry's prices.
 - iii. As regards the contentions raised on the import volumes from other countries being high and at low prices, the Authority notes on the basis of the import data for the period of investigation that the majority of such imports are from Nepal which is already attracting anti-dumping duty. Imports from Bangladesh are sizeable.
 - iv. As regards the contentions raised on the orders of the Jute Commissioner restricting the supply of Jute Bags, the Authority notes that the Jute Commissioner issues qualified orders which requires the mills to give priority during 3-4 months in a year to Government supply. The jute producers/mills are free to sell in the open market provided they comply with the orders undertaken for the government supply.

- v. As regards the issue raised on the construction of the normal value, the Authority has evaluated Normal value for cooperating producers/exporters as per their data and constructed normal value as per rule 6(8) as per its consistent practice.
- vi. As regards the contention on the issue of excessive confidentiality, the authority notes that wherever found appropriate the claims of confidentiality have been allowed, after due verification of such claims.
- vii. As regards the submissions on the observations of the Punjab government, the Authority notes that under such investigation the focus is to evaluate undermining effect of circumventing product if any on domestic industry's sales in open market and that the issues of supplies under Government contract are not under the realm of this investigation.
- viii. As regards the contention that the applicant has filed revised application, the Authority notes that there was no revised application filed by the petitioner. The submission dated 8th June, 2018 was in response to the questionnaire issued by the Authority to the domestic producers and was filed well within the time limits permitted by the Authority.

F. Evidence of Circumvention

F.1 Submissions by Exporters, Importers and Other Interested Parties/Other Parties

22. Submissions made by the interested parties with regard to evidence of circumvention is as follows:
- i. The domestic industry stated for examination of changes in trade pattern and also stated that the undermining of the remedial effects of anti-dumping duties are required to be examined in the circumvention investigations carried out under Rule 25(3) of the Indian Anti-dumping Rules but not in the current investigation as it is initiated under Rule 25(1). The domestic industry has alleged on the one hand that undermining of anti-dumping duties is not the criteria that is to be examined in the current investigation as the current investigation is to be examined under Rule 25(1). In this connection, it is also not out of place to mention herein that the domestic industry has made detailed submissions on the change in the trade pattern. However, the domestic industry failed to comprehend that the change in the trade pattern is also covered in Rule 25(3) but not in Rule 25(1).
 - ii. In present investigation, all those companies which came into existence after the original POI, started production of subject goods after the original POI or started exports of subject goods do not fall under the category of circumvention.
 - iii. **No Change in Pattern of Trade**
 - **There is no change in pattern of trade of M/s Afil Jute Weaving Mills Ltd.**
 - a. The respondent has exported the PUI to India based on the demand to unrelated companies. Accordingly, the exporter is not aware if the PUI exported by us to India are being converted into PUC either in India or in a third country before being put to final use.

- b. The respondent has also exported the PUI to India during the POI of original investigation as well as during the post POI of the original investigation based on its demand to the unrelated customers. The respondent has also exported the PUI to other countries based on its demand.
 - c. The exporter has not changed the pattern of trade to circumvent anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh. Therefore, it is submitted that the respondent has not circumvented the duty imposed on the imports of PUC from Bangladesh in terms of Rule 25(1) of the Anti-dumping Rules, 1995.
- **There is no change in pattern of trade of M/s Jobaida Karim Jute Mills Ltd.**
- d. The respondent has exported the PUI to India based on the demand to unrelated company. It may be noted that the respondent has exported only one consignment of PUI to India during the POI. It may also be noted that during the POI the company has also exported the PUI to other country based on its demand. The respondent has not exported the PUI to India either before or after the POI. However, the company has exported the PUI to other country during Post POI based on its demand.
 - e. From the information provided above, it is amply clear that the respondent has not circumvented the duty imposed on the imports of PUC from Bangladesh in terms of Rule 25(1) of the Anti-dumping Rules, 1995.
- iv. The exporter has not changed the pattern of trade to circumvent anti- dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh.
 - v. The product under investigation is not only exported to India but to other countries also. Since the PUI was also exported prior to the original investigation it cannot be said that the production and exports of the PUI are a result of the imposition of the anti-dumping duty.
 - vi. All those companies which came into existence after the original POI, started production of subject goods after the original POI or started exports of subject goods do not fall under the category of circumvention
 - vii. The exports of PUI do not have the ingredients of circumvention under the rules as it is only the continuation of an earlier export activity. PUI was imported historically as a commodity yet it was excluded from the original case and so it cannot be said that imports of PUI are nothing but imports of sacking bags in an unassembled, unfinished or incomplete form.
 - viii. The Authority took note of the fact that there were fully integrated producers in India and some were integrated backwards being composite which includes manufacturing of sacking bags after purchasing sacking cloth and so on.

F.2. Submissions by Domestic Industry

23. Following submissions have been made by the domestic industry with regard to circumvention are

as follows-

- i. Circumvention is established from - producers from Bangladesh exporting Jute Sacking bags in incomplete form (i.e., cloth) which is being completed in India; exports of the penultimate form, sacking cloth, from Bangladesh, increased after the imposition of anti dumping duties; and the value consequent to completion operation from sacking cloth to sacking bag is insignificant.
- ii. Post imposition of anti-dumping duties, the producers in Bangladesh started exporting cloth instead of bag, on finding that the ADD is on yarn, sacking bag and hessian fabric.
- iii. Imports of Jute sacking cloth were merely around 3000 MT in the 2014-15, the POI in the original investigation. Imports have since then increased and further intensified post imposition of duty. It is clear change in trade of imports post initiation and further after imposition of duty. Import price reported for sacking cloth is significantly lower than the import price for sacking bag without corresponding difference in cost. There is a significant change in the pattern of trade with regard to both price and quantity as imports of sacking bag has been practically replaced by imports of sacking cloth at significantly low price.
- iv. Exporters who have provided information on capacity, production and exports of PUC and PUI evidence that the production and sale of PUI, i.e., sacking cloth started after imposition of duty. It also shows that the exports of PUI are only to India which has imposed duties on PUC, i.e., Sacking Bag.
- v. Value addition involved in making bags from cloth per MT is minimal. The value addition from the stage of cloth to bag is negligible (around *** %) and certainly much below the limits prescribed under the circumvention provisions.
- vi. Production process from sacking cloth to sacking bag constitutes an insignificant process within the meaning of circumvention rules. The only process required from the stage of cloth to bag is stitching.
- vii. The claim of the interested party itself establishes existence of circumvention. The responding exporters represented by the Traco Legal have provided information on index basis about the production, sales and exports. It is clearly seen that the production and sales of the subject goods of PUI started after anti dumping duty got imposed in Jan 2017.

F.3. Examination of the Authority

24. The Authority has examined the aforesaid submissions and alleged circumvention phenomena under relevant Act/ Rules i.e. section 9 A (1) of the Customs Tariff Act, 1975 and Rule 25 of the AD Rules which state as follows—

“Section 9A(1A) of the Customs Tariff Act Where the Central Government, on such inquiry as it may consider necessary, is of the opinion that circumvention of anti-dumping duty imposed under sub-section (1) has taken place, either by altering the description or name or composition of the article subject to such anti- dumping duty or by import of such article in an unassembled or disassembled form or by changing the country of its origin or export or in any other manner, whereby the anti-dumping duty so imposed is rendered ineffective, it may extend the anti-dumping duty to such article or an article originating in or exported from such country, as the case may be.”

25. Rule 25 of AD Rules related to Circumvention of anti-dumping duty states as under ;

(1) Where an article subject to anti-dumping duty is imported into India from any country including the country of origin or country of export notified for the purposes of levy of anti-dumping duty, in an unassembled, unfinished or incomplete form and is assembled, finished or completed in India or in such country, such assembly, finishing or completion shall be considered to circumvent the anti-dumping duty in force if,

(a) the operation started or increased after, or just prior to, the anti-dumping investigations and the parts and components are imported from the country of origin or country of export notified for purposes of levy of anti-dumping duty; and

(b) the value consequent to assembly, finishing or completion operation is less than thirty-five percent of the cost of assembled, finished or complete article.

Explanation I. – ‘Value’ means the cost of assembled, complete or finished article less value of imported parts or components

Explanation II. - For the purposes of calculating the ‘value’, expenses on account of payments relating to intellectual property rights, royalty, technical know-how fees and consultancy charges, shall not be taken into account.

(2)....

(3)

Explanation. - For the purposes of this sub-rule, it shall be established that there has been a change in trade practice, pattern of trade or channels of sales if the following conditions are satisfied, namely: -

(a) absence of a justification, economic or otherwise, other than imposition of anti-dumping duty;

(b) evidence that the remedial effects of the anti-dumping duties are undermined in terms of the price and or the quality of like products.

26. The Authority notes that the AD measure is producer/exporter specific and in an Anti-Circumvention investigation, producers/exporters subjected to an AD investigation need to provide data so that the shift in trade pattern specifically by them post levy of a measure can be evaluated. Also the Value addition related to conversion of PUI to PUC is computed. The Authority notes that a large number of producers/exporters responded in the present investigation as mentioned in the foregoing paras. Further, the domestic industry has also provided information on cost of conversion from PUI to PUC. The Authority considered the trade pattern shift noted in PUI from PUC, the Value addition in converting PUI to PUC on the basis of data provided by the cooperating producers/exporters including domestic industry as mentioned in the subsequent paras.

a. Shift in Trade Pattern

27. The Authority has examined the stipulated criteria on shift in trade pattern, value addition threshold of PUC from PUI, whether change in trade pattern is stemmed from an economic justification or is on account of levy of ADD, in accordance with rule 25(1).

28. The Authority has examined the change in the pattern of trade by analyzing the volume of imports of the PUC and PUI from the period 2014-15 to POI. Further, monthly analysis of imports of both PUC and PUI has also been done for the period of investigation from October 2016 to December 2017.
29. The Authority notes that it has been pointed out that the import for 2014-15 does not include import in all ITC HS codes. The overall import data has been revised and accordingly appropriate changes has been carried out in Paras under Trade pattern and undermining of remedial effect evaluation.

Trade Pattern of PUI/PUC from the subject country from 2014-15 till POI

Period	Sacking Bag	Sacking Cloth	Total SB+SC	Quantity Ratio	
				PUC	PUI
	Volume in MT				
2014-15	45,036	3,028	48,064	94%	6%
2015-16	60,151	10,424	70,575	85%	15%
2016-17	33,796	11,442	45,238	75%	25%
POI	12,828	39,469	52,297	25%	75%

Monthly Trade Pattern of PUI/PUC from the subject country during POI

Period	Sacking Bag	Sacking Cloth	Total SB+SC	Quantity Ratio	
				PUC	PUI
	Qty in MT				
Oct-16	2,992	196	3,188	94%	6%
Nov-16	2,626	248	2,874	91%	9%
Dec-16	3,179	109	3,288	97%	3%
Jan-17	1,981	656	2,637	75%	25%
Feb-17	667	2,774	3,442	19%	81%
Mar-17	192	1,437	1,630	12%	88%
Apr-17	267	3,877	4,144	6%	94%
May-17	75	2,943	3,018	2%	98%
Jun-17	120	2,395	2,514	5%	95%
Jul-17	59	2,230	2,289	3%	97%
Aug-17	123	4,759	4,882	3%	97%
Sep-17	77	2,277	2,354	3%	97%
Oct-17	139	5,557	5,695	2%	98%
Nov-17	154	5,226	5,380	3%	97%
Dec-17	177	4,785	4,961	4%	96%

30. It is noted that the volume of imports of Jute Sacking Bags (PUC) from Bangladesh declined post imposition of the definitive ADD whereas imports of Jute Sacking Cloth (PUI) from Bangladesh increased thereafter. The share of PUI in total imports both of PUC and PUI has increased from 6% in 2014-15 to 75% in the POI of the present investigation whereas share of PUC declined from 94% in 2014-15 to 25% in the POI. Monthly analysis of the imports shows that imports of PUI which was 6% of imports from Bangladesh in the month of October 2016 rose to 96% in December 2017

whereas share of PUC declined from 94% in October 2016 to mere 4% in December 2017.

Comparative trade pattern with data of cooperating producers/exporters is as under:

Trade pattern of PUC/PUI from the Subject Country on overall basis and as reported by cooperating Producers /exporters.*

	PUC overall (in %)	PUI (%) (overall)	PUC Cooperative (in %)	PUI (%) (Cooperative)
2014-2015	92	8	96	4
2015-2016	85	15	87	13
2016-2017	75	25	69	31
POI	24	76	19	81

*Constitute about 50% of overall exports of PUC/PUI to India during POI.

Thus the two trade patterns correlate considerably.

31. The circumvention law in India states ‘*the operation started or increased, after or just prior to, the anti-dumping investigation...*’ In the present case, the increase of imports of PUI as well as the simultaneously decrease of imports of the PUC since imposition of measures, establishes the same.
32. The Table below depicts the sales pattern of PUC and PUI by the domestic industry, subject country and non-subject countries in the open market i.e. market outside the government procurement of PUC.

SN	Period	Domestic Industry (13 Companies)		Imports from Bangladesh		Imports-Other Countries	
		PUC	PUI	PUC	PUI	PUC	PUI
1	2014-15	69,193	4,889	45,036	3,028	28,411	45
2	2015-16	34,104	3,173	60,151	10,424	21,646	6
3	2016-17	19,995	4,401	33,796	11,442	15,190	-
4	Oct 16-Dec-17 (POI)	30,784	2,876	12,828	39,469	27,936	51
5	POI Annualised	24,627	2,301	10,262	31,575	22,349	41

33. From the above, it is noted that there are practically no imports of sacking cloth (PUI) from any other countries into India. In 2014-15, the total sales of PUI in open market are about 8000MT, which became almost four times in POI. The Authority holds that the pattern of imports especially from the subject country have changed without any emergence of new use of PUI suggesting genuine change in the usage of the final product since the imposition of anti-dumping duties on the PUC. The Authority notes that there were sales of PUI in 2014-15 though in small quantity

and that there could be some sales of PUI in open market for use in some non PUC application areas i.e. for usage in non sacking bag conversion applications. Therefore Authority has exempted such bonafide imports of PUI subject to appropriate administrative monitoring and control by port Authorities.

b. Value Addition below 35% of the cost of assembly, finishing of complete article

34. The Rule 25(1) (b) of AD Rules requires that “value consequent to assembly, finishing or completion operation is less than thirty-five percent of the cost of assembled, finished or complete article”. It is noted that sacking bag is made from sacking cloth and the only process involved is of giving a shape/structure to sacking cloth in the form of bag which most typically involves the process of stitching, either manually or by a machine. Onsite verification of the exporters as well as domestic producers, data indicates that value addition both from Domestic Industry’s and Exporters data ranges from 3% to 8% with an average of about 5%.
35. Authority notes that coincidence between the change in pattern of trade and imposition of the measures seems to be governed by economic benefits/cost savings from the production and exports of sacking cloth instead of sacking bag. The Authority has stated the same in later paras the advantage accruing due to this under examination of erosion of efficacy of ADD.
36. Therefore, the shift in trade pattern encouraged by value addition being much lower than the prescribed incentivizes export of PUI rather than PUC further establishing the phenomena of circumvention.

G. Determination of Normal Value, Export Price and Dumping Margin

37. The Authority notes that Rule 26(4) also requires establishing that the article circumventing the existing ADD i.e. PUC is dumped. Further the Rule 26(5) states that evidence, procedure requirements of Rule 6 shall apply *mutatis mutandis* to investigation carried out under this Rule.

G.1. Views of Exporters, Importers and other interested parties

38. Following submissions have been made by the other interested parties:
- (i) The allegation of dumping made by the domestic industry is on wrong premise. The normal value in the circumvention investigation cannot be determined on the basis of the cost of domestic industry now as the normal value for the product which is not like article to the PUC in the original investigation and both PUC and PUI falling under different HSN codes. Further, when the domestic industry has consciously excluded Jute Sacking Cloth as considering it not to be like article to the PUC, the PUI now cannot be made subject to circumvention investigation. There are several instances for example, the domestic industry got duties on MDF Board and no duty recommended for Door Skins. The DI may allege for circumvention for Door Skins and get the duties extended on this product.

- (ii) All the producers/exporters have filed complete data/ questionnaire Response with the Authority. The Authority may analyze whether goods from Bangladesh are dumping or not. We are hereby claiming that we are not dumping the sacking cloth into India. Hence cannot be subjected to duty under anti-circumvention investigation as claimed by the applicants.
- (iii) The dumping margin calculated by the petitioner is based on the constructed normal value. We are unable to understand when actual data of number of exporters is available, there is no point of calculation of constructed normal value. The exporters have filed complete response with the Authority, normal value should be calculated based on the same. As per our information, the product under investigation are not being dumped in India and is not causing injury to the domestic industry.
- (iv) The respondent has not sold the PUI (Jute Sacking Cloth) in the domestic market during the period of investigation (October 2016 to December 2017). Accordingly, the respondent requests the Authority to construct the normal value for different grades of PUI in line with the provisions of explanation C of Section 9A of the Customs Tariff Act, 1975.
- (v) In response to the exporter verification report, the producer/exporter submit that assort long raw jute in different grades & cutting. So, the producer/exporter maintains opening and closing stock of the various types of the assorted raw jutes. Investigating team requested to provide the purchase and consumption records of the assorted quality of raw jute during the on-spot verification. The producer/exporter has reiterate that it is not possible for the company or any other jute mill to produce such records as assortment is an internal process, which results in different grades of raw jute and cuttings. So, the producer/exporter revised the costing of PUC and PUI considering that lowest quality of raw jute purchased has been consumed in the production of PUC and PUI. Therefore, grade wise purchase details of the assorted quality raw jute are not available. However, as noted in the verification report, details of raw jute opening stock, closing stock and consumption in totality was provide and tallied with the audited statement. The producer/exporter had also provided the grade wise details of the purchase of raw jute. The total purchase of the raw jute also matches with the audited statement for POI.

G.2. Examination by Authority:

39. On the spot exporter verification was undertaken by the investigation team during 26-30 January 2019 in Dhaka. Out of 44 responses filed by producers/exporters/traders, 34 were filed through different advocates and 10 directly by producers/exporters as below:

a. Questionnaire response filed by M/s World Trade Consultants & Advocates

- (i) M/s Motahar Hossain Chowdhury Jute Mills Ltd. Bangladesh
- (ii) M/s Mohini Nabil Jute Mills Ltd. Bangladesh
- (iii) M/s Ranu Agro Industries Limited Bangladesh
- (iv) M/s Mirza Jute Mills Ltd. Bangladesh
- (v) M/s Rahman Jute Mills (Pvt.) Ltd. Bangladesh
- (vi) M/s Sagar Jute Spinning Mills Ltd. Bangladesh
- (vii) M/s A.N International, Bangladesh
- (viii) M/s Arnu Jute Mills Ltd. Bangladesh
- (ix) M/s Jamuna Jute Industries Ltd. Bangladesh
- (x) M/s Aba Jute & Twine Industries Ltd. Bangladesh
- (xi) M/s Rabeya Jute Mills Bangladesh
- (xii) M/s Bangla Jute Mills Ltd. Bangladesh

- (xiii) M/s Glory Jute Ltd.
- (xiv) M/s Hasen Jute Industries Ltd.
- (xv) M/s Ecotrade International
- (xvi) M/s Erans Trade International Ltd.
- (xvii) M/s G Traders
- (xviii) M/s Mouna Jute Mills Ltd.
- (xix) M/s Gem Jute Ltd.
- (xx) M/s Uttara Jute Fibres & Industries Ltd.
- (xxi) M/s Nabarun Jute Mills Limited

b. Questionnaire response filed by M/s M. S. Pothal & Associates Chartered Accountants

- (i) M/s Partex Jute Mills Limited Bangladesh
- (ii) M/s SIDlaw Textiles (Bangladesh) Limited
- (iii) M/s Nawhata Jute Mills Ltd.
- (iv) M/s Kurigram jute Processing Works Bangladesh
- (v) M/s Sarah Composite Mills Limited Bangladesh
- (vi) M/s Purabi Trading
- (vii) M/s Mymensingh Jute Mills Ltd.
- (viii) M/s Asha Jute Industries Limited

c. Questionnaire response filed by M/s PricewaterhouseCoopers Private Limited

- (i) M/s R. M. Jute Diversification Mills Ltd.
- (ii) M/s Jobaida Karim Jute Mills Ltd.
- (iii) M/s Afil Jute Weaving Mills Ltd.
- (iv) M/s Sonali Jute Mills Limited

d. Questionnaire response filed by M/s TracoLegal – Advocates & Consultants

- (i) M/s Jute Textile Mills Ltd.

e. Following responses were filed directly by producers/exporters

- (i) M/s Alijan Jute Mills Limited
- (ii) M/s Sonali Aansh Industries Limited
- (iii) M/s. Ahyan Jute Mills Ltd
- (iv) M/s Hafiz Jute Mills Limited
- (v) M/s Interlink International
- (vi) M/s Jatio Jute Mills Ltd.
- (vii) M/s Latif Bawany Jute Mills Limited
- (viii) M/s Northern Jute Manufacturing Company Limited
- (ix) M/s Rajbari Jute Mills Ltd
- (x) M/s South Trade International

f. Out of above 21 producers/exporters filed by M/s WTC, data of 12 producers/exporters only

was presented for verification. For 9 producers/exporters as mentioned below. M/s WTC withdrew themselves as an advocate as the requisite data was not provided to them by these producers/exporters. These 9 producers/exporters are M/s Bangla Jute Mills Ltd., M/s Glory Jute Ltd., M/s Hasen Jute Industries Ltd., M/s Mirza Jute Mills Ltd., M/s Mohini Nabil Jute Mills Ltd., M/s Motahar Hossain Chowdhury Jute Mills Ltd., M/s G. Trader, M/s Gem Jute Ltd. and M/s A.N. International. However out of these 9, M/s Mirza Jute and M/s Glory gave certain documents which included sample copies of sales documents to the team but no verification with back up record could be done for various aspects of questionnaire including the cost of production of PUI/ PUC.

- g. Out of the 4 producers/exporters represented by M/s PWC, M/s R.M. Jute Diversification Mills Ltd., M/s Jobaida Karim Jute Mills Ltd., and M/s Afil Jute Weaving Mills Ltd. participated in on-spot verification. M/s Sonali Jute Mills Limited remained non cooperative.
- h. The 8 producers/exporters represented by M/s M.S. Pothal and Associates Chartered Accountants provided data during on-spot verification on exports, domestic sales and cost of production as applicable. These were M/s Partex Jute Mills Limited Bangladesh, M/s SIDlaw Textiles (Bangladesh) Limited, M/s Nawhata Jute Mills Ltd., M/s Kurigram jute Processing Works Bangladesh, M/s Sarah Composite Mills Limited Bangladesh, M/s Purabi Trading, M/s Mymensingh Jute Mills Ltd. and M/s Asha Jute Industries Limited.
- i. M/s Tracolegal representing M/s Jute Textile Mills Ltd. provided relevant data during onspot verification.
- j. As regards 10 direct responses, the following is the status on facts of verification and cooperation.
 - M/s Alijan Jute and M/s Sonali Aansh Industries Limited (related companies) participated in on-spot verification and submitted certain data, followed by some additional data through email but not to the extent required by the verification team for verifying the claim made.
 - M/s Jatio Jute Mills Ltd., a Government Mill under Bangladesh Jute Mill Cooperation, Ministry of Textiles through letter dated 29/1/2019 stated that their records have been damaged in fire and requested for one month time. 2 other Government mills M/s Latif Bawany Jute Mills Limited and M/s Hafiz Jute Mills Limited did not participate in on-spot verification and present data for verification. The team in a meeting with BJMC, M/o Textiles informed the corporation regarding the status on the filing and verification of data by their plants. Though 10 days time was granted no data was filed. As stated in foregoing paras, M/s Eastern Jute Mills Ltd, also a BJMC mill sent incomplete questionnaire through Email with no hard copy.
 - For M/s Rajbari Jute Mills Ltd. and M/s Northern Jute Manufacturing Company Limited, it is noted there have been no sales of PUI during POI to India.
 - M/s South Trade International and M/s Interlink International are observed as traders who did not export PUI to India during POI. M/s Ahyan Jute Mills Ltd. did not export PUI to India during POI but only Jute yarn to India.

- k. The Authority post on spot verification issued appropriate reports to concerned producers/exporter on the facts of verification undertaken i.e. stating documents provided by producers/exporters who had presented data for verification and facts about non-participation by the ones who did not present themselves during on-spot verification. Comments filed by concerned producers/exporters on the above reports have been taken note of appropriately.
- l. The Authority has evaluated individual Dumping Margin for producers/exporters who have cooperated and for residual/non-cooperating the Authority has applied rule 6(8) referencing best available information as per its consistence practice. The dumping margin for PUI during POI for both Cooperating and non-cooperating producers/exporters is evaluated as under:

40. Dumping margin evaluation and shift of pattern of trade:

A. COOPERATING PRODUCER/EXPORTER:

a) The shift of pattern of trade and dumping margin evaluation of the producers/exporters represented by M/s World Trade Consultants is as under:

1. M/s Sagar Jute Spinning Mills Ltd., (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Sagar Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	100.00	100.00	163.35	23.64	0.00	0.00
POI (Before ADD)- Oct.,2016-4 Jan.,2017	1	0.00	0.00	87.95	0.00	0.00
POI (After ADD)- Jan.,2017-31 Dec.,2017	5	100.00	100.00	12.05	100.00	0.00
POI (Overall)		100.00	100.00	100.00	100.00	0.00

(ii) Normal Value

The producer/exporter has sold *** MT of PUI during POI in the domestic market at an average price of *** BDT/MT at ex-mills in cash, which is *** % of the exports to PUI to India. The company has not exported PUI exports to other countries.

The total sales value during POI claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic, exports to India and third country sales is reconciled with the Questionnaire response.

The COP for the PUI during POI including inland freight and bank charges is evaluated as *** BDT/MT. To determine normal value, OCT test has been carried out considering cost of production excluding inland freight and bank charges on the basis of which all sales are noted to be in loss. The normal value is therefore computed on the basis of the cost of production with an average profit of *** % of the company during POI. The Normal value is ***BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT) (CNF). The adjustments have been claimed on the basis of actual expenses incurred on inland freight, credit cost and bank charges to an extent of ***, *** and *** \$/MT respectively. Since the company has claimed that it does not report inland freight and bank charges as separate heads of accounts, the export price at appropriate level is *** \$/MT i.e. ***BDT/MT by excluding credit cost only.

(iv) Dumping Margin:

The authority evaluated dumping margin by comparing normal value and export price at the same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	10-20

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

2. M/s Mouna Jute Mills Ltd., (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Mouna Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	57.97	0.00	641.63	0.00	47.09	0.00
2015-16	77.29	0.00	83.43	0.00	62.49	0.00
2016-17	63.50	0.00	245.58	14.27	115.20	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	13.72	0.00	100.00	0.00	26.01	0.00

POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	86.28	0.00	0.00	100.00	73.99	0.00
POI (Overall)	100.00	0.00	100.00	100.00	100.00	0.00

(ii) Normal Value

The total sales value during POI claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic, exports to India and third country sales is reconciled with the Questionnaire response.

The company has not sold PUI either in domestic market or exported to countries other than India. The COP for the PUI during POI includes inland freight, bank charges and other financial adjustments. The authority has evaluated normal value based on cost of production plus profit of *** % of the company during POI. The Normal value is *** BDT/MT.

(iii)Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT) (FOB). The adjustments have been claimed on the basis of actual expenses incurred on incurred on inland freight, credit cost, bank charges and other export documentation adjustments to an extent of ***, ***, *** and *** \$/MT respectively. The company has exported PUC and PUI to India through two related traders namely Eco Trade International and Erans Trade International Ltd., during POI who have exported to India with a markup. The Ex-factory export price at an appropriate level only excluding credit cost is *** BDT/MT.

(iv)Dumping Margin

The authority evaluated dumping margin by comparing normal value & Ex-factory Export price at same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin(%)	Dumping Margin (% range)
***	***	***	***	0-10

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

3. M/s Rabeya Jute Mills, (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Rabeya Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	0.00	0.00	0.00	0.00	0.00	0.00
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	0.00	0.00	0.00	100.00	0.00	0.00
POI (Overall)	0.00	0.00	0.00	100.00	0.00	0.00

(ii) Normal Value

The total sales value claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic and exports to India is reconciled with the Questionnaire response.

The company has not sold PUI either in domestic market or exported to countries other than India. The COP for the PUI during POI includes inland freight and bank charges. The authority has evaluated normal value based on cost of production plus profit i.e. *** % of the company during POI. The Normal value is *** BDT/MT.

(iii)Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT (FOB)). The adjustments have been claimed on the basis of actual expenses incurred on credit cost, inland freight and bank charges to an extent of ***, *** and *** \$/MT respectively. The exfactory export price excluding only credit cost at appropriate level is *** \$/MT. i.e. ***BDT/MT.

(iv) Dumping Margin

The authority evaluated dumping margin by comparing normal value & ex-factory price at same level of trade and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin(%)	Dumping Margin (% range)
***	***	***	***	0-10

The producer/exporter has not filed any comments to the disclosure. However in light of submissions by various producers/exporters and the High Commission of Bangladesh on profit margin, the dumping margin for the producer/exporter is recomputed in later paragraphs.

4. M/s Ranu Agro Industries Limited. , (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Ranu Agro Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	23.12	0.00	0.00	0.00	0.00	0.00
2015-16	29.67	0.00	0.00	0.00	0.00	0.00
2016-17	30.96	0.00	0.00	0.00	0.00	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	22.07	0.00	0.00	0.00	0.00	0.00
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	77.93	0.00	0.00	100.00	0.00	0.00
POI (Overall)	100.00	0.00	0.00	100.00	0.00	0.00

(ii) Normal Value

The total sales value claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP form. With these two reconciliations the total sales including domestic and exports to India is reconciled with the Questionnaire response.

The company has not sold PUI either in domestic market or in exports to other countries. The COP for the PUI during POI could not be verified/authenticated and therefore highest normal value of cooperating producer/exporter and average profit of cooperating producer/exporter i.e. *** % has been adopted. The Normal value is *** BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT (CNF). The adjustments have been claimed on the basis of actual expenses incurred on inland freight to an extent of *** \$/MT respectively. No credit cost has been claimed as payment has been received in advance. The ex-factory export price considered at an appropriate level is *** \$/MT i.e. ***BDT/MT.

(iv) Dumping Margin

The authority evaluated dumping margin by comparing normal value & export price at appropriate level as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin(%)	Dumping Margin (% range)
***	***	***	***	30-40

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

5. M/s Rahman Jute Mills (Pvt.) Ltd.,(Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Rahman Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	0.00	0.00	804.71	0.00	86.58	0.00
2015-16	0.00	0.00	513.61	0.00	0.00	0.00
2016-17	50.00	66.67	103.73	22.96	39.47	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	0.00	26.67	100.00	0.00	0.00	0.00
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	100.00	73.33	0.00	100.00	100.00	0.00
POI (Overall)	100.00	100.00	100.00	100.00	100.00	0.00

(ii) Normal Value

The total sales value claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic, exports to India and third country sales is reconciled with the Questionnaire response.

The producer/exporter has sold *** MT of PUI terms in during POI in the domestic market at a price *** BDT (*** BDT/MT) at ex-mills in cash. The domestic sales value is reconciled with the audited P/L account for POI.

Since PUI sales in domestic market is only *** % of exports to India, which is less than *** % of export sales to India of PUI, the authority does not propose to consider domestic sales of PUI to evaluate normal value.

The Authority has adopted normal value based on cost of production plus profit of ***% of the company during POI to determine normal value. The Normal value is *** BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT) (ex-mills). The adjustments have been claimed on the basis of actual expenses incurred on credit cost and bank charges to an extent of *** and *** \$/MT respectively. Since the company has claimed that it does not report bank charges as a separate head of accounts, the export price considered at an appropriate level is *** \$/MT i.e. only excluding credit cost i.e. ***BDT/MT

(iv) Dumping Margin

The authority evaluated dumping margin by comparing normal value and export price at same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin(%)	Dumping Margin (% range)
***	***	***	***	0-10

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

6. M/s Nabarun Jute Mills Limited., (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Nabarun Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	35.67	0.00	750.57	0.00	298.51	0.00
2015-16	64.21	0.00	1030.06	0.00	63.02	0.00
2016-17	3.12	0.00	293.11	4.20	66.83	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	3.12	0.00	66.10	0.00	3.09	0.00
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	96.88	0.00	33.90	100.00	96.91	0.00
POI (Overall)	100.00	0.00	100.00	100.00	100.00	0.00

(ii) Normal Value

The total sales value claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic, exports to India and third country sales is reconciled with the Questionnaire response.

The company has not sold PUI either in domestic market or in exports to other countries. The COP for the PUI during POI includes inland freight and bank charges. The authority has evaluated normal value based on cost of production plus reasonable profit i.e. *** % (higher of the *** % or actual of the company at *** %). The Normal value is *** BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT) (FOB). The adjustments have been claimed on the basis of actual expenses incurred on inland freight, credit cost and bank charges to an extent of ***, *** and *** \$/MT respectively. The ex-factory export considered at an appropriate level is *** \$/MT i.e. ***BDT/MT.

(iv) Dumping Margin

The authority evaluated dumping margin by comparing normal value & export price at same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	0-10

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

7. M/s Jamuna Jute Industries Ltd., (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Jamuna Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty.	PUI Qty.	PUC Qty.	PUI Qty.	PUC Qty. (MT)	PUI Qty.

	(MT)	(MT)	(MT)	(MT)		(MT)
2014-15	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	0.00	0.00	0.00	0.00	0.00	0.00
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	0.00	0.00	0.00	100.00	0.00	0.00
POI (Overall)	0.00	0.00	0.00	100.00	0.00	0.00

(ii) Normal Value

The total sales value claimed is reconciled with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic, exports to India and third country sales is reconciled with the Questionnaire response.

The company has not sold PUI either in domestic market or in exported to countries other than India. The COP for the PUI during POI includes inland freight and bank charges. The authority has evaluated normal value based on cost of production plus reasonable profit. The normal value is computed on the basis of the cost of production with*** % profit or overall profit of the producer/exporter (*** %) whichever is higher. The Normal value with *** % profit is *** BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (*** US\$/MT) (CNF). The adjustments have been claimed on the basis of actual expenses incurred on inland freight and bank charges to an extent of *** and *** \$/MT respectively. The Company has not claimed credit cost as the payments have been received in advance. The ex-factory export price at appropriate level is *** \$/MT i.e. excluding credit cost i.e. ***BDT/MT.

(iv) Dumping Margin

The Authority evaluated dumping margin by comparing Normal Value & Export price at same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	0-10

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

8. M/s Arnun Jute Mills Ltd., (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Arnun Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	255.07	0.00	9.13	0.00	0.00	0.00
2015-16	134.45	0.00	157.54	2.69	0.00	0.00
2016-17	74.01	0.00	409.95	27.70	0.00	0.00
POI (Before ADD)-1 Oct.,2016-4 Jan.,2017	13.92	0.00	100.00	0.84	0.00	0.00
POI (After ADD)-5 Jan.,2017-31 Dec.,2017	86.08	0.00	0.00	99.16	0.00	0.00
POI (Overall)	100.00	0.00	100.00	100.00	0.00	0.00

(ii) Normal Value

The total sales value claimed is reconciling with the audited P/L Accounts for the POI. Total exports sales is reconciled with the bank certificate for the POI with all details of EXP forms. With these two reconciliations the total sales including domestic and exports to India sales is reconciled with the Questionnaire response.

The company has not sold PUI either in domestic market or exported to countries other than India. The COP for the PUI during POI includes inland freight, CNF & documentation fee and bank charges. The authority has evaluated normal value based on cost of production plus reasonable profit of *** % for company as a whole. The Normal value is *** BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent of *** MT at an invoice value of (*** \$) (*** US\$/MT (CNF)). The adjustments have been claimed on the basis of actual expenses incurred on incurred on inland freight, CNF & documentation fee and bank charges to an extent of ***, *** and *** \$/MT respectively. The ex-factory export price excluding credit cost only is considered at an appropriate level as *** US\$/MT i.e. ***BDT/MT.

(iv) Dumping Margin

The Authority purposes to evaluate dumping margin by comparing normal value and export price at same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDt/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin(%)	Dumping Margin (% range)
***	***	***	***	Less than 2%

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

9. M/s Aba Jute & Twine Industries Ltd., (Producer/Exporter) Bangladesh

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Aba Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	0	0	0	0	0	0
2015-16	0	0	0	0	0	0
2016-17	0	0	0	0	0	0
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	0	0	0	0	0	0
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	100	0	0	100	0	0
POI (Overall)	100	0	0	100	0	0

(ii) Normal Value

The producer/exporter was informed in the verification report to provide list of total EXP forms issued by their bank for exports sales and also certified copies by the bank. However, the same has not been provided.

The company has not sold PUI either in domestic market or in exports to other countries. It has been observed during verification that cost of labour claimed by the company is very low as compared to other jute mills in Bangladesh and same could not be authenticated from the records available. The details, reasons/justification for decrease in the financial cost of the company in the year 2017-18 as compared to the 2016-17 could not be given by the company during verification. It is noted that though there is a difference in Production and Sales, however, the same is not reflected as Stock Adjustment of Finished Goods in the Appendixes 7 and 8 submitted by the company. Also, cost of labour claimed by the company is very low as compared to other jute mills in Bangladesh and same

could not be authenticated/verified from the records available. Therefore, the cost of production claimed by the company could not be authenticated, verified based on the records provided at the time of verification.

Accordingly, for the producer/exporter the normal value has been purposed to be evaluated on the basis of best available information i.e. the highest Normal Value in respect of participating/verified exporters with average profit of *** %. The normal value, so adopted is *** BDT/MT during POI.

(iii)Export Price

The producer/exporter has exported *** MT of PUI to India during POI at an invoice value of *** \$ (*** US\$/MT (FOB). The adjustments have been claimed on the basis of actual expenses incurred on inland freight and bank charges to an extent of *** and *** \$/MT respectively. The ex-factory export price is *** \$/MT.

(iv)Dumping Margin

The Authority evaluated dumping margin by comparing normal value and export price at the same

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	50-60

level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

The producer/exporter has not filed any comments to disclosure and therefore the cost of production of PUI is confirmed. However, in light of post disclosure comments by the Bangladesh High Commission the dumping margin has been recomputed in the later paras.

10.M/s Uttara Jute Fibers & Industries Ltd., (Producer/Exporter) **Bangladesh**

(i) Pattern of Trade of PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern -Non-Confidential(Indexed)-Uttara Jute

Period	Domestic Sales		Exports to India		Sales to 3rd Country	
	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)	PUC Qty. (MT)	PUI Qty. (MT)
2014-15	313.27	0.00	593.60	-	176.12	0.00
2015-16	381.89	0.00	247.16	-	19.43	0.00

2016-17	78.38	0.00	610.42	5.02	42.10	0.00
POI (Before ADD)- 1 Oct.,2016-4 Jan.,2017	4.44	0.00	50.18	5.02	10.01	0.00
POI (After ADD)- 5 Jan.,2017-31 Dec.,2017	95.56	0.00	49.82	94.98	89.99	0.00
POI (Overall)	100.00	0.00	100.00	100.00	100.00	0.00

(ii) Normal Value

The producer/exporter was informed in the verification report to provide list of total EXP forms issued by their bank for exports sales and also certified copies by the bank. However, the same has been provided.

The Producer /Exporter has not sold the PUI in the domestic market during the POI. While comparing the 2017-18 audited accounts with 2016-17 audited accounts it has been observed that total factory overhead in 2017-18 is only BDT *** as against BDT *** and direct labour cost is only BDT *** in 2017-18 as against BDT ***, although the sales revenue in 2017-18 and 2016-17 is almost at the same level. The cost of Electricity, Gas & Power, Indirect Material cost, Jute Absorbing Expenses, Repairs & Maintenance, salary & Allowances etc., is shown as Nil in the year 2017-18. There is a wide variation in the Finished Good Stock adjustment. The reason for such wide variation could not be explained during the verification. Therefore, the Financial Accounts for the POI and cost of production could not be authenticated/verified.

Accordingly, the Authority has not considered its cost and adopted the highest Normal Value assessed for the participating and duly verified producers/exporters with an average profit of *** %. The same comes to *** BDT/MT.

(iii)Export Price

The producer/exporter has exported PUI to India during POI to an extent *** MT at an invoice value of *** \$ (***) US\$/MT (FOB). The adjustments have been claimed on the basis of actual expenses incurred on inland freight, credit cost and bank charges to an extent of ***, *** and *** \$/MT respectively. The ex-factory export price considered at an appropriate level is *** \$/MT.

(iv)Dumping Margin

The Authority evaluated dumping margin by comparing normal value and export price at the same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	10-20

The producer/exporter has not filed any comments to disclosure and therefore the cost of production of PUI is confirmed. However, in light of post disclosure comments by the Bangladesh High Commission the dumping margin has been recomputed in the later paras.

11. M/s G. Traders Ltd. and M/s A.N. International:

M/s G traders and M/s A.N. International have responded to the verification report stating that they provided data to their advocate M/s World Trade Consultants. Since M/s WTC withdrew themselves and verification could not be carried out, the Authority has considered best available information for these traders. In any case, the extension of measure if considered would be applied on the associated producer.

b) The shift of pattern of trade and dumping margin evaluation of the producers/exporters represented by M/s M.S. Pothal and Associates Chartered Accountants is as under:

1. Asha Jute Industries Ltd.

(i) Pattern of trade for PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)		Sales to India (Indexed)		Sales to 3 rd Countries (Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	-	-	-	-	-	-
April 2015 to March 2016	-	-	-	-	-	-
April 2016 to 4 th January 2017	100	100	-	-	-	-
5 th January 2017 to March 2017	50	-	-	-	-	-
April 2017 to March 2018	90	136	-	-	-	-
POI (October 2016 to December 2017)	146	174	-	100	100	-

(ii) Normal Value

The producer/exporter has sold ***MT of PUI during POI in the domestic market at a total value

of ***BDT (Average price BDT ***per MT). The sales terms are ex-mills in cash. The total domestic sales value appears in the audited Profit & Loss account for POI. The price difference between PUC and PUI in the domestic market during POI reflects reasonable value addition. To compare normal value, Ordinary Course of Trade (OCT) test has been carried out. For the purpose of OCT test Ex-factory cost of production has been considered. On the basis of OCT test ***% sales are found to be profitable. The normal value is ***BDT/MT.

(iii)Export Price

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on CFR terms (US\$ ***per MT). The adjustments have been claimed on the basis of actual expenses incurred on inland freight (US\$*** per MT), Clearing & forwarding charges (US\$***per MT) and bank charges (US\$***per MT) totalling to an extent of US\$ ***per MT. The EX-factory export price is ***BDT/MT.

(iv)Dumping Margin

For the purpose of dumping margin comparison weighted average normal value and weighted average export price as mentioned above have been considered at same level of trade. The same is computed as under:

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	Negative

2. Mymensingh Jute Mills Ltd.

(i) Pattern of trade for PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)		Sales to India (Indexed)		Sales to 3 rd Countries (Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	-	-	100	100	100	-
April 2015 to March 2016	100	-	481	168	-	-
April 2016 to 4 th January 2017	850	-	140	53	433	-
5 th January 2017 to March 2017	69	-	-	-	354	-

April 2017 to March 2018	419	-	-	321	983	100
POI (October 2016 to December 2017)	331	100	-	13	1,610	298

(ii) Normal Value

The producer/exporter has sold ***MT of PUI during POI in the domestic market at a total value of ***BDT (Average price BDT ***per MT). The sales terms are ex-mills in cash. The total domestic sales value appears in the audited Profit & Loss account for POI. The price difference between PUC and PUI in the domestic market during POI reflects reasonable value addition. To compare normal value, Ordinary Course of Trade (OCT) test has been carried out. For the purpose of OCT test Ex-factory cost of production has been considered. On the basis of OCT test ***% sales are found to be loss making. Hence normal value is ***BDT/MT after adding overall profit of ***% of company.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on CFR terms (US\$ ***per MT). The adjustments have been claimed on the basis of actual expenses incurred on inland freight (US\$*** per MT), Clearing & forwarding charges (US\$***per MT) and bank charges (US\$***per MT) totalling to an extent of US\$ *** per MT. The EX-factory export price is US\$ ***per MT.

(iv) Dumping Margin

However for the purpose of dumping margin comparison, weighted average normal value and weighted average export price have been considered at same level of trade. The same is evaluated as under:

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	Negative

3. Nawhata Jute Mills Ltd.

(i) Pattern of trade for PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)	Sales to India	Sales to 3 rd Countries

			(Indexed)		(Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	100	-	100	-	-	-
April 2015 to March 2016	133	-	52	100	-	-
April 2016 to 4 th January 2017	377	100	22	38	-	-
5 th January 2017 to March 2017	127	18	3	9	-	-
April 2017 to March 2018	255	69	20	79	-	-
POI (October 2016 to December 2017)	244	71	20	184	-	-

(ii) Normal Value

The producer/exporter has sold ***MT of PUI during POI in the domestic market at a total value of ***BDT (Average price BDT ***per MT). The sales terms are ex-mills in cash. The total domestic sales value appears in the audited Profit & Loss account for POI. The price difference between PUC and PUI in the domestic market during POI reflects reasonable value addition. To compare normal value, Ordinary Course of Trade (OCT) test has been carried out. For the purpose of OCT test Ex-factory cost of production has been considered. On the basis of OCT test ***% sales are found to be profitable. Hence normal value is ***BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on CFR terms (US\$ ***per MT). The adjustments have been claimed on the basis of actual expenses incurred on inland freight (US\$***per MT) and bank charges (US\$***per MT) totalling to an extent of US\$ ***per MT. Since the exporter had not claimed C&F charges an average C&F charges of USD ***per MT has been excluded on notional basis to arrive at the Net export price. The EX-factory export price is ***US\$/MT.

(iv) Dumping Margin

For the purpose of dumping margin comparison weighted average normal value and weighted average export price have been considered at the same level of trade. The same is evaluated as under:

Normal Value (BDT/MT))	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)

***	***	***	***	Negative
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4. Partex Jute Mills Limited

(i) **Pattern of trade for PUC and PUI:**

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)		Sales to India (Indexed)		Sales to 3 rd Countries (Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	-	-	-	-	-	-
April 2015 to March 2016	-	-	-	-	-	-
April 2016 to 4 th January 2017	100	100	100	100	100	-
5 th January 2017 to March 2017	33	-	-	1,712	62	-
April 2017 to March 2018	152	276	-	3,259	342	-
POI (October 2016 to December 2017)	127	306	31	2,181	455	-

(ii) **Normal Value**

The producer/exporter has sold ***MT of PUI during POI in the domestic market at a total value of ***BDT (Average price BDT ***per MT). The sales terms are ex-mills in cash. The total domestic sales value appears in the audited Profit & Loss account for POI. The price difference between PUC and PUI in the domestic market during POI reflects reasonable value addition. To compare normal value, Ordinary Course of Trade (OCT) test has been carried out. For the purpose of OCT test Ex-factory cost of production has been considered. On the basis of OCT test ***% sales are found to be profitable. Hence normal value is ***BDT/MT.

(iii) **Export Price**

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on CFR terms (US\$ ***per MT). The adjustments have been claimed on the basis of actual expenses incurred on inland freight (US\$***per MT), Clearing & forwarding charges (US\$***per MT), Commission (US\$***per MT) and bank charges (US\$***per MT) and CC of ***US\$/MT totalling to an extent of US\$ ***per MT. The EX-factory export price is considered as US\$ ***per MT (***BDT/MT).

(iv) **Dumping Margin**

For the purpose of dumping margin comparison weighted average normal value and weighted average export price have been considered at same level of trade. The same is evaluated as under:

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	Negative

5. Sidlaw Textiles (Bangladesh) Ltd.

(i) Pattern of trade for PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)		Sales to India (Indexed)		Sales to 3 rd Countries (Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	-	-	100	-	-	-
April 2015 to March 2016	-	-	95	-	-	-
April 2016 to 4 th January 2017	100	100	49	100	-	-
5 th January 2017 to March 2017	21	21	3	860	-	-
April 2017 to March 2018	53	31	-	3,296	100	-
POI (October 2016 to December 2017)	74	138	23	2,922	100	-

(ii) Normal Value

The producer/exporter has sold ***MT of PUI during POI in the domestic market at a total value of ***BDT (Average price BDT ***per MT). The sales terms are ex-mills in cash. The total domestic sales value appears in the audited Profit & Loss account for POI. The price difference between PUC and PUI in the domestic market during POI reflects reasonable value addition. To compare normal value, Ordinary Course of Trade (OCT) test has been carried out. For the purpose of OCT test Ex-factory cost of production has been considered. On the basis of OCT test ***% sales are found to be profitable. Hence normal value based on profitable sales value is ***BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on CFR terms (US\$ ***per MT) . The adjustments have been claimed on the basis of actual expenses incurred on inland freight (US\$***per MT), Clearing & forwarding charges (US\$***per MT), and bank charges (US\$***per MT) and CC to an extent of ***\$/MT totalling to an extent of US\$ ***per MT. The EX-factory export price is considered as US\$ ***per MT.

(iv) Dumping Margin

For the purpose of dumping margin comparison weighted average normal value and weighted average export price have been considered at same level of trade. The same is evaluated as under:

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	Negative

6. Kurigram Jute Processing Works

(i) Pattern of trade for PUC and PUI :

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)		Sales to India (Indexed)		Sales to 3 rd Countries (Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	100	-	100	100	-	-
April 2015 to March 2016	94	-	-	-	-	-
April 2016 to 4 th January 2017	49	-	-	125	-	-
5 th January 2017 to March 2017	24	-	-	-	-	-
April 2017 to March 2018	18	-	-	3,234	-	-
POI (October 2016 to December 2017)	69	-	-	3,234	-	-

(ii) Normal Value

The producer/exporter has neither sold PUI in the domestic market nor exported to countries other than India during POI. Hence normal value cannot be derived either based on domestic selling price or export to countries other than India. Therefore Ex-factory COP plus reasonable profit is to be

adopted for evaluating normal value. The overall profit of the company considered as ***. Hence normal value is BDT ***per MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on CFR terms (US\$ ***per MT). The adjustments have been claimed on the basis of actual expenses incurred on inland freight only to an extent of US\$ ***per MT. Since the exporter had not claimed C&F charges and bank charges, average C&F charges of ***% and bank charges of ***% of invoice value(CFR) has been adopted and USD ***per MT has been excluded on notional basis to arrive at the Net export price The EX-factory export price is US\$ ***per MT.

(iv) Dumping Margin

However for the purpose of dumping margin comparison, weighted average normal value and weighted average export price as mentioned above have been considered at same level of trade. The same is evaluated as under:

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	10-20

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

7. Sarah Composite Mills Ltd.

(i) Pattern of trade for PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Period	Domestic sales (Indexed)		Sales to India (Indexed)		Sales to 3 rd Countries (Indexed)	
	PUC	PUI	PUC	PUI	PUC	PUI
April 2014 to March 2015	-	-	100	-	100	100
April 2015 to March 2016	-	-	186	100	61	802
April 2016 to 4 th January 2017	-	-	49	5	98	592
5 th January 2017 to March 2017	-	-	-	10	32	-

April 2017 to March 2018	-	-	-	118	99	196
POI (October 2016 to December 2017)	-	-	1	96	180	232

(ii) Normal Value

The producer/exporter has not sold PUI in the domestic market during POI. However, they have sold ***MT of PUI to three countries i.e China PR, South Africa & Jordan during POI. The producers/exporters cost of production could not be verified/authenticated and even though there are sales of PUI to countries other than India, the appropriate approach for evaluating normal value is to adopt highest cost of production amongst the cooperating producers/exporters and a weighted average profit of such producers/exporters for company as a whole, i.e @ ***. The normal value is constructed as *** BDT/MT.

(iii) Export Price

The producer/exporter has exported PUI to India during POI to an extent ***MT at an invoice value of US\$ ***on Ex-factory terms (US\$ ***per MT). The adjustments have been claimed on the basis of actual expenses incurred on inspection charges for few invoices only to an extent of US\$ ***per MT. Since the exporter had not claimed bank charges, average bank charges of ***% of invoice value has been adopted and US\$ ***per MT has been excluded on notional basis to arrive at the Net export price. The EX-factory export price is US\$ ***per MT.

(iv) Dumping Margin

For the purpose of dumping margin comparison of weighted average normal value and weighted average export price have been considered at the same level of trade. The same is evaluated as under:

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% range)
***	***	***	***	20-30

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

8. M/s Purabi Trading:

M/s Purabi trading is only a trader and therefore the extension of applicable AD measure is linked

to the associated producer.

- c) **The shift of pattern of trade and dumping margin evaluation of the producers/exporters represented by M/s PriceWaterhouse Coopers Private Limited is as under:**

1. M/s Afil Jute Weaving Mills Ltd.:

(i) Trade Pattern:

The Authority notes that the pattern of trade of PUC and PUI as under depicts shift in trade pattern towards PUI from PUC due to levy of ADD on PUC:

Trade Pattern - Non-Confidential (Indexed)						
Period	Domestic Sales		Export to India		Other Countries	
	PUC (MT)	PUI (MT)	PUC (MT)	PUI (MT)	PUC (MT)	PUI (MT)
1 April 2014 to 31 March 2015	0	0	100	100	100	100
1 April 2015 to 31 March 2016	100	0	93	173	4	7
1 April 2016 to 4 January 2017	399	0	58	52	5	0
5 January 2017 to 31 March 2017	149	0	0	137	8	0
1 April 2017 to 31 March 2018	473	0	0	520	17	0
POI - Before Duty	166	0	19	4	4	0
POI - After Duty	534	0	0	476	25	0
POI (October 2016 to December 2017)	701	0	19	480	29	0

(ii) Normal Value:

The Authority notes that the producer/exporter has not sold PUI in the domestic market. The Producer has provided audited statement of profit and loss for POI for substantiating the data provided in Appendix 7 and 8. The Authority has referenced Normal Value on the basis of the Cost of Production with overall profit of the company i.e. ***% since the audited accounts do not mention separate profitability for PUI during POI. This is also reasonable as the profit is on the same category of goods. The Normal Value is *** BDT/MT.

(iii) Export Price:

The Producer/Exporter has claimed total exports of *** MT of PUI to India and Nil to Countries other than India. It was understood during the on-spot verification that an EXP form has to be obtained by the exporter from their Bank before an export shipment. All EXP forms issued during POI by the concerned Bank/Banks certifying total EXP forms issued during POI has been provided by the producer/exporter. The total exports of PUI to India during POI is noted as *** MT at an invoice value of *** \$ (CFR) (***/MT). The adjustments on export price have been claimed on Inland Freight, Bank Charges and Commission to an extent of ***/MT, ***/MT and ***/MT on the basis of actual

expenses which were verified during the on spot verification. On the basis of the above, the Ex-factory Export Price for PUI during POI is ***\$/MT.

(iv) Dumping Margin Computation:

The Dumping margin evaluated by comparing Normal Value computed above with export price at same level of trade, i.e inclusive of only credit cost and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Ex-Factory Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% Range)
***	***	***	***	10-20

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

2. M/s Jobaida Karim Jute Mills Ltd.:

(i) Trade Pattern:

The Authority notes that the pattern of trade of PUC and PUI is as under depicts shift in trade pattern towards PUI from PUC due to levy of ADD on PUC:

Trade Pattern - Non-Confidential (Indexed)						
Period	Domestic Sales		Export to India		Other Countries	
	PUC (MT)	PUI (MT)	PUC (MT)	PUI (MT)	PUC (MT)	PUI (MT)
1 April 2014 to 31 March 2015	0	0	0	0	0	0
1 April 2015 to 31 March 2016	100	0	100	0	100	0
1 April 2016 to 4 January 2017	218	0	89	0	1691	100
5 January 2017 to 31 March 2017	192	0	12	100	822	0
1 April 2017 to 31 March 2018	49	0	0	0	0	1468
POI - Before Duty	99	0	0	0	1691	100
POI - After Duty	227	0	12	100	822	944
POI (October 2016 to December 2017)	326	0	12	100	2513	1044

(ii) Normal Value:

The Authority notes that the producer/exporter has not sold PUI in the domestic market. The Producer has provided audited statement of profit and loss for POI for substantiating the data provided in Appendix 7 and 8. The Authority has referenced Normal Value on the basis

of the Cost of Production with overall profit of the company i.e ***% since the audited accounts do not mention separate profitability for PUI during POI. This is also reasonable as the profit is on the same category of goods. The Normal Value is *** BDT/MT.

(iii) Export Price:

The Producer/Exporter has claimed total exports of ***MT of PUI to India and *** MT to Countries other than India. It was understood during the on-spot verification that an EXP form has to be obtained by the exporter from their Bank before an export shipment. All EXP forms issued during POI by the concerned Bank/Banks certifying total EXP forms issued during POI has been provided by the producer/exporter. The total exports of PUI to India during POI is noted as *** MT at an invoice value of ***\$ (CFR) (***/MT). The adjustments on export price have been claimed on Inland Transportation and Bank Charges to an extent of ***\$/MT and ***\$/MT on the basis of actual expenses which were verified during the on spot verification. On the basis of the above, the Ex-factory Export Price for PUI during POI is *** \$/MT.

(iv) Dumping Margin Computation:

The Dumping margin evaluated by comparing Normal Value computed above with export price at the same level of trade and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Ex-Factory Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% Range)
***	***	***	***	10-20

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

d) The shift of pattern of trade and dumping margin evaluation of the producers/exporters represented by M/s TracoLegal –Advocates & Consultants is as under:

1. M/s Jute Textile Mills Limited:

(i) Pattern of Trade of PUC and PUI:

The pattern of trade depicts the change towards PUI post levy of ADD on PUC.

Trade Pattern – Non-Confidential (indexed)

Period	Domestic Sales		Export to India		Other Countries	
	PUC (MT)	PUI (MT)	PUC (MT)	PUI (MT)	PUC (MT)	PUI (MT)
1 April 2014 to 31 March 2015	0	0	100	0	0	0
1 April 2015 to 31 March 2016	0	0	388.08	0	0	0
1 April 2016 to 4 January 2017	0	0	143.00	0	100	0
5 January 2017 to 31 March 2017	0	0	0	0	109.53	100
1 April 2017 to 31 March 2018	0	0	0	100.00	198.93	1365.38
POI (October 2016 to December 2017)	0	0	46.98	59.65	356.34	1176.10

(ii) Normal Value:

The producer/exporter has not sold PUI during POI in the domestic market. However the producer/exporter has sold PUI to countries other than India during POI. The normal value is computed on the basis of the cost of production with a reasonable profit. The Authority has adopted higher of the profit margin of notional ***% or company's overall profit whichever is higher. The normal value is ***BDT/MT.

(iii) Export Price:

The producer/exporter has exported ***MT of PUC during POI to India at a Gross invoice value of *** BDT/MT. The Gross export price considered as appropriate for comparison with normal value is *** BDT/MT.

(iv) Dumping Margin:

The Authority evaluated dumping margin by comparing normal value and export price at same level of trade as under and disclosed the same in the disclosure statement dated 7.3.2019.

Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin (BDT/MT)	Dumping Margin (%)	Dumping Margin (% Range)
***	***	***	***	10-20

The above dumping margin has been recomputed in the later paras based on the post disclosure comments.

B. NON-COOPERATING PRODUCER/EXPORTER/OTHER CATEGORY

1. Jute Mills under Bangladesh Jute Mill Corporation (BJMC), Ministry of Textiles

M/s Jatio Jute Mills Ltd., M/s Latif Bawany Jute Mills Ltd. and M/s Hafiz Jute Mills Ltd. who filed Questionnaires responses but did not file supporting and additional data post on-spot verification in which none of these Mills had cooperated. From perusal of responses it is noted that these three mills have exported PUI to India during POI and a shift in trade pattern from PUC to PUI post levy of ADD is also witnessed. M/s Eastern Jute Mills Ltd. also a BJMC mill filed incomplete response with conflicting data on PUI exports to India through Email with no hard signed copy. The Authority has applied rule 6(8) referencing best available information keeping in view the data of highest Normal value/Dumping margin amongst the cooperating producers/exporters for these producers/exporters.

2. M/s Alijan Jute Mills Ltd. and M/s Sonali Aansh Industries Ltd. (Related entities)

The aforesaid producers/exporters has not provided the backup documents for assessment of normal value. M/s Sonali Aansh did not export PUI to India but is related to M/s Alijan Jute Mills Ltd. and therefore considered as a single entity. The Authority has applied rule 6(8) referencing best available information keeping in view the data available on highest Normal value/Dumping margin amongst the cooperating producer/exporter for the aforesaid producers/exporters. Further, since the export price of PUI during POI has been provided, the dumping margin is evaluated by comparing the adopted normal value with the export price at a gross level ensuring comparison at the same level of trade. The Gross export price for PUI to India during POI is to be considered as ***\$/MT (***BDT/MT). The dumping margin is worked out in the range of (20-30) %.

3. M/s Mirza Jute Mills Ltd. and M/s Glory Jute Ltd.

The aforesaid producers/exporters has not provided the backup documents for assessment of normal value. The Authority has applied rule 6(8) referencing best available information keeping in view the data available on highest Normal value/Dumping margin amongst the cooperating producer/exporter for these producers/exporters. However as the gross export price of PUI during POI was provided, the dumping margin is evaluated by comparing the adopted normal value with the export price at a gross level ensuring comparison at the same level of trade. The gross export price of PUI to India is considered as ***\$/MT (***BDT/MT) for M/s Mirza Jute Mills Ltd. and ***\$/MT (*** BDT/MT) for M/s Glory Jute Ltd. The dumping margin is evaluated in the range of 30-40% for both M/s Mirza Jute Mills Ltd. and M/s Glory Jute Ltd.

4. M/s Ahyan Jute Mills Ltd., M/s Rajbari Jute Mills Ltd., M/s Northern Jute Manufacturing Company Ltd., M/s Interlink International, M/s South Trade International and M/s R.M.Jute

The aforesaid producers/exporters have not exported PUI during the POI in this investigation. Nevertheless export of PUC by these entities (producer or exporter as the case may be) entails a specific ADD under relevant category as imposed in the original investigation or if specifically

evaluated through a new shipper review if applicable. As specific dumping margin cannot be evaluated, the Authority keeping in view the fact that circumvention is witnessed at a country level had considered such producers/exporters under residual category and further holds that such entities as regards PUI may approach the Authority for review under Rule 28 for appropriate assessment of exports of their PUI to India, if they so desire. The Authority notes that it has been submitted by M/s R.M. Jute that they have not exported PUI during POI and that there is no trade pattern shift in their case. The Authority holds that the trade pattern shift is observed at the country level and if exports of PUI are not there in POI, review provision is available. Further any exports made for bonafide usage in non-sacking bag conversion application are exempted from extension of existing measure if so considered.

M/s Sonali Jute Mills Ltd. did not participate in the on-spot verification. and is treated as non-cooperative.

41. In accordance with the provisions of rule 6(8), the Authority has adopted highest normal value/highest Dumping margin amongst the cooperating exporters for non-cooperating category of producers/exporters.

H. Assessment of effect of circumvention on existing Anti-dumping measures and Domestic Industry.

H.1 Submissions by Exporters, Importers and Other Interested Parties/Other Parties

42. Following submissions have been made by other interested parties with regard to effect of circumvention on Anti-dumping measures are as follows-
- i. The petitioner has given incorrect statement in the written submissions that the import price being reported for sacking cloth is significantly lower than the import price for sacking bag. The import price for product under investigation (Jute Sacking Cloth) is higher than the import price stated by the petitioner in the written submission as shown below:

Period	Sacking Bag Rate Rs./MT	Sacking Cloth Rate Rs./MT
POI	59,616	61,362

- ii. In the case of *Circumvention of Anti-Dumping Duty existing on Diclofenac Sodium (DFS) by imports of "Indolinone", an unfinished form of "DFS", originating in or exported from China PR dated 15 February, 2017*, Authority has analysed the injury parameters before recommending that the circumventing product (Indolinone) has rendered the duty imposed on the circumvented product (Diclofenac Sodium) ineffective.
- iii. The applicant has not provided any details in the original application to substantiate their claim that circumvention has rendered the duty ineffective. The applicant has also not

provided any data on price undercutting. The applicant has just made a hollow claim on para 4.2 of the revised application.

- iv. Without prejudice to our submission that the revised application filed by the application at the belated stage cannot be taken into account, the respondent submits that the alleged circumvention has not rendered the duty imposed on the product under consideration ineffective. In order to substantiate our claim, attention of the Authority is invited to the following facts relating to the product under consideration (Annexure A – Part II of the revised application) which substantiates our claim that the alleged circumvention has not rendered the duty imposed on the product under consideration ineffective:
- a) The capacity has been increased from 100 (Indexed) during 2014-15 to 102 (Indexed) during POI-A.
 - b) There has been a significant increase in the production from 100 (Indexed) during 2014-15 to 122 (Indexed) during POI-A.
 - c) The capacity utilisation has been increased significantly from 100 (Indexed) during 2014-15 to 119 (Indexed) during POI-A.
 - d) The sales quantity increased significantly from 100 (Indexed) during 2014-15 to 116 (Indexed) during POI-A.
 - e) There has been a significant increase in the domestic sales from 100 (Indexed) during 2014-15 to 114 (Indexed) during POI-A.
 - f) The productivity per day has been increased significantly from 100 (Indexed) during 2014-15 to 121 (Indexed) during POI-A.
 - g) The PBT per unit – Domestic Sales improved from negative 100 (Indexed) during 2014-15 to negative 90 (Indexed) during POI-A.
 - h) The PBIT has been increased significantly from 100 (Indexed) during 2014-15 to 693 (Indexed) during POI-A.
 - i) The cash profit increased significantly from negative 100 (Indexed) during 2014-15 to 2,207 (Indexed) during POI-A.
 - j) There has been a significant increase in the PBIT as % of Avg CE from 100 (Indexed) during 2014-15 to 646 (Indexed) during POI-A.
- v. In order to further substantiate our claim that it is mandatory to establish in all cases including the case of product circumvention that the remedial effects of the anti-dumping duties imposed are undermined or rendered the duty ineffective, kind attention of the Authority is invited to the product circumvention investigation regarding “*Circumvention of Anti-Dumping Duty existing on Diclofenac Sodium (DFS) by imports of “Indolinone”, an unfinished form of “DFS”, originating in or exported from China PR (Final Findings No. 14/22/2014-DGAD dated 15 February, 2017)*”. In this investigation Authority has analysed the injury parameters before recommending that the circumventing product (Indolinone) has rendered the duty imposed on the circumvented product (Diclofenac Sodium) ineffective.

- vi. The injury data submitted by the DI shows that performance of DI on both bags and cloth has been good over the years and alleged claims of injury are unfounded. This further shows that the remedial effects of duty were not vitiated.
- vii. The performance of DI in sacking bags shows that i) Parameters such as Capacity, Capacity Utilization, Production, Sales and Exports have shown significant increases over the injury period which shows the healthy position of the domestic industry. Such performance in fact demolishes the allegations of injury on account of imports made by the applicant, ii) In terms of price parameters, the increase in selling price was higher than the increase in cost ruling out any price suppression effect on the DI. In fact the profitability improved during the quarters of POI as presented by the DI, iii) Even parameters of profit such as cash profit, PBIT, ROCE showed excellent improvement by the POI which rules out any injury allegedly being suffered by the DI even after imposition of ADD, iv) It is to be noted that there is substantial increase in interest cost of DI and any distress on account of high interest cost cannot be attributed to imports and v) Also, imports of sacking bags have declined with consequent decline in market share and the prices also have substantially increased. Thus, imports of sacking bags have not been creating any pressure on the DI.
- viii. The performance of DI in Sacking Cloth shows that i) Import of sacking cloth continued and increased along with a substantial increase in price. Increase in import along with considerable increase in price cannot be called as having any injurious effect on the DI. Users were ready to pay more and more which shows pick up of demand for sacking cloths in India. Had it been a case of exporters trying to off load more goods, the prices would have come down significantly, ii) Volume parameters of DI concerning sacking cloths showed some declines by the POI. However, this needs to be seen in view of the fact that volume of sacking bags at the end of DI has shown tremendous growth with improved profitability. It has to be believed that the DI concentrated more on sacking bags. Since these types are not independent products, though the DI chose to exclude sacking cloths from PUC in the original case, expectation of same growth on all types may not be a realistic one, and iii) The profitability situation in sacking cloth improved by the POI as can be seen from the data submitted by the DI. Highest losses were not during the POI and situation in POI showed improvements over the injury period.
- ix. Extension of duty is not warranted as the DI is not suffering because of imports and there are apparent other reasons impacting the DI. The points below show that the cause of

distress, if any, of the DI is something other than import of PUI and any extension of duty on bags to cloth is highly unjustified;

- a. DI manufactures 50 KG bags where as imports are of 100 KG bags. Raw Material cost per KG differs as 50 kg bags use finer and costlier RM as compared to 100 KG bag. This fact needs to be considered in case of any comparison to determine injury from imports.
 - b. As per Indian Sugar Mills Association (ISMA) all sugar bags need to be packed only on 50 KG bags. Sugar sector is catered by only Indian producers as imports are only in 100 kg bags. This shows the DI do not face any direct competition from imported product in this significant sector which itself shows the allegation of injury has no nexus to the imports.
 - c. Indian DI unable to full fill Government orders, some of the companies are black listed for not fulfilling Govt. order. The DI should explain the reasons for the same. Any injury on account of DI's failure to supply the goods cannot be put on imports.
 - d. Jute commission fixes the price for DI and they cannot sell above the price fixed by Jute commission. Almost all sales of DI are to jute commission. Hence any injury to the DI is due to the price fixing mechanism through Jute commission and not due to alleged dumped imports, be it bags or cloths.
 - e. DI caters to only 10% of the free market demand. Hence, any injury to the DI need to be calculated based on the sales of DI to the free market and not on total sales.
 - f. As per jute commission notification, 80% of food grains need to be packed in Jute bags. However, private companies are not implementing this order. Hence, this market is being taken over by Plastic bags. DI is not pushing Government to implement this order.
 - g. Cloths to bag following process are involved i.e Cutting, Stitching, Belling and Packing. Such a manufacturing process have been prevalent for many years and started even prior to imposition of ADD. Rather, such process has no connection to the ADD. It is understood that this industry in India employs more than 2000 employee. These workers will be unemployed if duty on bags are extended to cloth wherein cloth was clearly excluded from the scope of PUC earlier by adopting circumvention route.
- x. The contention of injury on account of imports of cloths is baseless and there is no causal link between imports of PUI and also any alleged distress of the DI.
- xi. From the information provided above, the following facts emerges:
- a) Jute Sacking bags were imported in significant quantities during the POI. Imports of Jute Sacking bags from other countries accounts for 69% of the total imports of Jute Sacking Bags.
 - b) The imports of Jute Sacking Bags from other countries accounts for around 70% of the imports of Jute Sacking Cloth from Bangladesh.
 - c) The CIF price of the imports of Jute Sacking Bags (Value added product) from other countries is significantly lower (around 8%) than the CIF price of the imports of Jute Sacking Cloth from Bangladesh.

- xii. Circumvention has not led to undermining remedial effect of ADD. Production, sales, capacity utilization, selling price, PBIT and ROI have all improved.
- xiii. Undermining remedial effects of ADD by way of circumvention needs to be shown in every circumvention case. Reference is made to Indolinone Case.
- xiv. No evidence has been given on the undermining of the remedial effects of the anti-dumping duty. No information has been presented in the petition on the prices of the like articles as well as on the quality of the like products.

H.2. Submissions by Domestic Industry

43. Following submissions have been made by the domestic industry with regard to effect of circumvention on Anti-dumping measures are as follows-
- i. The requirement in is only to examine whether ADD so imposed is rendered ineffective.
 - ii. Duty is being eroded by exporting Jute cloth in place of Jute Bag and the quantum of duty eroded is around *** Rs./MT. Landed price of jute sacking bags along with the ADD has been compared with the derived prices of Jute sacking bag if imported in the form of Jute Sacking cloth and the subsequent value addition is considered.
 - iii. Since imposition of duty, imports of sacking cloth intensified and took over the imports of sacking bag. Prior to imposition duty, imports of sacking cloth were marginal. Imports of sacking cloth in POI of the original case were almost 3000 MT and in present POI are around 39000 MT. Imports of sacking bag were around 35,000 MT in 2014-15 which rose to 60,000 MT in 2015-16, went down to 13,000 MT in POI of the present case. There has been a complete shift from Jute bag to Jute cloth.
 - iv. Upon initiation of the present investigation, imports of Jute sacking bag suddenly revived and imports of cloth slightly declined. The percentage of imports of sacking bags was 5% in March 2018, which has shot-up to 48% in April 2018 upon initiation.
 - v. The landed value of the PUC derived from the prices of the PUI is much below the landed prices of the imported PUC even with the ADD. In fact, the landed value of the PUC derived from the PUI is much below the levels of PUC being imported prior to the imposition of the duty. This has rendered the duty ineffective.
 - vi. The derived PUC is undercutting the selling prices of the PUC by a significant margin.
 - vii. The dumping margin is significant and above de minimis levels.
 - viii. International Labour Organisation (ILO) recommends that manual loading and unloading operation should be restricted to 50 kg keeping in view the safety and health of workers involved. Loading above 50 kg has been recommended for handling through mechanised process. Keeping this in view, procurements made by Government and State Procurement Agencies is for 50 kg bags. For private sector the use of 50 kg bags is advisory only and they are free to use 100 kg bags based on their choice. Thus sales made to Government are only of 50 kgs and sales made to open market include largely 100 kg bags. Thus, the contention that there is a segregation of market in terms of weight is incorrect.

H.3 Examination by the Authority

44. *Explanation to Rule 25 provides as follows:*

Explanation. - For the purposes of this sub-rule, it shall be established that there has been a change in trade practice, pattern of trade or channels of sales if the following conditions are satisfied, namely: -

(a) absence of a justification, economic or otherwise, other than imposition of anti-dumping duty;

*(b) evidence that the remedial effects of the anti-dumping duties are undermined **in terms of the price and or the quality of like products.***

45. As regards price of PUI, the Authority has examined whether PUI is dumped based on the data of the producers/exporters as verified. Further, the DGCI&S data for overall trade of PUC and PUI is referenced besides the producer/exporter specific data.

46. An essential aspect in an anti-circumvention investigation is the establishment of the undermining of the remedial effects of the anti-dumping duty imposed. The manner in which and to the extent the circumvented product is undermining the duty imposed and thereby rendering such duty as redundant is important to be analyzed. The authority has examined whether the remedial effects of anti-dumping duties are undermined in terms of market share and price suppression due to impact of shift in trade by increased imports of PUI from the subject country.

47. As regards the argument that the DI produces only 50kg bags whereas imports are of 100 kg bags, the Authority notes that domestic industry supplies both to Government orders and in open market of 50 kg and 100 kg specs. The undermining of remedial effect is considered for open market.

48. As regards the argument of the interested parties that injury examination needs to be conducted for the domestic industry in circumvention investigation as has been done in the matter of DFS, the Authority notes that detailed injury examination has been done in the original investigation and that in a circumvention investigation the undermining effect of anti-dumping imposed needs to be assessed. Even in the cited anti circumvention case of DFS, the Authority had collected information on various parameters, and in particular examined price undercutting and market share for examining the undermining effect of AD duties imposed on PUC by way of circumvention.

H.3 (a) Change in market share of PUC in open market due to PUI imports

Market share of Indian Industry as a whole and also petitioner DI

49. The petitioner has argued that significant increase in imports of Sacking Cloth has impacted the market share of PUC of the Indian industry in the open market. In order to analyze the shift in the domestic market, changes in the share of market of PUC and PUI for Indian Industry and subject country has been examined since the POI considered in the original investigation. The petitioner has

provided sales of PUC by the Indian producers as a whole since 2011-12 in the Government market and also in the open market as per the IJMA's monthly bulletin. As the usage of PUI is primarily for PUC, the Authority has examined the market share of the domestic industry considering sacking bag and sacking cloth in totality as shown in the table below:

50. Authority has also analyzed market share of the applicant domestic industry and notes that the movement of market share of the applicant domestic industry shows a similar trend to that of the Indian Industry as depicted in the table below:

SN		2014-15	2015-16	2016-17	POI Oct 16 -Dec 17	POI Annualised
1	Indian Industry	1,69,000	1,11,000	82,000	1,13,000	90,400
2	Domestic Industry	74,083	37,277	24,396	33,660	26,928
3	Subject Country	48,064	70,575	45,238	52,296	41,814
4	Other Countries	28,411	21,646	15,190	27,936	22,349
5	Total Demand	2,45,475	2,03,221	1,42,428	1,93,232	1,54,563
Market share in demand						
6	Indian Industry	69%	55%	58%	58%	58%
7	Domestic Industry	30%	18%	17%	17%	17%
8	Subject Country	20%	35%	32%	27%	27%
9	Other Countries	12%	11%	11%	14%	14%
10	Total	100%	100%	100%	100%	100%

51. It is seen from the table above that the demand has declined by 37% from 2014-15, however market share of imports of PUC and PUI combined have increased in the POI as compared to the base year. The market share of the domestic industry was 30% in 2014-15 (POI of the original case) which remained at 17% in the POI of the present case despite imposition of ADD. The market share of imports of PUC and PUI was 20% in 2014-15 which thereafter increased to 27% in the POI. Thus, market share of imports have increased and the domestic industry has declined in open market after imposition of anti-dumping duty.

H.3 (b) Erosion of Efficacy of existing AD Duty on PUC during POI

52. The Authority has examined that the impact of circumventing product i.e., dumped PUI from the subject country by comparing the landed values of imports of PUC (with ADD) and PUI (with no measure) during POI from the subject country with its price depressing effect after conversion to PUC on:
- (i) the net sales realization of PUC of Domestic Industry and
 - (ii) Erosion of efficacy of ADD on PUC.

The following Tables depicts the erosion of efficacy of existing anti-dumping measures on PUC.

SN	Parameters	Magnitude
1	Imports-Quantity of PUC (MT)	12,828
2	Landed Price of PUC (Rs./MT)	65,150
3	Anti-Dumping Duty (Average) on (Rs/MT)	8,477
4	Landed Price of PUC with ADD (Rs./MT)	73,628
5	Landed Value of Sacking Cloth (PUI) (Rs./MT)	56,063
6	Value Addition (%)	5.00%
7	Value Addition (Rs /MT)	2,803
8	Constructed Landed Price of Sacking Bag from imported PUI (Rs./MT)	58,866
9	Erosion of AD Duty (Rs./MT) (Gain thereof)	14,762

H.3 (c) Effect of circumvention on Net Sales Realization of PUC of DI during POI

53. The following tables depicts the price impact of circumventing product on net sales realization of PUC of Domestic Industry.

Price undercutting of Sacking Bag with ADD		
SN	Particulars	Value
1	Landed Value of Sacking Bag with ADD (PUC) (Rs /MT)	73,628
2	Net Sales Realization of Sacking Bag (PUC) (Rs /MT)	***
3	Price Undercutting (Rs /MT)	***
4	Price Undercutting (% range)	0-(5)%

Price Undercutting by PUI of PUC		
SN	Particulars	Value
1	Constructed Landed Price of Sacking Bag (Rs /MT)	58,866
2	Net Sales Realization of Sacking Bag (Rs /MT)	***
3	Price Undercutting (Rs /MT)	***
4	Price Undercutting (% Range)	15-20

54. It is noted that price undercutting by landed value of PUC with average anti-dumping duty is negative whereas landed price of imports of PUC as constructed from the landed price of imports of PUI is significantly lower than the net selling price of the Authority. The Authority holds that the above price undercutting of PUC through circumvention phenomena has in fact adversely impacted the market share of PUC of the applicant domestic industry in the open market which was not rectified as envisaged through the imposition of original AD measure on PUC.

55. As regards PUI being sold at higher price than PUC, the Authority notes that in a situation of circumstances wherein Value addition of conversion is much lower than the imposed measure on PUC, the Producer/exporter have incentive to realize more value in PUI as compared to PUC which entails AD measure. Therefore undermining remedial effect and erosion of efficacy of AD has been examined comprehensively. The Authority also in later paras has reiterated that for

producers/exporters whose dumping margin is above de minimis, the commercial gain due to erosion of AD duty on PUC has benefitted such producers/exporters. The Authority nevertheless has established that PUI is dumped as per the relevant provision of AD rules.

I. Post Disclosure Comments

I. 1(a) The Bangladesh High Commission has enclosed submissions to them by Rahman Jute Mills Ltd. and Mouna Jute Mills Ltd. and submitted the following:

- Dumping margin

55. Notional profit margin for respective producer has been adopted by adding abnormally high profit including the impact of subsidies. This has increased the normal value and in case of number of producers it has resulted into positive Dumping Margin (DM) (more than 2%). This practice is in deviation from the original investigation in which the Authority has considered 5% profit margin as reasonable profit to construct the Normal value.
56. Further, since the impact of subsidy has not been considered in cost of production (COP) or sales realization, the profit margin should be the difference between sales realization and cost of production (COP) only. No impact of subsidy should be added for the reasons given below:
- (i) Past Practice of the Designated Authority shows that it has adopted 5% profit margin to construct the Normal Value. Profit margin were taken 5% in the original Investigation.
 - (ii) Profit is the difference between Selling Price and Cost.
 - (iii) Subsidy is neither considered as part of Selling Price not deducted from cost of production, not even in the original investigation.
 - (iv) No subsidy is receivable in case of domestic sales. It is submitted that subsidy is received in respect of export sales and not in respect of domestic sales. Hence while working out Normal Value based cost of production in domestic market, impact of subsidy shall not be taken.
 - (v) Actual profit earned in respect of PUC for the PUI for the period of investigation not including subsidy should be adopted. Profit earned in respect of other products shall not be considered.
 - (vi) In most of the cases subsidy is not related to POI as the same is based on cash basis and not accrual basis. There is a difference between applications of subsidy claim and receipt and recorded of the same period. The subsidy is recorded only when the same is received in bank. For the POI the subsidy is recovered almost one year after the documents are filed.

In view of the reasons given above, it is submitted that the Authority shall consider average profit margin earned in respect of PUC and PUI and not include profit of other products which are not under investigation without the impact of subsidy being added to the same.

57. Violation of Article 2.2.1.1.

The authority has revised the cost of production (COP) of numbers of participating companies based on some hypothetical assumptions. This is a clear violation of Article 2.2.1.1. of the AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994. This article requires the investigation Authority to accept the cost of production (COP) of participating exporters, if the records of companies are maintained in accordance with Generally Accepted Accounting Principles (GAAP) of the exporting countries.

58. The participating producers/exporters have provided audited accounts duly certified by the Auditor for the Year 2016-17, 2017-18 and for the POI 1st October 2016-31st December 2017. The participating producers/exporters have also provided the cost of production (COP) details duly certified by the auditor along with the certificates that the accounts of the company are maintained as per Bangladesh Financial Report System (BFRS) and Bangladesh Accounting system (BAS).

59. Modification of input cost

In case of some of the participating companies, the Authority has not considered the claims of raw material cost used for manufacture of Sacking Bags/cloth. It is submitted that sacking is produced out of waste, cutting and lowest grade of Raw Jute. In a multiple product manufacturing company different grades of raw jute are used for different products. For instance, to produce Hessian Cloth and Yarn the highest grades of raw jute are used whereas for Sacking Cloth and Bags lowest grade along with cuttings and wastage generated in manufacture of Hessian Cloth and Yarn are used. This aspect was clearly demonstrated in the petition filed by the Domestic Industry in the original investigation and was recognized by the Designated Authority in determination of Non-Injurious Price and other parameters. In view of the forgoing it is submitted that raw material cost as claimed by the Producers/exporters must be accepted without any modifications.

I. 1(b) M/s Tracolegal representing M/s Jute Textile Mills Ltd. have provided following comments:

60. In Para 12 of the disclosure statement, it has been recorded that circumvention of anti-dumping duties in the form of a product type (PUI) does not mean that the product type (PUI) should be a new product. The Rule 25 (1) (a) provides that circumvention exists when imports of PUI starts or increases after imposition of measure on PUC. This indicates that the PUI could be in existence and imported even prior to imposition of AD duties on PUC. In this regard, it is submitted that the submissions related to the analysis and reasons for the exclusion of PUI from the original investigation and the rule of estoppel have not been examined in the disclosure statement and only a fact has been recorded that the product under investigation need not be a new product. It is therefore requested that the Authority to examine and analyse the submissions relating to the specific exclusion of PUI and rule of estoppel. It will indicate that the present investigation is fit for its termination.

61. With regard to the facts recoded in the disclosure statement in the same Para that the final finding dated 15.02.2017 in the case of Diclofenac Sodium DFS wherein the penultimate stage product was investigated for circumvention even though the same was being manufactured by domestic industry for producing PUC, it is submitted that the facts in that investigation and the current investigation are different. Further, the recoding of the aforesaid case in the disclosure statement is in a different context but not with respect to our submissions for reasons and analysis of exclusion of Jute Sacking Cloth from the original investigation and the rule of estoppel.
62. It is also reiterated that in the original investigation, the domestic industry, with its conscious decision, did not include Jute Sacking Cloth and categorically mentioned that other types of the jute goods are beyond the scope of the present investigation. The relevant excerpts from the final findings in the original investigation with regard to submissions of the domestic industry are reproduced in the submissions.
63. It is therefore clear that the domestic industry in its submissions in the previous investigation has categorically mentioned in its submissions which have been recorded in para 24(a) in the final findings of the original investigation that **other types of jute goods are beyond the scope of the present investigation**. The domestic industry in the original investigation has itself admitted and acknowledged that the process of manufacturing the next stage products i.e. Hessian, Fabric, Jute Sacking Cloth, Jute Sacking Bags etc. from Jute Yarn are a result of slight incremental process. There was no point for the domestic industry to exclude the Jute Sacking Cloth from the product under consideration in the previous investigation more so when it was an intermediate product between Jute Yarn and Jute Sacking Bags and a necessary product for Jute Sacking Bags. However, Jute Sacking Cloth was specifically and consciously excluded from the purview of the original investigation by the domestic industry and it included only the next stage product i.e. Jute Sacking Bags. Therefore, it is not right and appropriate to allege circumvention on the product which was consciously excluded from the original investigation and the continuation of the current investigation is beyond imagination. It may also be seen that the current investigation is also hit by the Rule of Estoppel as when the domestic industry has consciously excluded the product Jute Sacking Cloth from the purview of the original investigation, the domestic industry is now stopped from alleging circumvention of the product Jute Sacking Cloth in the current investigation. Attention of the Authority is drawn to the Section 115 of the Indian Evidence Act, 1872 with regard to Estoppel.
64. The domestic industry has intentionally omitted Jute Sacking Cloth from the purview of the original anti-dumping investigation, the domestic industry has been estopped from taking action against Jute Sacking Cloth on the pretext of circumvention as the exporters from Bangladesh have exported Jute Sacking Cloth in good faith believing that Jute Sacking Cloth is not subject to anti-dumping duties as it was intentionally and specifically excluded from the purview of the original investigation. This is in itself a sufficient ground for the termination of the current investigation.
65. From the above, it can be concluded that there was no case against the Jute Sacking Cloth including absence of dumping and injury in the original investigation. The domestic industry at the time of oral hearing stated that the activity of Jute Sacking Cloth was very small,

therefore, the same was not included as part of the original anti-dumping investigation. It is submitted that this submission of the domestic industry is misleading and incorrect. It may be seen that the Jute Sacking Cloth is a penultimate and necessary product for the manufacture of Jute Sacking Bags as without the production of Jute Sacking Cloth, Jute Sacking Bags cannot be manufactured. Therefore, the activity of the Jute Sacking Cloth was at par and significant with the activity of Jute Sacking Bags.

66. The domestic industry in their submissions have stated that PUI is not a different product than the PUC. It is clear that the PUI could have been included in the original investigation and that the PUI cannot be made subject to anti-circumvention investigation.
67. The domestic industry is trying to get the scope of the product under consideration extended and to get the anti-dumping duties imposed on Jute Sacking Cloth by getting the current circumvention investigation initiated on Jute Sacking Cloth.
68. The Authority in the original investigation carried out separate analysis of dumping and injury for each type/class of the Jute products and also recommended separate duty for each type/class of Jute Products. It is therefore submitted that within the framework and rational or reasons for defending the definition of the product under consideration in the original investigation, there was no reason for not including the Jute Sacking Cloth in the original investigation as it is an intermediate product and involves a small incremental cost from Jute Yarn even less than the incremental cost in manufacturing the Jute Sacking Bags from Jute Yarn.
69. With regard to the standing of the domestic industry in the current investigation, it is submitted that the initiation of the current investigation is not in accordance with the anti-dumping law in India. The Rule 26 specifically lays down that the application for circumvention investigation has to be by or on behalf of the domestic industry whereas from the facts and evidence available on record, it is clear that the application submitted by the applicant Association was not on behalf of the domestic industry. Only an authorization from Indian Jute Mills Association and the list of the 35-member mills of the association has been provided. It is submitted that the applicant association has nowhere in the application has identified the total number of domestic producers of product under consideration and how many of them are the members of the association. They have also not provided the details of the total domestic production of product under consideration and also the details of the production of the member mills of the association have not been provided. Therefore, the present investigation is required to be terminated on this ground alone.
70. The applicant association on page 7 of the petition has itself stated and admitted that the petition has been filed by Indian Jute Mills Association (IJMA), on behalf of the producers of subject goods, thus, it must be deemed that the all the members of the applicant association have supported the petition. We are not able to appreciate as to how come in the absence of the specific resolution of the Association for authorizing the filing of the current application or in the absence of the authorization from the members of the association, it can reasonably be concluded that the application for the current investigation was on behalf of the domestic industry. Therefore, in the absence of such details on record, it clearly indicates

that the application for initiation of the current investigation was not on behalf of the domestic industry and is required to be terminated forthwith and may not be continued.

71. The submissions concerning the initiation of the current investigation have been included in the disclosure statement, however the same have not been analysed and examined. It is requested from the Authority to analyse & examine the same in the final findings. It is reiterated that the initiation of the current investigation on the basis of the selected POI i.e. 1st October 2016 to 30th September 2017 is fundamentally and the Rule 25 (1) of the Anti-dumping Rules is referred in the submissions. Therefore, it is submitted that a product will be subject to circumvention investigation only when the anti-dumping duty has been imposed on a particular article. In case, the duties have not been imposed on that article, it cannot be made subject to the circumvention investigation. The anti-dumping duties on the Jute products was imposed on 05th January 2017 vide Customs Notification No. 01/2017-Customs (ADD) and the POI selected covers the period from 1st October 2016 to 30th September 2017 and includes the period from 1st October 2016 to 04th January 2017 for which there was no anti-dumping duty in existence on the Jute products. Therefore, there is no legal sanctity for examination of allegation of circumvention for the aforesaid period i.e. 1st October 2016 to 04th January 2017 (more than 3 months) being an integral part of the POI.
72. With regard to the pattern of trade, it is submitted that the PUI is not only exported to India but also it is being exported to other countries. The export of PUI was made to other countries even prior to the exports to India and that the exports of PUI to other countries were always higher than the exports to India. Therefore the change in trade pattern concerning the exports of Jute Sacking Cloth has been taking place at the same time for India and as well as for the other countries. Had the exports of PUI were only to India and not to other countries then it could have been concluded the change in trade pattern as a result of levy of the anti-dumping duties in the original investigation but not under the case of our client M/s Jute Textile Mills Pvt. Ltd. With respect to the determination of normal value for the exporter represented by us, we request the Hon'ble Authority for the consideration of WIP as part of the cost of production.
73. With regard to imports provided by the domestic industry from time to time is submitted that there are significant differences. It clearly indicates that the initiation of the current investigation was made on the basis of the wrong information and the domestic industry changed the import data at their will to suit the needs of the case.
74. With regard to undermining of remedial effects, it is submitted that the case of the domestic industry with regard to current investigation concerning the Jute Sacking Cloth is not tenable and the same may please be terminated in the interest of justice as the allegation of undermining of measures has been depicted on the basis of landed value which is based on changed figures than the figures already available on record.
75. In Para 48 of the disclosure statement, it has been recorded that as the usage of PUI is primarily for PUC, it is proposed to examine the market share of the domestic industry considering sacking bag and sacking cloth in totality. It is submitted that there are no reasons recorded in the disclosure statement for carrying out the analysis of market share on the

basis of combined figures of sacking bag and sacking cloth apart from the use. It is submitted that the analysis of market share may please be carried out on the basis of jute sacking cloth only with a view to examine the undermining effect of measures and not on the basis of combined figures of the two as it will depict different picture than the actual one. With respect to duty erosion and price undercutting, it is submitted that there is no duty erosion and price undercutting on the basis of exports by our client.

I. 1(c) M/s M.S. Pothal & Associates Chartered Accountants representing (i) M/s Partex Jute Mills Limited, (ii) M/s Sarah Composite Mills Limited, (iii) M/s Kurigram Jute Processing Works, (iv) M/s Nawhata Jute Mills Limited, (v) M/s Sidlaw Textiles (Bangladesh) Limited, (vi) M/s Mymensingh Jute Mills Limited, (vii) M/s Asha Jute Industries Limited and (viii) M/s Purabi Trading have provided the following comments:

76. The Disclosure statement at Para 12 states that “The Rule 25 (1) (a) provides that circumvention exists when imports of PUI *starts or increases* after imposition of measure on PUC. This indicates that the PUI could be in existence and imported even prior to imposition of AD duties on PUC”. We respectfully it is submitted that this view needs reconsideration. The dispute in the present case is not merely that the import was taking place in the original matter still it was not covered under the duty. The dispute is that the PUI was getting imported and the PUI was excluded calling them “Non PUC” which is apparent in the import segregation submitted by the DI. Thus, a Non PUC has now become PUC. The question is how a product type which was found as Non PUC now become a like product?. The DI ought to have filed a petition for fresh investigation concerning the PUI here which was found as Non PUC in the original case. The PUI was earlier excluded from the scope of PUC not because its import was negligible but clearly because the PUI was identified as a Non PUC item. The Authority should not permit this sort of a back door entry to a Non PUC item to the PUC bracket.

77. The Disclosure statement at Para 12 also says that “the Authority in this regard also recalls the final finding dated 15.02.2017 in the case of Diclofenac Sodium DFS wherein the penultimate stage product was investigated for circumvention even though the same was being manufactured by domestic industry for producing PUC. It is respectfully submitted that the reference to the DFS case is absolutely not in context. In DFS case even though the penultimate stage product was being manufactured, the same was not termed specifically as Non PUC item. Anti-circumvention Rule is not to convert a Non PUC into PUC the way in which it is proposed the Disclosure statement.

78. Exporter Specific Comments

(i) M/s Sarah Composite Mills Limited

- a) The Disclosure statement states that the Company’s cost of production could not be verified/authenticated and it is also said that even though there are sales of PUI to countries other than India, the appropriate approach for evaluating normal value is to adopt highest cost of production amongst the cooperating producers/exporters.

- b) In this regard, it is submitted that the company has provided the following details to authenticate its cost;
- Cost of production and Profit & Loss account for POI duly certified by the Auditors,
 - Certificate from management as well as Auditors with regards to Audited Accounts for POI, Accounts/Financial Records are maintained and reported as per applicable BFRS & BAS of Bangladesh, was also provided which was asked by the department vide mail dated 28.2.2019.
 - In the verification report, the Company was asked to provide raw material invoices which were provided along with comments on verification report.
 - COP should be calculated based on audited data.
 - Also, there is no justification for rejection of 3rd country sales data for the purpose of calculation of NV. The approach of adopting highest cost of production among the cooperating producer when Sarah Composite Mills Limited was fully cooperating with the Authority is highly unjustified and is against the WTO AD Agreement and Laws.
 - The duly authenticated COP of Sarah Composite Mills Limited alone be considered for working out the NV and as an alternative method 3rd country price of exports of Sarah Composite Mills Limited is also provided to the Authority which should alone form the basis of NV of Sarah Composite Mills Limited.

(ii) M/s Kurigram Jute Processing Works

- a) The Disclosure statement says with regard to Normal Value of Kurigram Jute Processing Works that Ex-factory COP plus reasonable profit is proposed to be adopted for evaluating normal value wherein the overall profit of the company is considered.
- b) In this regard submitted in this regard that the profit percentage as proposed includes impact of subsidy which is not a correct methodology. It was clarified to the verification Team of DGTR that to encourage exports, a subsidy is granted by Government by way of payment through Bank after due process in respect of exports of Jute products. The same is reported as a separate income head in the Income Statement. All documents pertaining to subsidy were provided to the verification team. As per the Final Findings issued in the original investigation also, the impact of subsidy was neither considered in cost nor was the same added to the sales realization to work out the dumping margin by the Authority. In view of the past methodology also, the proposed methodology of adding subsidy to profit margin is incorrect. Further, since the impact of subsidy has not been considered in cost of production (COP) or sales realization, the profit margin should be the difference between sales realization and cost of production (COP) only.

I. 1(d) M/s Sagar Jute Spinning Mills Ltd. have provided the following comments:

79. As per the disclosure statement issued by the Authority, it is found that the COP calculated for Sacking cloth is BDT 72,346 per MT. The normal value needs to be calculated at Ex-factory level, however this COP is not the Ex-factory cost. It is requested to deduct BDT

2,532 per MT as post factory expenses. It is submitted that all costs are post factory cost hence needs to be deducted while calculating COP.

80. The profit percentage is calculated after taking into consideration Export subsidy. It is requested not to take that in to consideration for the following reason:

- (i) Subsidy income is not included while calculating net export price,
- (ii) Subsidy income is not excluded while calculating COP
- (iii) If it is neither taken on sales realization nor taken on COP it should not be taken in to consideration while calculating profit margin.
- (iv) During the original investigation the same was also not taken in to consideration.
- (v) Subsidy is received on exports, whereas COP is being worked out for normal value which is in Lieu of domestic selling price, hence should be part of profit margin.

81. The adjustments calculated by the Authority are Inland freight, credit cost and bank charges. However the amount of credit cost and bank charges are incorrect.

82. The Authority calculates dumping margin weighted average for all related companies. In this regard, it is submitted that M/s Sagar Jute Spinning Mills Ltd., has related company namely M/s Sidlaw Textiles (Bangladesh) Ltd., Bangladesh, who is also involved in production and sales of PUC, PUI and other jute products. M/s Sidlaw Textiles (Bangladesh) Ltd., Bangladesh, has separately filed Exporters Questionnaire responses with DGTR. The same has also been mentioned in the response filed by M/s Sidlaw Textiles (Bangladesh) Ltd.

83. Referring to the Trade notice No. 9/2018 dated 10.05.2018, it is submitted that both Sagar and Sidlaw are related company hence the dumping margin needs to be calculated on weighted average basis. The same approach was also followed in the original investigation by the Authority.

I. 1(e) M/s PWC representing M/s Afil Jute Mills Ltd., M/s Jobaida Jute Mills Ltd. and M/s RM Jute Diversification Mills Ltd. have provided the following comments:

84. Exporter Specific Comments:

1. M/s Jobaida Jute Mills Ltd. and Afil Jute Mills Ltd.

- Trade Pattern Shift:

- (i) The Authority has not analyzed the shift in the pattern of trade or circumvention for its company. The Authority has merely mentioned a statement that the pattern of trade of PUC and PUI depicts shift in trade pattern towards PUI from PUC due to levy of ADD on PUC. It is reiterated that the respondent has exported the PUI to India purely on the basis of

demand and fair business principles without any intent to circumvent the anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh.

- (ii) It is further submits that exports made to the third countries is a relevant parameter while carrying out the shift in the pattern of trade or circumvention analysis. The Authority has completely ignored the fact that the respondent has exported significant quantities of PUI to other countries during POI as well as post POI. In order to substantiate our claim that third country sales is an important parameter for shift in the pattern of trade or circumvention analysis. Emphasis was laid on first para on page no 68 of Final Findings in the case of Anti-Circumvention investigations concerning imports of Cold- Rolled Flat Products of Stainless Steel originating in or Exported from China PR, Korea, European Union, South Africa, Taiwan, Thailand and USA (F. No. 14/1/2014-DGAD dated 18th August, 2017).
- (iii) It is therefore important to note that exports to third countries is a relevant parameter while carrying out the shift in trade pattern or circumvention analysis. So, the respondent requests the Authority to consider its exports to third countries while carrying out its circumvention analysis.

- Dumping Margin

- (iv) It is submitted that the methodology proposed for the determination of the normal value and proposed normal value is flawed on account of the following reasons:
- a) The Application of overall profitability for the calculation of the normal value is wrong and against the consistent practice of the Authority to consider 5% as reasonable profit as:
- Overall profit is not related to the same category of goods. It is submitted that Yarn and Cloth or Bag are not the same category of products. Further, Sacking quality of products and Hessian or other premium quality of products are also not the same category of products as premium quality of products are made from the highest quality of raw jute which can be substantiated by referring to the original investigation of 'Jute products' viz- Jute Yarn/ Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags from Bangladesh and Nepal (F.No. 14/19/2015-DGAD dated 20th October, 2016) in which Authority had categorically noted that the products type consisting of Yarn/ Twine, Sacking Bags and Hessian Fabric is diversified and not same product type.

- Considering 5% as the reasonable profit for the construction of normal value is the consistent practice of the Authority. The respondent submits that the Authority has considered 5% as a reasonable profit in plethora of cases including the original investigation of Jute, SDH Equipment, Phthalic Anhydride, Solar Cells, Resorcinol, USB Flash Drives, Sodium Tripoly Phosphate, etc.
 - With specific reference to M/s Jobaida Jute Mills Ltd. it is submitted that Comparison of normal value including subsidy with export price excluding subsidy is not a fair comparison in terms of the provisions of the AD Rules, 1995 and WTO Agreement as it is in gross violation of the Para 6 of Annexure-I of the AD Rules, 1995 and Para 2.4 of the WTO Agreement which advocates that due allowance shall be made in each case, on its merits, for differences which affect price comparability, including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics, and any other differences which affect price comparability.
- b) Calculation of normal value considering average rate of raw jute is baseless – It is evident from the costing details shared by the Authority that average rate of raw jute inflated by a normal loss of ***% has been used for the calculation of the raw jute cost per MT. It has been also noted that the Authority has considered the purchase value and not the consumption value for the calculation of the average rate of raw jute. It is reiterated that the respondent used cutting of raw jute in significant proportion for the manufacture of PUI during the POI. The details of the batch composition used for the manufacture of PUI have been already provided to the Authority which can be substantiated a web research from Tax Learner website. It is submitted that the respondent regularly uses cutting of raw jute, wastage and low quality of raw jute for the manufacture of PUI as it is a downgraded product. Accordingly, it is requested from the Authority to consider the average rate of the low quality of raw jute of BDT 36,254 per MT for the calculation of the normal value. In the original case, the applicants had claimed the raw material cost for Hessian Fabric 76% higher as compared to the raw material cost for sacking bag. It is therefore submitted that the respondent has provided the complete details of the production and consumption value of raw jute, which has been also acknowledged in the verification report. The consumption and production quantity are as per the Audit Report of the respondent for the POI. So, we request the Authority to calculate the total consumption of raw jute in MT by inflating the total production by 2% for normal waste and calculate the average rate of raw jute based on the total consumption value of raw jute

- c) With reference to M/s Jobaida Jute Mills Ltd. It is requested to adopt production value as the basis of allocation in line with the practice followed for Afil Jute Mills Ltd and other cooperating exporters to allocate total cost of Consumables, Utilities, Manufacturing Overhead, Direct Labor, Depreciation on PUI.
- d) With reference to M/s Jobaida Jute Mills Ltd. it is submitted that Freight cost considered for the calculation of normal value is flawed. The Factory Cash Payment Voucher along with details of dispatch to substantiate the inland freight cost incurred for exports of PUI to India. This fact has been also recorded in the verification report. The exports to India were made through Beanpole land port. So, no overseas freight cost was incurred. The breakup of the Freight Cost and Transport & Handling Bill (Export) was provided in the ledger dump submitted as sl. no. 6 of the verification documents.
- e) With Specific reference to M/s Afil Jute Mills Ltd., it is requested to adopt production value as the basis of allocation for Other Raw Material (Nature of Consumables / Spares) as applied for Consumable, Labor, Depreciation, Utilities, Repairs & Maintenance, Agriculture Expense and Other Miscellaneous Expenses – It has been noticed that the Authority has used the production quantity ratio for the allocation of total Other Raw Material Cost to PUI while production value method has been used to allocated total cost of Consumable, Labor, Depreciation, Utilities, Repairs & Maintenance, Agriculture Expense and Other Miscellaneous Expenses to PUI. Further, the other raw materials includes expenses in the nature of consumable / spares and not a raw material. The details of the other raw material have been already filed in sl. no 14 of the verification documents
- f) There is a typographical error in the bank charge for exports price to India of PUI.

2. M/s R.M. Jute Diversification Mills Ltd.

- Trade Pattern shift

- (i) The Authority has neither recorded the submissions made by the respondent regarding circumvention nor examined its pattern of trade despite being a fully cooperative exporter. The Authority has proposed in Para 4 on page 59 of the disclosure statement to consider the respondent under the residual category since it had not exported the PUI during the POI and circumvention is witnessed at a country level. In this context, it is submitted that the respondent has fully cooperated with the investigation and provided all the information and requested data to the Authority within the prescribed time frame.
- (ii) The Authority has proposed in Para 26 of the disclosure statement to consider the trade pattern shift in PUI from PUC on the basis of data provided by the cooperating producers/exporters. However, despite cooperating fully with the investigation, Authority

has not undertaken the pattern of trade analysis for the exporter in contradiction to the methodology proposed in para 26 of the Disclosure statement.

- (iii) It is further submitted that the first condition enunciated in the law is that there should be circumvention of the duty imposed on the product under consideration in the form of altering the description or name or composition of the article subject to such anti-dumping duty or by import of such article in an unassembled or disassembled form or by changing the country of its origin or export or in any other manner. The relevant provisions of i.e. Section 9A(1A) of CTA and Rule 25 of AD Rules is referenced.
- (iv) Fact that as per Rule 26(4) of the AD Rules, Authority needs to prove dumping to initiate an anti-circumvention investigation. However, no discretion has been provided under the AD Rules to not undertake the pattern of trade or circumvention analysis for a cooperative exporter in case it is not possible to calculate its dumping margin on accounts of no exports of PUI to India during the POI or circumvention is witnessed at a country level.

- Dumping Margin

- (v) It is reiterated that the exporter has not circumvented the anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh.
- (vi) The company has neither circumvented the anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh nor has any intent to circumvent it. The company has fully cooperated with the investigation. Therefore, the Authority is requested to not extend the anti-dumping duties against the exports of Jute Sacking Cloth by the company to India.
- (vii) Without prejudice to above submissions, the respondent submits that it has neither exported PUC nor PUI in the POI of the original investigation or in the POI of the ongoing investigation. So, the respondent requests the Authority to note or confirm in the final findings that it is eligible to file an application for new shipper review for PUC and PUI under Rule 22 of the AD Rules.

85. Comments on other issues:

a) Scope of Domestic Industry and Standing

- (i) The Authority has noted in para 17 & 18 of the Disclosure Statement holds that the domestic producers constitutes a major proportions of the total Indian production and considered them as an eligible domestic industry in terms of Rule 2 (b). Further, it has been stated that the test of 25% and 50% are not *per se* applicable for an investigation initiated under Rule 26. In this regard, the Authority has held that the test of 25% and 50% are not *per se* applicable for an investigation initiated under Rule 26 as not in accordance with the provisions of the law. It is understood that the Authority has reached to this conclusion based on the following basis.
 - Rule 26(5) of the AD Rules only mentions that the provisions regarding evidence and procedures under Rule 6 shall apply *mutatis mutandis* to any investigation carried out under this Rule. Nothing is mentioned about the applicability of Rule 5 and other Rules of the AD Rules.

- The applicant companies participating in the present investigation had also participated in the original investigation. The present investigation is for the extension of duties.
- (ii) However, attention of the Authority was invited to Rule 5(1), Rule 26(1), Rule 5(3) and Rule 26(5) of AD Rules. From the perusal of these rules the following facts emerges:
- The legislator has used the word '*by or on behalf of the domestic industry*' in Rule 26(1), Rule 5(1) and Rule 5(3) (a) of AD Rules.
 - The meaning of the term '*by or on behalf of the domestic industry*' is defined only in explanation to Rule 5(3) of AD Rules.
 - Rule 26(5) does not specifically mentions that Rule 5 is not applicable.
- (iii) Therefore, Rule 5 is also applicable *mutatis mutandis* to a circumvention investigation as the liberal interpretation taken by the Authority will render the usage of the word '*by or on behalf of the domestic industry*' in Rule 26(1) infructuous and meaningless. Accordingly, test of 25% and 50% is applicable to an investigation initiated under Rule 26. Also, the Authority has issued the disclosure statement under Rule 16 as evidenced from the disclosure statement while there is no mention of Rule 16 or other Rules in Rule 25 to Rules 28 related to circumvention
- (iv) Referring to the observation of the Authority that the applicant companies participating in the present investigation had also participated in the original investigation, it is submitted that the share of applicants including supporters was 59.02% of the total Indian production in the original investigation while in the present investigation the share of the applicants is only 36%. The Authority has carried out both 50% and 25% test in the case of the original investigation. Reference was drawn to the relevant excerpts of the original investigation i.e., Anti-dumping investigation concerning imports of "Jute products" viz- Jute Yarn/ Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags from Bangladesh and Nepal (F No. 14/19/2015-DGAD dated 20 October, 2016).
- (v) It is therefore clear that the Authority has carried out both 50% plus and 25% test while undertaking standing test in the original investigation. Further, it may also be noted that the Authority carried out the 50% plus test on the total production of the country. However, in the present investigation, the applicant failed to pass the 50% plus test as its share is only 36% of the total Indian production.
- (vi) It is reiterated that the applicant has not provided the following basic documents & information with their original application of December 2017 to establish their standing in terms of Rule 2(b) and 5(3) of the Anti-dumping Rules, 1995:
- Names of the applicant Mills along with their production details;
 - Names of the supporting Mills along with their production details;
 - Names of Mills other than applicants and supporters;
 - A copy of the board resolution of the Association in which decision regarding filing of the anti-circumvention investigation has been taken;

- A copy of the authorization letters provided by the Mills in favor of the applicant to file the application.
- (vii) Attention of the Authority is invited to para 42 to para 47 of the original investigation wherein names as well as production details of the applicants, supporters and others were disclosed to substantiate the claims of standing made by the applicant. However, in this case no such information has been provided. The applicant has conveniently assumed in the original application that all the members of the applicant association have supported the petition while only 13 Mills have supported the application as evidence from the revised application and para 15 of the disclosure statement.
- (viii) The respondent requests the Authority to terminate the investigation immediately as the initiation is without jurisdiction and bad in law as the applicant does not qualify the standing criteria enunciated in Rule 5(3) of the Anti-dumping Rules, 1995.
- (ix) The questionnaire response filed by the applicant clearly shows that the applicant had filed a deficient application since very basic information like name of the applicant mills, production, sales etc. has been filed first time in the questionnaire response.

b) Injury and Causal Link

- (i) The Authority in Para 21 (i) of the disclosure statement stated that the primary factors considered by the Authority for arriving at a *prima facie* satisfaction of existence of the circumvention have been listed in the initiation notification. In this regard, it is reiterated that-
- The applicant has not provided details of production, sales, capacity, profit etc. in the original application to substantiate their claim that the alleged circumvention has rendered the duty ineffective. The applicant has also not provided any data on price undercutting and price underselling. Accordingly, the application filed by the applicant is deficient and incomplete.
 - The initiation notification of the present investigation does not contain summary of the factors like production, sales, capacity, profit based on which it has been alleged or concluded that the anti-dumping duty so imposed has been rendered ineffective. The respondent submits that it is mandatory to establish in all cases, including the case of product circumvention, that the remedial effects of the anti-dumping duties imposed are undermined or rendered the duty ineffective. In support of our claim, kind Attention of the Authority is invited to Section 9A(1A) of the CTA which mandates that duty may be extended only when circumvention has rendered the duty ineffective and Rule 26 (5) and Rules 6(1)(iv) of AD rules.
- (ii) From the perusal of these Rules, it is clear that the initiation shall contain a summary of the factors on which the allegation of injury is based. However, since Rule 6(1)(iv) is applicable *mutatis mutandis* to a circumvention investigation the Rule 6(1)(iv) should be read as “*a summary of the factors based on which it has been alleged or concluded that the anti-dumping duty so imposed has been rendered ineffective*”.

- (iii) It has been proposed in Para 21 (ii) to analyse the undermining effect of anti-dumping duty in the disclosure considering erosion of duty, impact on market share of domestic industry & Indian industry as a whole and price undercutting effect on domestic industry's prices. The respondent submits that it is submitted that the methodology proposed by the Authority is not in line with the practice followed by the Authority in the case of DFS Anti-circumvention investigation. In DFS investigation Authority has analyzed all injury parameters before recommending that the circumventing product (Indolinone) has rendered the duty imposed on the circumvented product (Diclofenac Sodium) ineffective.
- (iv) It is therefore clear that the Authority has analyzed all injury parameters including production, exports, stock, underselling, injury margin etc. in the DFS anti-circumvention investigation. So, it is requested that analyze all factors of injury to examine whether the alleged circumvention has undermined the remedial effects of the anti-dumping duty imposed against imports of PUC from Bangladesh.
- (v) Respondent has received the transaction wise data in pdf format at a very belated stage, which has curtailed its right to offer its meaningful comments on the issue of imports of PUC from other countries.
- (vi) It is submitted that the request for providing the transaction wise import data had been made by the respondent vide its letter dated on 27th August, 2018. However, the data has been received on 7th March, 2019 in pdf format which runs over 700 pages. The respondent got only four working days to prepare comment on the disclosure statement and analyze the 700 pages import data in pdf format. The respondent submits that it didn't get enough time to analyze the import data. Accordingly, the respondent is constrained to file its meaningful comments on this issue. The respondent requests it is requested from the Authority to disclose the imports quantity and value of PUC & PUI from Bangladesh, Nepal and other countries in the Final Findings since this matter goes to the root of the investigation.
- (vii) Orders issued by the office of the Jute Commissioner clearly shows that the domestic producers do not have the capacity to cater the demand and capacity constraint is the reason for injury, if any, in any form to the so-called domestic industry.
- (viii) Jute Commissioner *vide* its order no. Jute (Mktg)/2/2003 dated 14th February, 2018 directed all jute mills to obtain prior permission from his office before selling any jute sacking cloth or bag to any agency. On 24th October, 2018 office of the Jute Commissioner issued a letter (No. Jute (Mktg)/11/2004-V) to the jute mills warning them to supply B-Twill Jute Bags (PUC) and clear the backlog against the Production Control-cum-Supply Order (PCSO). B-Twill bags are bags of sacking quality. Therefore, it is clear that the Indian Jute Mills have suffered injury, if any, on account of their internal inefficiencies & the orders issued by the Office of the Jute Commissioner and not on account of the imports of the Jute Sacking Bags from Bangladesh.

c) **Excessive confidentiality has been claimed by the applicant producers**

- (i) The applicant has claimed excessive confidentiality, which has prevented the respondent from offering its purposeful comments. Illustrative list of the information on which applicant has claimed excessive confidentiality are as under.
 - Production, Domestic Sales, Demand, Market share of domestic industry in demand, Basis for the calculation of normal value and export price etc.
- (ii) The confidentiality claims made by the applicant are not in accordance with Anti-dumping Rules, 1995. Further, it is submitted that the non-confidential version of the application is grossly inadequate and meaningless.
- (iii) It is submitted that confidentiality provision under the Anti-dumping Rules, 1995 is not a tool merely to deny disclosure of information during the investigation in order to kill transparency and create a handicap for the opposing parties.
- (iv) Reference was drawn to WTO's and report on *Guatemala — Cement II*, and CESTAT decisions in the case of *Essar Steel Ltd vs UOI 2008 (222) ELT 161 (Del)* and *H. R. Johnson vs Designated Authority 2005*.
- (v) It is reiterated that the Anti-dumping Rules, 1995 also confer discretion upon the Authority to consider the request for confidentiality made by a party and if it is satisfied that the same is not warranted or that the supplier of the information is unwilling to make information public or to authorize its disclosure in a generalized or summary form, it may disregard such information.

d) Assessment of effect of circumvention on existing Anti-dumping measure and Domestic Industry

- (i) The methodology proposed by the Authority to examine whether remedial effects of the anti-dumping duties are undermined or not in this investigation is contrary to the methodology followed by the Authority in the case of DFS Anti-circumvention investigation. In DFS investigation, the Authority has analyzed all injury parameters before recommending that the circumventing product (Indolinone) has rendered the duty imposed on the circumvented product (Diclofenac Sodium) ineffective. So, it is requested from the Authority to follow the same methodology in this case.
- (ii) Injury information on various parameters had been recorded and analyzed in DFS while there is no mention of those parameters in the disclosure statement issued in this investigation. The Authority has calculated the injury in DFS case for the applicant & producer separately and noted that it is positive. Further, Authority had also calculated the undercutting and underselling for the entire period of injury in DFS case while undercutting has been calculated only for the POI in the present investigation.
- (iii) Imports of PUI from Bangladesh has not undermined the remedial effects of the anti-dumping duty imposed on imports of PUC from Bangladesh. Therefore, the alleged

circumvention has not rendered the duty imposed on the PUC ineffective. In this regards facts relating to the product under consideration (Annexure A – Part II of the questionnaire response) is referenced. Facts related to capacity, significant increase in the production, capacity utilization, sales quantity, domestic sales, productivity per day, PBT per unit – Domestic Sales, PBIT, cash profit etc. was reproduced in the submissions to substantiate the claim.

- (iv) It is reiterated that the so-called domestic industry has suffered the injury, if any, on account of the significant increase in their interest / finance and depreciation cost. Facts relating to Jute Sacking Bags (Annexure A – Part II) of the questionnaire response is referred.
- (v) It may be noted that the capacity of the applicant remained almost constant in the POI-A as compared to the 2014-15. In such case, we fail to understand the reason for significant increase in the interest and depreciation cost. Accordingly, it is clear that the applicant has suffered the injury on account of internal inefficiencies & mismanagement and not on account of the alleged circumvention of anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh.
- (vi) In addition, it is also submitted that the orders of the Jute Commissioner are the reason for injury, if any, suffered by the applicant since jute mills cannot freely sell their goods in the open market based on the demand and supply.

I. 1(f) M/s World Trade Consultants and Advocates representing Ranu Agro Industries Limited, Mouna Jute Mills Ltd., Arnu Jute Mills Ltd., Jamuna Jute Industries Ltd., Nabarun Jute Mills Limited, Rabeya Jute Mills and Rahman Jute Mills (Pvt.) Ltd. have submitted the following comments:

86. Adoption of profit percentage including impact of subsidy is not correct:

- (i) It was clarified to the verification team that to encourage exports, a subsidy is granted by Government by way of payment through Bank after due process in respect of exports of Jute products. The same is reported as a separate income head in the Income Statement. All documents pertaining to subsidy were provided to the verification team. As per the Final Findings issued in the original investigation, the impact of subsidy was neither considered in cost nor the same was added to the sales realization to work out the dumping margin by the Authority in the original investigation as well as in the workings of the present investigation. However, in the present investigation, while adding the profit margin to the cost of production to arrive at the normal value, the Authority has added the impact of subsidy. This methodology of adding subsidy to profit margin is incorrect. Further, since the impact of subsidy has not been considered in cost of production (COP) or sales realization, the profit margin should be the difference between sales realization and cost of production (COP) only. No impact of subsidy should be added as:

- The Profit is the difference between Selling Price and Cost. The Authority has neither considered subsidy as part of Selling Price nor deducted it from cost of production neither in the current investigation nor in the original investigation, to work out the Export Price and Dumping Margin.
- No subsidy is receivable in case of domestic sales. Subsidy is received in respect of export sales only and not in respect of domestic sales. Details of subsidy received along with all supporting documents was provided to the verification team. Hence, while working out Normal Value based cost of production in domestic market, impact of subsidy shall not be taken.
- Past Practice of the Authority in the original investigation shows that it has adopted 5% profit margin to construct Normal Value in respect of all participating producers/exporters.

87. Modification of Conversion Cost :

- (i) The Authority has modified the conversion cost claimed by the exporters. As per confidential disclosure statement issued by DGTR, the Authority has not accepted the claims with regard to conversion cost. The cost of labour, consumables, utilities, depreciation and manufacturing overheads are allocated to the product concerned on the basis of estimated labour hour.
- (ii) The Authority has adopted production value as the basis of allocation for (a) Labour Cost and (b) Depreciation
- (iii) The above expenses have direct correlation with the man/machine/labour hours. Lower the count, higher the conversion cost. In sacking cloth, courser count of yarn is used, hence, production per hour is more appropriate basis for allocation of the above expenses as compared to hessian fabric and normal yarn.
- (iv) The Authority has linked the conversion cost to prices of different products. Linking the conversion cost to prices is not correct when output varies significantly for different types of products. It is submitted that prices vary from one market segment to another. Same product has different prices when exported to India and sold in Bangladesh as explained above.

88. Modification of claims of cost duly certified by the Auditors is against the spirit of Anti-Dumping Agreement and Rules:

- (i) Any modification in cost claimed by the producer/exporters is in violation of the Article 2.2.1.1 of the Anti-Dumping Agreement and Para-1 of the Annexure I of the AD Rules.
- (ii) Article VI of The General Agreement on Tariffs and Trade 1994, read as under:
“2.2.1.1 For the purpose of paragraph 2, costs shall normally be calculated on the basis of records kept by the exporter or producer under investigation, provided that such records are in accordance with the Generally Accepted Accounting Principles (GAAP) of the exporting country and reasonably reflect the costs associated with the production and sale

of the product under consideration. Authorities shall consider all available evidence on the proper allocation of costs, including that which is made available by the exporter or producer in the course of the investigation provided that such allocations have been historically utilized by the exporter or producer, in particular in relation to establishing appropriate amortization and depreciation periods and allowances for capital expenditures and other development costs. Unless already reflected in the cost allocations under this sub-paragraph, costs shall be adjusted appropriately for those non-recurring items of cost which benefit future and/or current production, or for circumstances in which costs during the period of investigation are affected by start-up operations.”

- (iii) The above article requires that the Investigation Authority accepts the cost of production (COP) of participating exporters, if the records of companies are maintained in accordance with Generally Accepted Accounting Principles (GAAP) of the exporting countries.
- (iv) The Authority has revised the cost of production (COP) of numbers of participating companies based on some hypothetical assumptions which is a clear violation of Article 2.2.1.1 of the AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994. This article requires that the Investigation Authority accepts the cost of production (COP) of participating exporters, if the records of companies are maintained in accordance with Generally Accepted Accounting Principles (GAAP) of the exporting countries.
- (v) The company has provided audited accounts duly certified by the Auditor for the year 2016-17, 2017-18 and for the POI, 1st October 2016 to 31st December 2017 and the cost of production (COP) details duly certified by the auditor along with the certificates that the accounts of the company are maintained as per Bangladesh Financial Report System (BFRS) and Bangladesh Accounting system (BAS)

89. With reference to M/s Mouna Jute Mills Ltd., following is submitted:

- (i) Adoption of profit margin to construct Normal Value based on all products sold by the exporter is incorrect.
- (ii) During the course of verification, it was shown that exporter has sold PUC, PUI and other Speciality products. PUC is sold in domestic market as well as exported to other countries. PUI has been exported only to India. Other products are sold in the domestic market as well as exported to other countries. Other Speciality products are made and customised on order and need basis and are expensive. This is the reason that the sales realisation per unit for other speciality products is almost double as compared to the sales realisation per unit of PUC/PUI.
- (iii) The sales realization of PUC, PUI in domestic market, export to other countries as well as India is not significantly different, and variation is in the range of 10% only. Speciality products sold in domestic market are almost double the price of PUC and PUI whereas the same is exported at 50% higher price to other countries. Sales

realisation of other products is much higher than the sales realization of PUC/PUI. T by T sales of other products along with EXP form no. (already submitted) are enclosed with the submissions. The difference in the speciality products, PUC and PUI may be seen from the pictures provided in the submissions.

- (iv) The other products are clearly different from PUC and PUI. Other products yield higher rate of profit as compared to PUC and PUI and other normal Jute Products. Higher price has yielded high rate of profit. Hence, adoption of profit margin for the company as a whole on the cost of production of PUC/PUI is not reasonable and shall not be adopted to construct Normal Value. It is submitted that for constructing fair and reasonable normal value, weighted average profitability of PUC/ PUI may be considered.

90. (a) Rejection of cost data does not meet the requirement laid down under Article 6.8

- (i) The inputs submitted by the cooperating producer/exporter can be rejected only if the requirements laid under Article 6.8 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 which is to be read along with para 5 of Annex II of the Agreement.
- (ii) The following facts show that the exporter has fully co-operated with the Authority and provided all the required information to the best of abilities:
- The company met all the deadlines set by the Authority for filing the required response as per prescribed Questionnaires;
 - The Audit Report was especially submitted for the period of investigation although the period of investigation is entirely different from the normal accounting year for which regular Audit is made. In the Audit Report extensive Trading Account and Profit & Loss accounts was prepared separately. Since all information was given in detail in these Accounts, the Auditor has not prepared separate schedules/tables for items of various heads.
 - It has provided audited accounts duly certified by the Auditor for the year 2016-17, 2017-18 and for the POI, i.e., 1st October 2016 to 31st December 2017 and also provided the cost of production (COP) details duly certified by the auditor along with the certificates that the accounts of the company are maintained as per Bangladesh Financial Report System (BFRS) and Bangladesh Accounting system (BAS)
 - All the accounts and records of the Company are in Bangla language. However, in order to assist the Authority, all main records were submitted after due translation in English in excel form along with copies of original records at the time of verification carried out at Dhaka.
 - Records of Information about Installed Capacity; Production Records/Register; Sales Ledger along with supporting documents; Raw Jute Purchase and issue register along with all supporting purchase invoices; JBO Purchase ledger with supporting purchase invoices; Wages Register; Salary Register; Electricity/Power Register along with English Translations was made available

to the verification team after due verification, the same were considered and duly recorded in the verification report issued by the Authority.

- (iii) In the verification Report of M/s Ranu Agro, issued by the Authority only two adverse noting were observed:
- The quantitative records related to opening stock, closing stock and consumption were not provided at the time of verification and could not be verified.
 - Cost of depreciation and interest cost is much lower than other cooperating producers/exporter.
- (iv) With regard to the observation of the Authority that, *Producer has not provided evidences of opening and closing stock of raw jute*, it is submitted that scanned copy of raw jute inventory ledger was provided and the same reflects the opening and closing stock of raw jute at the time of verification. This was personally explained to the officer after issuance of the verification report.
- (v) With regard to *lower cost of depreciation*, it is submitted that Ranu Agro is producing Sacking Bags, Sacking cloth and Rope only which is of very low quality. Both Sacking bags and rope manufactured by Ranu Agro is sold in domestic market at very low price due to its low quality. The same can be seen from our response. For manufacture of same they have purchased second hand looms from junk yards. This resulted in very low cost of machines resulting into low depreciation. Details of depreciation duly certified by the Auditors were enclosed to the Audit Report submitted. It is submitted that Ranu incurred *low interest cost* as it has established its factory in a backward area with lower investment due to old plant and machines and low land cost. This has resulted into less loan and interest burden. This also resulted into lower labour and other costs as compared to producers located in or around Dhaka.

(b) Violation of principle of Natural Justice

- (i) As per para 39(4)(ii) of the Disclosure Statement in respect of Normal Value, whereby it has been stated that *“The company has not sold PUI either in domestic market or in exports to other countries. The COP for the PUI during POI could not be verified/authenticated and therefore highest normal value of cooperating producer/exporters and average profit of cooperating producer/exporter i.e., 10.88% has been adopted. The Normal value is proposed as 94523 BDT/MT”*, The cost data of the cooperating exporter has been rejected and the Authority has considered the data of other cooperating producers/exporters. The Authority should have provided an opportunity to them before rejecting its data. Non-acceptance of information by the Authority without providing a reasonable opportunity to the producer/exporter is in violation of the principle of natural justice.

(c) Adoption of Normal Value as determined for a factory located in Dhaka is unjustified:

91. The Authority has adopted a very high Normal Value based on cost data of a factory which is located in Dhaka. This is not reasonable when the actual cost data is made available to the Authority with all sincerity by the company.

I. 2 The domestic industry has provided the following comments on the disclosure statement:

a) Dumping Margin

92. The rule recognize three kind of circumvention:-

- a. Assembly operation- export of prior stage product or subsequent stage product
- b. Alteration- in description, name or composition-.
- c. Country Circumvention

93. In product type circumvention case, the exporters are exporting the prior stage of the product. Whether the exporters are exporting prior stage or subsequent stage, it cannot certainly be a case that the product form constitute circumvention in case the dumping margin is positive and product form shall not constitute circumvention if the dumping margin is negative. For the purpose of establishing circumvention, existence of dumping is not even necessary/mandatory. The product form either constitutes circumvention or does not constitute circumvention. Further, for the purpose of establishing circumvention, the relevant parameters are (a) the operation should start or increase after, or just prior to, the anti-dumping investigations (b) the value consequent to assembly, finishing or completion operation is less than thirty-five percent of the cost of assembled, finished or complete article. (c) there has been a change in trade practice, (c.1) absence of a justification, economic or otherwise, other than imposition of anti-dumping duty; (c.2) evidence that the remedial effects of the anti-dumping duties are undermined in terms of the price and or the quality of like products. The fact of dumping is not even a relevant parameter. Such being the case, establishing dumping margin for individual exporters is of no relevance.

94. In the present investigation, almost every producer has shown that there is a change in pattern of trade evidencing the practise of circumvention. Moreover, the producers who have been accorded with negative dumping margin have shown significant change in the trade pattern.

95. The rules provide for determination of circumvention only at the stage of initiation. The rule do not provide determination of dumping at the stage of final findings. This is quite evident from the plain reading of the rule. Rule 26 (4).

96. It is additionally evident that the aspect of dumping is not required to be examined separately for each producer. At the stage of initiation, the Designated Authority determines dumping

margin on country wide basis. Therefore, additionally for this reason, dumping margin is not required to be established for individual producer.

97. Once it is established that the PUI constitutes circumvention of PUC, it follows that the normal value is required to be determined by considering both PUI and PUC as like article. It cannot certainly be the case that PUI constitutes circumvention of PUC but PUC does not constitute like article to PUI. Further, under the rules, the authority is required to determine normal value for like article. Since PUC and PUI are one like article, normal value is required to be determined by considering the PUC and PUI.
98. The Authority in the disclosure statement, first determined whether circumvention exists and then determined whether the price is a dumped price. The anticircumvention investigation is not an investigation to determine existence of dumping by individual exporters.
99. Thus, normal value is to be determined for the like article. The duty being extended in a circumvention investigation is that of PUC, thus as a natural consequence the normal value should also be considered for the PUC. It is for this reason that the Dunkel Draft¹ prepared in the course of the Uruguay Round negotiations specifically provided for consideration of normal value of the original product. This has been adopted by various countries such as EU, Australia as the law of these countries specifically provide that normal value needs to be established for the product under consideration.
100. It is also relevant to note that the normal value under the rules is required to be determined in respect of product as originally defined. The PUC is not Jute Sacking bag. Sacking bag, jute yarn and hessian fabric were not individual product under consideration in the original investigations. Sacking bag, jute yarn and hessian fabric were considered merely three different forms of PUC.
101. The Designated Authority in the original investigation has done separate analysis for the three types – yarn, bag and fabric. This clearly shows that the separate analysis was done only where price issue was involved. Wherever volume issue is involved, cumulative analysis has been undertaken. As regards price, once it is held that circumvention is taking place, the price of bag duly adjusted or price of cloth duly adjusted becomes the price of other product.
102. Further, the finding of the authority on this aspect was challenged before CESTAT. The CESTAT however held that there is only one product in the present investigation and sacking bag, jute yarn and hessian fabric merely constitutes three different forms of the product.

103. Since profit is required to be determined by considering profitable sales of jute products, the exporters have not fully cooperated with the authority in as much as the exporters have not provided transactions wise details of all kinds of jute products attracting ADD. Thus, the authority does not have sufficient information for determination of profit in accordance with Para 4 of Annexure I of the rules. This is because of insufficient cooperation of the exporters. Such being the case, the authority is required to adopt best available information for determination of profit.

104. It is submitted that the dumping margin is not established afresh in a circumvention investigation as the duties originally determined in the investigation is extended in a circumvention investigation. The purpose of determining dumping margin for each exporter and country is to impose duties; however, in a circumvention investigation, the purpose is not to impose duties afresh, but to extend the duties onto product under investigation which is circumventing the duty already imposed.

105. Thus, the Authority is requested to take the normal value for the product under consideration in the original investigation making necessary changes for fair comparison and compare the normal value with the weighted average export price.

b) Other issues

106. Antidumping law in each WTO contracting countries is based on the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, i.e., the parent agreement. Thus the laws in these countries are in consonance with the parent agreement and all the legal provisions formulated by these countries and practise followed is subject to the WTO scrutiny. Thus the practise of other countries provides a fair guidance to the principles involved and methodologies that may be followed in the anti-dumping investigation. Thus laws and practise of other countries becomes directly relevant in the present case, more so when the WTO has not provided any specific provision on circumvention.

107. The disclosure statements states as follows:

The Authority in the disclosure statement states that there were sales of PUI in 2014-15 though in small quantity and that there could be some sales of PUI in open market for use in some non PUC application areas i.e. for usage in non sacking bag conversion applications. Therefore Authority proposes to exempt such bonafide imports of PUI subject to appropriate administrative monitoring and control by port Authorities.

108. The above observation gives an impression that jute cloth has some requirement other than for the purpose of making jute bags. However, there is no information, document and evidence on record to suggest that there is some genuine requirement of the jute cloth for a purpose other than for making jute bags. Even when industry is in operation for

decades, industry is unaware of any import of jute cloth from Bangladesh for the purpose other than making bags. If jute cloth was earlier being imported, even before imposition of ADD on jute bags, the same was not for a purpose other than for making jute bags. Therefore, the petitioner is deeply concerned, not on exemption, but on possible abuse of the proposed relaxation. It may also be noted that the petitioner has maintained since the beginning of the investigation that there is no other use of sacking cloth other than being used for sacking bag. One importer and several exporters have responded in the present investigation and none of the interested parties have been able to provide evidence on the usage and application of sacking cloth. There were no imports of sacking cloth until 2014-15. The imports of sacking bag started increasing after the initiation of the original investigation in October 2015. In fact, the Authority has itself noted that there are imports of sacking Cloth is only from Bangladesh. Other major country which exports subject goods and is also subjected to ADD, i.e., Nepal has never exported Sacking Cloth to India. This indicates that there is practically no market for sacking cloth. The petitioner does not have any concern if the sacking cloth is exempted for a purpose other than for making jute bags. However, there should be some such consumption in the country. Since this requirement itself is not even established, it would not be appropriate to grant any exemption in the present case.

109. The petitioner has requested disclosure of following facts, in order to enable them to come to a meaningful conclusion.

- a. Copy of the Communications sent by the Authority and copy the replies filed by the interested parties: the Authority may kindly make available a copy of all the communications sent via mail or letter, to the opposing interested parties and replies filed by the interested parties. The applicants are not requesting any confidential information but only the NCV of such information.
- b. Submissions by interested parties: a copy of all the communications filed by the interested parties. In case there is anything confidential, petitioners request non confidential version of the same.
- c. Copy of the rejoinder submissions: petitioners request a copy of the rejoinder submissions filed by other interested parties. In case there is anything confidential, petitioners request non confidential version of the same.
- d. Verification Report: the Authority may kindly disclose the non-confidential version of the verification report of the exporters/producers from subject country to offer meaningful comments on the dumping margin calculated.

I.3 Examination by the Authority

110. Dumping Margin evaluation

The Authority notes the comments on dumping margin viz normal value, and export price of PUI during POI by the Bangladesh High Commission and various producers/exporters and holds as under:

- (i) Issue have been raised on quantum of reasonable profit, inclusion of income of subsidy on exports while considering profitability, referencing overall profitability which includes

PUC, PUI and other non-PUC/PUI for the producer/exporter and that the Authority had in the original investigation considered 5% markup on the Cost of Production as per its consistent practice in similar cases in past and has adopted a different methodology this time.

- (ii) The petitioner i.e domestic industry have stated that profitability should be for the PUC of the original investigation i.e. all product types.
- (iii) The Authority after considering all the aforesaid submissions, has applied a profit margin of 5% on the COP determined for PUI during POI. This approach therefore addresses the issue of Subsidy income's exemption and also not considering profitability of non PUI product types for Normal Value evaluation. The methodology is further in line with that considered in the original investigation.
- (iv) As regards the Normal Value, the Authority notes that besides the reasonable profit, submissions have been made by various producers/exporters on the cost of production of PUI during POI computed by the Authority and disclosed individually to the concerned cooperating producers/exporters confidentially in the disclosure statement. The Authority in this regard notes that post on-spot verification of the cooperating producers/exporters, verification report was issued to such cooperating producers/exporters. The comments to the verification report where ever filed were appropriately considered in the disclosure statement. The post disclosure submissions by various producers/exporters on COP pertains to adoption of average raw material jute price and methodology adopted for allocation of expenditure either on production or sales value on different elements of cost. It has further been stated that Authority cannot change /reject the COP of the producer/exporter as the same is inconsistent with Article 2.2.1.1. Further the producers/exporters have argued that the records kept by them are in accordance with Bangladesh Financial Report System (BFRS) and Bangladesh Accounting system (BAS). It has further been argued that the aforesaid article requires the authority to accept the COP of participating exporter if the record of such cooperating producer are maintained in accordance with GAAP of the exporting country. The producers/exporters have further stated that rejection/modification of the cost data of participating exporter is in violation of Article 2.2.1.1.

The petitioner (DI) have argued that dumping margin should not be producer/exporter wise and that original PUC's normal value be considered for evaluating Normal value in this case and that a weighted average normal value be then considered and applied.

- (v) The Authority noting the above submissions holds that the producers/exporters have amplified the above stated Article not in entirety but only argued on some partial elements of the aforesaid article as convenient to them. The Article clearly states that the records maintained as per GAAP need to reasonably reflect the costs associated with the production and Sales of the PUC. Further the Authority has to consider all available evidence on the proper allocation of costs, including that which is made available by the exporter or producer in the course of the investigation provided that such allocations have been historically utilized by the exporter or producer, in particular in relation to establishing

appropriate amortization and depreciation periods and allowances for capital expenditures and other development costs.....

Therefore the Authority is not to simply accept the claim of the producer/exporter if the records are in accordance with GAPP but to ensure that they reasonably reflect the cost and has to take note of evidence made available. If the arguments of the producers/exporters were to be accepted, there would be no need for any verification of exporters data, its reconciliation and analysis to evaluate whether the records reasonably reflect the costs. The Authority holds that it provided sufficient opportunity to producers/exporters to file Questionnaire response by granting two extensions. During verification, the producers/exporters were granted ample opportunity to provide back-up data and evidence pertaining to Cost break up of PUC and PUI and of requisite export sales. Even post the on-spot verification, the producers/exporters supplemented the gaps in information provided by them earlier, which the Authority considered appropriately both during issuance of Verification report's and thereafter in the disclosure.

- (vi) The Authority notes that almost all cooperating producers/exporters provided audited accounts for POI for the company as a whole. The Authority clearly observed in the Verification report /disclosure that the producers/exporters did not maintain grade-wise consumption records of raw jute and element wise cost records for PUC and PUI. It was also noted that some of the producers/exporters in Bangladesh considered production quantity, production value and sales value as basis of allocation for different elements of cost.
- (vii) The Authority therefore reiterates that even though the Cost and Sales records were maintained by most of the producers/exporters as per GAAP, non-availability of break-up of cost elements specifically for the PUI and PUC still obligates the Authority to ensure the reasonable reflection of cost of PUI as per Article 2.2.1.1. This therefore require appropriate consideration of evidence/data/relevant records which could obviously lead to variations in certain cases with the cost claimed by the producer/exporter as per merits of the case. The Authority in such a situation did not resort to rejecting the cost but rather computed the cost of PUI as per the evidence and records available to ensure reasonable reflection of the PUI's cost.
- (viii) The Authority therefore reiterates that only keeping in view the capacity of the Producers/exporters, their keenness to cooperate, in certain cases had to resort to appropriate methodology considering the data/evidence made available which led to change in the cost claimed by the producer/exporter. The Authority therefore holds that the approach adopted is rather liberal and accommodative and in no way violates provisions of Article 2.2.1.1
- (ix) Besides the broad issues on profit and cost allocation, the producers/exporter have also given specific comments on the evaluation of cost of production for PUI. These are tabulated below with appropriate consideration by the Authority.

S.No.	Name of Producer/ Exporter	Consultant	Comments on Normal Value in response to the Disclosure Statement by interested parties	Examination by Authority
1	Rabeya Jute Mills	WTC	The cost of labour, consumables, utilities, depreciation and manufacturing overheads to the products concerned has been allocated by company on the basis of estimated labour hour as these expenses have direct correlation with the man/machine/labour hours and the same is to be adopted.	The allocation basis adopted by the company is estimated labour hours which cannot be verified from the records. Therefore, the Authority has adopted production value as the basis of allocation.
2	Nabarun Jute Mills	WTC	The cost of labour, consumables, utilities, depreciation and manufacturing overheads to the products concerned has been allocated by company on the basis of estimated labour hour as these expenses have direct correlation with the man/machine/labour hours and the same is to be adopted.	The allocation basis adopted by the company is estimated labour hours which cannot be verified from the records. Therefore, the Authority has adopted production value as the basis of allocation.
3	Mouna Jute Mills	WTC	The cost of labour, consumables, utilities, depreciation and manufacturing overheads to the products concerned has been allocated by company on the basis of estimated labour hour as these expenses have direct correlation with the man/machine/labour hours and	Company has not maintained separate records for PUC, PUI etc. The allocation basis adopted by the company is estimated labour hours which cannot be verified from the records. Therefore, the Authority has adopted production value as the basis of

			the same is to be adopted.	allocation.
4	Rahman Jute Mills	WTC	<p>The cost of labour, consumables, utilities, depreciation and manufacturing overheads to the products concerned has been allocated by company on the basis of estimated labour hour as these expenses have direct correlation with the man/machine/labour hours and the same is to be adopted.</p> <p>Rahman and Jamuna are related companies and both the companies should be granted combined rate of duty.</p>	<p>The allocation basis adopted by the company is estimated labour hours which cannot be verified from the records. Therefore, the Authority has adopted production value as the basis of allocation.</p> <p>The Authority has considered the weighted average dumping margin for both the companies.</p>
5	Jamuna Jute Mills	WTC	<p>The cost of labour, consumables, utilities, depreciation and manufacturing overheads to the products concerned has been allocated by company on the basis of estimated labour hour as these expenses have direct correlation with the man/machine/labour hours and the same is to be adopted.</p> <p>Rahman and Jamuna are related companies and both the companies should be granted combined rate of duty.</p>	<p>The allocation basis adopted by the company is estimated labour hours which cannot be verified from the records. Therefore, the Authority has adopted production value as the basis of allocation.</p> <p>The Authority has considered the weighted average dumping margin for both the companies.</p>
6	Ranu Agro	WTC	<p>Cost of Production data of company should be accepted. Authority should have given the opportunity before rejecting the data. Adoption of Normal Value as determined for a factory located in Dhakka</p>	<p>The Audited Accounts of the company for the POI is not in accordance with the BFRSs. Though in the financial statements of POI it has been stated that Fixed Assets are as per schedule, but the schedule is not enclosed with it. As a result,</p>

			is unjustified.	there is no break-up of Fixed Assets, Average rate of Depreciation is only 1.15%. The quantitative records related to opening stock, closing stock and consumption of raw-jute were not provided and could not be verified. The Depreciation, Financial and other expenses claimed in the Audited Accounts for POI is very low as compared to other companies in Bangladesh. Therefore, Cost of Production could not be verified/authenticated.
7	Sagar Jute		Sagar and Sidlaw are related companies. Hence dumping margin to be calculated on weighted average basis.	The Authority has considered the weighted average dumping margin for both the companies.
8	Sarah	M.S.Pothal	Request to consider the COP of Sarah for working out the NV. Alternatively, 3 rd country price of exports should alone form the basis of NV.	The company at the time of verification stated that fire broke out on 24 th December, 2014 and therefore they could not get a chance to finalize the necessary documents that was suppose to submit to the team during verification. 7 days time was given to them on their request. The company has submitted some data but unable to provide the basic records maintained by them related to raw-material consumption, conversion cost etc. Therefore, company's cost of production could be verified/authenticated.
9	Afil Jute Mills	PWC	Company revised the costing of PUC and PUI considering the lowest quality of raw jute in line with the recommendation of the	The Statement is factually incorrect. The Revised certified Appendixes 7 & 8 is given by the company at the time of verification and the same has

			<p>investigating team during verification.</p> <p>Requested to consider the average rate of lowest quality of raw jute.</p> <p>Requested to adopt production value instead of production quantity as the basis of allocation for other raw-material as it includes expenses in the nature of consumable/spares.</p> <p>Requested to consider other income in the cost of production.</p>	<p>been considered based on Audited Accounts for POI.</p> <p>Company is unable to provide grade-wise consumption records. Also it has been observed that lowest quality of raw jute alone cannot meet the consumption requirements of PUC and PUI, therefore, average rate adopted.</p> <p>The company itself in the certified Appendix 7 claimed the basis of allocation as production quantity ratio and the same basis has been followed consistently in all other companies. The separate accounting/costing records for PUC and PUI has not been maintained by the company.</p> <p>As per the Audited POI Accounts, the other income includes Shopingmol Sales, Agriculture Income and Miscellaneous Income. The Agriculture Expenses as claimed by company has not been considered in Cost of Production and therefore its income is also not considered. Miscellaneous Income break-up has not been provided at the time of verification, now after disclosure company has further provided the details of missc. Income, which cannot be verified at this stage and hence not considered.</p>
10	Jobaida Karim Jute Mills	PWC	Company revised the costing of PUC and PUI considering the lowest quality of raw jute in line with the	The Statement is factually incorrect. The Revised certified Appendixes 7 & 8 is given by the company at the time of

			<p>recommendation of the investigating team during verification.</p> <p>Average rate of raw jute purchase considered instead of consumption. Requested to consider the average rate of lowest quality of raw jute.</p> <p>Requested to adopt production value as the basis of allocation for allocation of consumables, utilities, manufacturing overheads, direct labour and depreciation</p> <p>The total freight cost (including exports) has been allocated on sales value basis and considered in cost of production.</p>	<p>verification and the same has been considered based on Audited Accounts for POI.</p> <p>Company is unable to provide the opening stock and closing stock quantity during verification and therefore consumption quantity of raw-jute cannot be verified. Also, company is unable to provided grade-wise consumption records, therefore, average rate of raw jute purchased considered.</p> <p>The company itself in the certified Appendix 7 claimed the basis of allocation as production quantity ratio for consumables and utilities and weighted production quantity ratio for manufacturing overheads, direct labour and depreciation and the same has been considered. The other sales break-up has not been provided at the time of verification, therefore, the basis of allocation for consumables, direct labour, manufacturing overheads, depreciation has been considered as per the claims of the company. Now after disclosure company has provided the details of sales which cannot be verified at this stage and hence not considered. The separate accounting/costing records for PUC and PUI has not been maintained by the company.</p> <p>The Authority has excluded the freight cost pertaining to exports to countries other than India</p>
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				from the cost of production computed for PUI.
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(x) The Authority notes the submissions by M/s Sagar Jute Mills Ltd. that it is related to M/s Sidlaw as was also recorded in the Original finding. The Authority has therefore computed weighted Average dumping margin for the two related companies. M/s WTC representing M/s Rahman Jute Mills Ltd. and M/s Jamuna Jute Industries Ltd. has also submitted that as the two companies are related as also submitted in the Questionnaire response and weighted average dumping margin be accorded to them. The Authority notes that CEO of Rahman Jute mills Ltd and M/s Jamuna Jute Industries Ltd. is same. Accordingly Weighted Average Dumping margin for M/s Rahman and M/s Jamuna has been accorded.

(xi) The Authority notes the submissions of Domestic industry that there should be one Average Dumping Margin for all producers/exporters and holds that like dumping, circumvention is also an exporter specific phenomena and therefore requirement of PUI to be determined as dumped as required under relevant AD rules needs to be evaluated for a specific producer/exporter and not on an average basis. Further, the Authority notes that though there could be history of evolution of approaches to cope with Anti-circumvention issues and different practices of various countries, the Authority has evaluated various aspect of Anti-circumvention phenomena as per the relevant national AD rules.

(xii) In view of the aforesaid, the Dumping Margin for the cooperating producers/exporters is determined as under:

Dumping Margin of PUI during POI after considering Post disclosure Comments

S.No	Name of Producer/ Exporter	Normal Value (BDT/MT)	Net Export Price (BDT/MT)	Dumping Margin %	Dumping Margin % Range
1	Rabeya Jute Mills	***	***	***	0-10
2	Arnu Jute Mills	***	***	Negative	Negative
3	Nabarun Jute Mills	***	***	***	0-10
4	Mouna Jute Mills	***	***	Negative	Less than 2%
5	Rahman Jute Mills	***	***	Negative	Negative
6	Jamuna Jute Mills	***	***	***	0-10
Weighted Average of (5) and (6) above		***	***	Negative	Negative

7	Uttara Jute	***	***	***	0-10
8	Aba Jute	***	***	***	40-50
9	Ranu Agro	***	***	***	20-30
10	Sagar Jute	***	***	***	0-10
11	Sidlaw	***	***	Negative	Negative
Weighted Average of (10) and (11)		***	***	Negative	Negative
12	Partex	***	***	Negative	Negative
13	Mymensingh	***	***	Negative	Negative
14	Kurigram	***	***	***	10-20
15	Sarah	***	***	***	10-20
16	Asha	***	***	Negative	Negative
17	Nawhata	***	***	Negative	Negative
18	Jute Textile Mills	***	***	***	10-20
19	Afil Jute Mills	***	***	***	0-10
20	Jobaida	***	***	***	0-10
21	Alijan	***	***	***	20-30
22	Mirza	***	***	***	20-30
23	Glory	***	***	***	20-30

(xiii) Other producers/exporters (non-cooperative/residual) and those who have not exported PUI during POI to India.

- The Authority notes that responses to the disclosure were filed by M/s Alijan/ M/s Sonali Aansh Industries Limited and M/s A.N International, Bangladesh.
- M/s Alijan Jute Mills Limited filed certain data on raw jute cost which at such a stage cannot be considered by Authority as the same cannot be verified. M/s A.N. International, trader the dumping margin evaluation can not be done as the same requires their associated producer to file the response. Through M/s A.N. International has now stated names of their 3 suppliers i.e. M/s Mohini Nabil Jute Mills Ltd. Bogra, M/s Salim Agro Industries Ltd. and M/s Nishong Jute Mills Ltd., the Authority holds that these producers need to have cooperated. Further the Authority has evaluated all cooperating producers/exporters and

recommendation for such cooperating producers/exporters would address the concerns of their associated exporters/traders as applicable. Further the some holds for other traders viz M/s G.Traders, M/s South Trade International and M/s Purabi Trading as well, who participated in this investigation.

- The Authority notes that M/s R. M. Jute Diversification Mills Ltd. has stated that as they have not exported during POI and that their trade pattern post POI has not been acknowledged and that this pattern of trade does not indicate circumvention. The Authority notes that the producer/exporter has also submitted that Authority should specifically state about NSR for them in the final finding.
- The Authority holds that even in an original investigation a producer/exporter who has not exported during the POI can later come for New Shipper Review under relevant provisions of rules or else is governed by under the residual category of producers/exporters.

(xiv) In the instant case, the Authority notes the submissions by the producer/exporter that in the period beyond the POI in 2018-19 they do not evidence any circumvention. Authority holds that this cannot lead to conferment of non circumventing behaviour as exports by the producer/exporter of PUI started only the post levy of ADD on PUC and that with no exports of PUI during POI, the condition of PUI being dumped cannot be established. Further the rule 28 provides for a review in Anti-circumvention cases which can be availed by any producer/exporter including M/s R.M.Jute Diversification Mills Ltd. and other producers/exporters who so desire. In this regard, the Authority notes that M/s Ahyan Jute Mills Ltd., M/s Nothern Jute Manufacturing Company Limited and M/s Rajbari Jute Mills Ltd. have also not exported PUI during POI to India and hence may seek review under rule 28.

(xv) For all following non-cooperative producers/exporters, the Authority accords the dumping margin as tabulated below as stated in the earlier paras in the finding.

	Dumping Margin (Range) %
M/s Mirza Jute Mills Ltd.	20-30
M/s Glory Jute Ltd.	20-30
M/s Alijan Jute Mills Limited and M/s Sonali Aansh Industries Limited	20-30
M/s Jatio Jute Mills Ltd., M/s Latif Bawany Jute Mills Limited, M/s Hafiz Jute Mills Ltd., M/s Eastern Jute Mills Ltd., M/s Sonali Jute Mills Limited, M/s Gem Jute Ltd., M/s Hasen Jute Industries Ltd., M/s Bangla Jute Mills Ltd., M/s Motahar Hossain Chowdhury	40-50 (Highest dumping margin)

Jute Mills Ltd. and M/s Mohini Nabil Jute Mills Ltd.	
All producers/exporters other than those listed above and under cooperative producers/exporters category	40-50 (Highest dumping margin)

111. **Undermining of remedial effect**

- (i) The Authority notes the submissions made by various producers/exporters regarding not having followed the practice of anti-circumvention case of DFS in stating and evaluating all parameters of injury assessment of domestic industry in this case. Further it has been submitted that the orders by Jute commissioner directing that permission of Jute Commissioner is required to sell Sacking Bags in the open market implies that injury is on account of such orders. The Authority noting the submissions holds that an Anti-circumvention enquiry requires establishment of the fact whether remedial effects of the applied measure are undermined. The original investigation had established injury to the domestic industry on PUC when all required parameters for establishment of injury were evaluated. The case requires establishing whether the remedial effects have been undermined. Therefore for this purpose the Authority has evaluated erosion of efficacy of the existing measure which entails consideration of quantum of value addition applicable for converting PUI to PUC. The Authority in the instant case has examined as to whether there has been an impact of such circumvention phenomena on undermining of remedial effect in the open market where the PUI essentially competes with the PUC i.e Sacking Bag being sold by domestic industry which undermines the protection accorded to Sacking Bags.
- (ii) The Authority recalls the Anti-circumvention Final Finding dated 18.08.2017 regarding imports of Cold Rolled Flat Products of Stainless Steel wherein submissions on price undercutting by PUI were examined and the Authority had underscored the erosion of efficacy of existing AD measure through Circumvention. The Authority further holds that in the instant case, efficacy of existing AD on PUC i.e. Sacking Bags has been eroded by circumvention through PUI i.e. Sacking Cloth by the Cooperating producers/exporters as well who have been evaluated for a positive dumping margin of PUI during POI and being recommended for extension of measure on PUI Cotermious with PUC.
- (iii) In view of the above specifics of this investigation are different than the DFS case cited by the producers/exporters. The Authority has in the earlier paragraphs analysed the adverse impact on market share of PUC of domestic industry in the open market. The price undercutting by dumped PUI on the Net Sales Realisation of PUC of domestic industry have also been highlighted. The Authority notes that the instant case is not of review of an existing measure which would entail recomputation of both dumping margin and injury margin for suggesting a modified AD measure but is only limited to examination as to whether PUI is dumped, whether trade pattern shift has happened from PUC to PUI post levy of measure not because of any economic rationale and whether the remedial effect of existing measure is undermined. The Authority therefore holds that rather than performance in terms of

overall capacity production and profitability, the impact on domestic industry's performance of Sacking Bags sales in the open market is the relevant consideration for evaluating undermining of remedial effects through circumvention. The specific facts of the investigation warrant examination of undermining of remedial measure in open market for which relevant parameters of market share and price undercutting have been examined. The examination in this case can therefore not be compared with that of the earlier case of DFS. Further the Authority notes that sales by domestic industry in open market are not prohibited by the Jute Commissioner throughout but are regulated for time to time. It is also important to note that there are Jute Mills in the country who are not in the supply domain of the Jute Commissioner and are therefore not regulated by Jute Commissioner's orders.

- (iv) The Authority however notes there were sales of PUI i.e. Sacking Cloth even prior to levy of ADD on Sacking Bag. Sacking Cloth can therefore be used for application other than its conversion to a Sacking Bag. The Authority in this regard notes that no interested party has stated any other use of Sacking cloth other than making Sacking Bags and that the proviso of exemption may not be desirable. The Authority holds that though the most significant use of Sacking Cloth is for making Sacking Bag, it can not be presumed that it is the only use. The Authority therefore holds that bonafide use of Sacking Cloth for applications other than Sacking Bag conversion should not be covered under extension of the existing AD measure. The Authority has therefore recommended the same under the para titled recommendations in this finding.

112. Other Issues

- (i) As regards excessive confidentiality claimed by interested parties including petitioners, the Authority holds that confidentiality claimed and so considered by the Authority for all interested parties including domestic industry is in accordance with its consistent practice and relevant rules. Further, The Authority notes that with regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides as follows:-

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

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the

information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.

- (ii) Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality to the extent considered relevant were examined by the Authority and addressed accordingly. 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 confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file. The Authority also notes that all interested parties have claimed their business related information as confidential, which has been kept confidential as per Rule and consistent practice of the Authority.
- (iii) It has been contested that Sacking Cloth was earlier also exported to India and domestic industry did not include this in the PUC earlier and that this is a back door entry and that they should file a fresh petition for Sacking Cloth. The Authority holds that pattern of significant shift in trade pattern of PUC and PUI post levy of ADD on PUC is indicative to the fact that AD levy on Sacking Bag has triggered this shift and therefore the Authority under this investigation has evaluated stipulated parameters required to be established under the AD rules for appropriate recommendations in this case. It is also noted that none of the interested parties have established that shift of PUC and PUI in their export profile to India post ADD is based on any other economic reasons other than the AD measure on Sacking Bag. Nevertheless, the Authority has recommended exclusion of PUI from extension of the existing measure if the PUI is not for converting to PUC.
- (iv) The Authority notes the submissions by M/s PWC representing certain producers/exporters regarding transaction wise import data adopted by domestic industry and provided to them/other interested parties at a much later date which they could not analyse, and offer comments. The Authority in this regards notes that M/s PWC was also entitled to take authorisation from DGTR to obtain transaction wise import data from DGCIS, under the same notification, which they did not apply for. In the instant case, a large number of producers/exporters cooperated. The data filed by the petitioner has been reconciled with the import data obtained from DGCIS. The trade pattern data of PUC and PUI was disclosed in the disclosure statement. The Authority has further stated the overall trade pattern shift reported by the cooperating producers/exporters which account for almost 50% of total exports of PUC and PUI during POI to India and the trade pattern on the basis of the cooperating producers/exporter also broadly correlates with the overall DGCIS data as has been included in the para on trade pattern examination in this finding. No other interested party has raised the issue of import data. The request of the producer/exporter to provide both quantity and value has been considered. The Authority holds that trade pattern shift has already been provided in disclosure and further supplemented with overall data of cooperating producers/exporters. The landed value of PUC and PUI during POI has also been stated while evaluating erosion of efficacy of existing measure and undermining of

remedial effect. M/s PWC though had the opportunity to take Authorisation from DGTR to obtain transaction wise data from DGCIS, they did not avail this option. The issue raised by them therefore does not seem to underscore any prejudice caused to them.

- (v) The Authority notes the submissions by the domestic industry regarding providing various communication/replies/rejoinder submissions/ Verification report to them. The Authority holds that it has placed various relevant documents in public file as per its consistent practice with no departure in this case.

J. Conclusions

113. Having examined the contentions of the domestic industry and various interested parties and on the basis of the analysis as above, the Authority concludes that:
- i. The Authority notes that imports of PUI i.e. Sacking Cloth have increased post levy of Anti-dumping duty.
 - ii. The value addition in converting PUI (Sacking Cloth) to PUC (Sacking Bag) is much less than the prescribed threshold in the AD Rules.
 - iii. Individual dumping margin have been evaluated for cooperating producers/exporters and for certain producers/exporters dumping margin of PUI during POI is found to be de minimis/negative.
 - iv. The import of PUI has undermined the remedial effect of existing AD measure on PUC imposed vide Custom Notification No. 01/2017-Customs (ADD) dated 5/1/2017 and later amended through Custom Notification No. 11/2017-Customs (ADD) dated 3/4/2017.

K. Recommendations

114. The Authority keeping in view the aforesaid, recommends extension of the existing Anti-dumping duty on Sacking Bags imposed vide Custom Notification No. 01/2017-Customs (ADD) dated 5/1/2017 and Custom Notification No. 11/2017-Customs (ADD) dated 3/4/2017 on PUI i.e. Jute Sacking Cloth as well as tabulated in the duty table in the Custom Notification No. 11/2017-Customs (ADD) dated 3/4/2017 as enclosed at Annexure 1, subject to following:
- i. The Anti-dumping duty on PUI will be applicable from the date of its notification by the Ministry of Finance i.e. Central Government.
 - ii. The validity of the Anti-dumping duty on PUI would be co-terminus with the duty on PUC i.e. Sacking Bag levied through Customs Notification No. 11/2017-Customs (ADD) dated 3/4/2017.
 - iii. The following producers whose dumping margin of PUI during POI is evaluated as de minimis /negative are exempted from extension of measure on PUI i.e. Sacking Cloth.
 - M/s Mouna Jute Mills Ltd.
 - M/s Arnu Jute Mills Limited
 - M/s Rahman Jute Mills (Pvt.) Ltd.
 - M/s Jamuna Jute Industries Limited
 - M/s Sagar Jute Spinning Mills Limited

- M/s Sidlaw Textiles (Bangladesh) Limited
 - M/s Partex Jute Mills Limited Bangladesh
 - M/s Asha Jute Industries Limited
 - M/s Nawhata Jute Mills Ltd.
 - M/s Mymensingh Jute Mills Ltd.
- iv. The PUI which is imported by an importer for use in application other than conversion to Sacking Bag will not be liable for payment of the applicable AD Duty as per Custom Notification No. 11/2017-Customs (ADD) dated 3/4/2017.
- v. For the cases falling under (iv) above, the importer will give a legally enforceable undertaking to the concerned Custom Authorities.
- vi. The Ministry of Finance may put in place an appropriate monitoring mechanism to monitor the genuineness of the usage of the PUI so imported for category falling under (iv) above without payment of AD duty on the basis of aforesaid undertaking by its appropriate agencies.

L. Further Procedure

115. An appeal against the order of the Central Government that may arise out of this Final Finding Notification shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

Sunil Kumar
Additional Secretary & Designated Authority

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

New Delhi, the 03rd April, 2017

Notification
No. 11/2017-Customs (ADD)

G.S.R. (E).- In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government hereby makes the following amendments in the notification of the Ministry of Finance (Department of Revenue) No. 01/2017-Customs (ADD), dated the 5th of January, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 11(E) dated the 5th of January, 2017, namely:-

In the said notification, for the Table, the following Table shall be substituted, namely:-

“Table

Sl No.	Heading	Description of goods *	Specifications	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	5307, 5310, 5607 or 6305	Jute Yarn/ Twine	In all forms and specifications	Bangladesh	Bangladesh	Pride Jute Mill	Pride Jute Mill	104.16	US\$/MT
2.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Bangladesh	Asha Jute Industries Ltd	Asha Jute Industries Ltd	19.30	US\$/MT
3.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Bangladesh	Sonali Ansh Industries Ltd	Sonali Ansh Industries Ltd	20.35	US\$/MT
4.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Alijan Jute Mills Ltd	Alijan Jute Mills Ltd	20.35	US\$/MT
5.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Sharif Jute Mills Ltd	Sharif Jute Mills Ltd	152.85	US\$/MT
6.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Anwar Jute Spinning Mills Ltd	Anwar Jute Spinning Mills Ltd	109.59	US\$/MT
7.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Hasan Jute Mills Ltd	Hasan Jute Mills Ltd	Nil	US\$/MT
8.	-do-	Sacking	-do-	Bangladesh	Bangladesh	Hasan	Hasan	Nil	US\$/

		Bags				Jute Mills Ltd	Jute Mills Ltd		MT
9.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Janata Jute Mills Ltd	Janata Jute Mills Ltd	20.68	US\$/MT
10.	-do-	Hessian Fabric	-do-	Bangladesh	Bangladesh	Janata Jute Mills Ltd	Janata Jute Mills Ltd	Nil	US\$/MT
11.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Sidlaw Textiles Ltd.	Sidlaw Textiles Ltd.	102.93	US\$/MT
12.	-do-	Sacking Bags	-do-	Bangladesh	Bangladesh	Sidlaw Textiles Ltd.	Sidlaw Textiles Ltd.	127.48	US\$/MT
13.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Sagar Jute Spinning Mills Ltd	Sagar Jute Spinning Mills Ltd	102.93	US\$/MT
14.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Non Sampled Producers/ exporters as per list **		97.19	US\$/MT
15.	-do-	Hessian Fabric	-do-	Bangladesh	Bangladesh	Non Sampled Producers/ exporters as per list **		351.72	US\$/MT
16.	-do-	Sacking Bags	-do-	Bangladesh	Bangladesh	Non Sampled Producers/ exporters as per list **		125.21	US\$/MT
17.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Bangladesh	Any combination other than mentioned in Sl. Nos. 1 to 16 above		162.45	US\$/MT
18.	-do-	Hessian Fabric	-do-	Bangladesh	Bangladesh	Any combination other than mentioned in Sl. Nos. 1 to 16 above		351.72	US\$/MT
19.	-do-	Sacking Bags	-do-	Bangladesh	Bangladesh	Any combination other than mentioned in Sl. Nos. 1 to 16 above		138.97	US\$/MT
20.	-do-	Jute Yarn/Twine	-do-	Bangladesh	Any country other than those subject to Anti-dumping duty	Any	Any	162.45	US\$/MT
21.	-do-	Hessian Fabric	-do-	Bangladesh	Any country other than those subject to Anti-dumping duty	Any	Any	351.72	US\$/MT
22.	-do-	Sacking Bags	-do-	Bangladesh	Any country other than those subject to Anti-dumping duty	Any	Any	138.97	US\$/MT
23.	-do-	Jute Yarn/Twine	-do-	Any country other than those	Bangladesh	Any	Any	162.45	US\$/MT

				subject to Anti-dumping duty					
24.	-do-	Hessian Fabric	-do-	Any country other than those subject to Anti-dumping duty	Bangladesh	Any	Any	351.72	US\$/MT
25.	-do-	Sacking Bags	-do-	Any country other than those subject to Anti-dumping duty	Bangladesh	Any	Any	138.97	US\$/MT
26.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Arihant Multi-Fibres Ltd	Arihant Multi-Fibres Ltd	24.61	US\$/MT
27.	-do-	Sacking Bags	-do-	Nepal	Nepal	Arihant Multi-Fibres Ltd	Arihant Multi-Fibres Ltd	35.25	US\$/MT
28.	-do-	Hessian Fabric	-do-	Nepal	Nepal	Arihant Multi-Fibres Ltd	Arihant Multi-Fibres Ltd	Nil	US\$/MT
29.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Shree Raghupati Jute Mills Ltd	Shree Raghupati Jute Mills Ltd	24.61	US\$/MT
30.	-do-	Sacking Bags	-do-	Nepal	Nepal	Shree Raghupati Jute Mills Ltd	Shree Raghupati Jute Mills Ltd	35.25	US\$/MT
31.	-do-	Hessian Fabric	-do-	Nepal	Nepal	Shree Raghupati Jute Mills Ltd	Shree Raghupati Jute Mills Ltd	Nil	US\$/MT
32.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Swastik Jute Mills Pvt. Ltd	Swastik Jute Mills Pvt. Ltd	15.36	US\$/MT
33.	-do-	Hessian Fabric	-do-	Nepal	Nepal	Swastik Jute Mills Pvt. Ltd	Swastik Jute Mills Pvt. Ltd	8.18	US\$/MT
34.	-do-	Sacking Bags	-do-	Nepal	Nepal	Swastik Jute Mills Pvt. Ltd	Swastik Jute Mills Pvt. Ltd	34.20	US\$/MT
35.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Baba Jute Mills Pvt. Ltd	Baba Jute Mills Pvt. Ltd	26.07	US\$/MT
36.	-do-	Sacking Bags	-do-	Nepal	Nepal	Baba Jute Mills Pvt. Ltd	Baba Jute Mills Pvt. Ltd	33.73	US\$/MT
37.	-do-	Hessian Fabric	-do-	Nepal	Nepal	Baba Jute Mills Pvt. Ltd	Baba Jute Mills Pvt. Ltd	6.30	US\$/MT
38.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Any combination other than mentioned in Sl. Nos. 26 to 37 above		28.72	US\$/MT
39.	-do-	Sacking Bags	-do-	Nepal	Nepal	Any combination other than mentioned in Sl. Nos. 26 to 37 above		38.90	US\$/MT
40.	-do-	Hessian	-do-	Nepal	Nepal	Any combination		8.18	US\$/

		Fabric				other than mentioned in Sl. Nos. 26 to 37 above			MT
41.	-do-	Jute Yarn/ Twine	-do-	Nepal	Any country other than those subject to Anti- dumping duty	Any	Any	28.72	US\$/ MT
42.	-do-	Hessian Fabric	-do-	Nepal	Any country other than those subject to Anti- dumping duty	Any	Any	8.18	US\$/ MT
43.	-do-	Sacking Bags	-do-	Nepal	Any country other than those subject to Anti- dumping duty	Any	Any	38.90	US\$/ MT
44.	-do-	Jute Yarn/ Twine	-do-	Any country other than those subject to Anti- dumping duty	Nepal	Any	Any	28.72	US\$/ MT
45.	-do-	Hessian Fabric	-do-	Any country other than those subject to Anti- dumping duty	Nepal	Any	Any	8.18	US\$/ MT
46.	-do-	Sacking Bags	-do-	Any country other than those subject to Anti- dumping duty	Nepal	Any	Any	38.90	US\$/ MT

* "Jute Products" comprising of Jute Yarn/twine (multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags.

** List of non-sampled producers/exporters:

- (1) Rahman Jute Mills (Pvt.) Ltd.
- (2) Shamsher Jute Mills Ltd.
- (3) Golden Jute Industries Ltd.
- (4) Purabi Trading
- (5) Sonali Aansh Trading (Pvt.) Ltd.
- (6) Rajbari Jute Mills Ltd.
- (7) Nowapara Packaging Industries Ltd.
- (8) Nowapara Jute Mills Ltd.
- (9) Usha jute Spinners Ltd.

- (10) B.S. Jute Spinners Ltd. (BSJSL)
- (11) Madina Jute Industries Ltd.
- (12) Northern Jute Manufacturing Company Limited
- (13) Jute Spinners Ltd.
- (14) M/s Nawab Abdul Malek Jute Mills (BD) Ltd.”

[F. No. 354/211/2016-TRU]

(Mohit Tiwari)
Under Secretary to the Government of India

Note.- The principal notification No. 01/2017-Customs (ADD), dated the 5th January, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 11(E), dated the 5th January, 2017.