

F. No. 6/48/2024-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001

Case No – AD(OI) – 45/2024

INITIATION NOTIFICATION

Dated: 26 December, 2024

Subject: - Anti-Dumping Investigation concerning imports of Nylon Filament Yarn originating in or exported from China PR and Vietnam.

F. No. 6/48/2024-DGTR. Century Enka Private Limited, Gujarat Polyfilms Private Limited and Oriilon India Private Limited (hereinafter referred to as the “applicants”) have filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), in accordance with 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 thereof, as amended from time to time (hereinafter also referred to as the “Rules or AD Rules”), for the initiation of anti-dumping investigation concerning imports of “Nylon Filament Yarn” (hereinafter also referred to as the “subject goods” or “product under consideration” or “NFY”) originating in or exported from China PR and Vietnam (hereinafter also referred to as the “subject countries”).

The applicants have alleged that dumping of imports of the subject goods originating in or exported from the subject countries has caused material injury to the domestic industry. Accordingly, the applicants have requested for imposition of anti-dumping duty on the imports of the subject goods from the subject countries.

A. PRODUCT UNDER CONSIDERATION

1. The product under consideration is “Synthetic Filament Yarn” made of Nylon also known as polyamide yarns or Nylon Filament Yarn. Nylon Filament Yarn is a synthetic filament yarn produced by polymerization of organic monomers. The product under consideration is multi-filament yarn. The product under consideration includes Mother Yarn, Fully Drawn Yarn, Partially Oriented Yarn, Draw Textured Yarn or Crimp Yarn, Air Textured Yarn, Air Covered Yarn, High Oriented Yarn and High Tenacity Yarn. All man-made filament yarns not having nylon or polyamides are excluded from the scope of the product under consideration. The following are specifically excluded from the scope of the product under consideration.
 - a. Mono filament yarn

- b. Bulk Continuous Fiber
 - c. Nylon 66 yarn
 - d. Hot melt yarn
 - e. Low melt yarn
 - f. Bonded yarn
 - g. Conductive yarn
 - h. Anti-static yarn
 - i. Nomex and aramids yarn
2. The product under consideration includes all kinds of synthetic filament yarns of Nylon or Polyamides, such as flat yarn - twisted and/or untwisted, fully drawn yarn (FDY), spin drawn yarn (SDY), fully oriented yarn (FOY), high oriented yarn (HOY), partially oriented yarn (POY), textured yarn – twisted and/or untwisted, and dyed yarn, single, double, multiple, folded or cabled, and high tenacity yarn of nylon classifiable within Chapter 54 under Customs heading 5402. The product includes all variants of Nylon Filament Yarn or Polyamide Yarns such as flat/ textured/ twisted/ untwisted, bright/semi-dull/full-dull (or variants thereof), grey/ colored/ dyed (or variants thereof), single/double/ multiple/folded/cabled (or variants thereof), whether or not sized.
 3. The product under consideration is used in a variety of apparel and textile applications such as sarees, dupatta, dresses, swim wear and activewear; as well as in carpets and upholstery. It is also used in certain industrial applications such as ropes, cables, belts, seat covers and airbags. The product under consideration is used for its strength, softness, stretchability, brightness, lightness, moisture absorption, drape and easy dye-ability. On account of its superior durability, it is used in outdoor gears and high-strength fishing lines, nets and ropes.
 4. The subject goods are classified under Chapter 54 of the Customs Tariff Act under the heading 5402. The subject goods are being imported under a number of codes, including 5402 19 10, 5402 19 90, 5402 31 00, 5402 32 00, 5402 45 00, 5402 51 00, 5402 61 00. Additionally, the product has also been imported under the classification item 5402 19 20. The applicants have claimed that the products have no dedicated HS Code and the subject goods can also be imported under other HS codes falling under the heading 5402. The Authority has considered HS Codes at 4-digit level for the purpose of the present investigation. The customs classification is only indicative and is not binding on the scope of the product under consideration.
 5. The parties to the present investigation may provide their comments on the scope of PUC and propose PCNs, if any, within 15 days from the date of initiation of this investigation.

B. LIKE ARTICLE

6. The applicants have submitted that, the subject goods exported from the subject countries are identical to the goods produced by the domestic industry. The subject goods produced by the domestic industry have comparable characteristics to the subject goods imported

from the subject countries in terms of technical specifications, physical & chemical characteristics, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification. The two are technically and commercially substitutable. Therefore, for the purpose of initiation of the present investigation, the subject goods produced by the applicants are being treated as 'like article', to the subject goods originating in or exported from the subject countries.

C. DOMESTIC INDUSTRY AND STANDING

7. The application has been filed by Century Enka Private Limited, Gujarat Polyfilms Private Limited and Oriilon India Private Limited. Apart from the applicants there are other domestic producers engaged in production of like article. Four domestic producers, namely, Aglon Industries Private Limited, AYM Syntex Limited, Salasar Polyplex Private Limited and Todi Rayons Private Limited, have filed letters supporting the application filed by the applicants.
8. The applicants have submitted that they are not related to any exporters in the subject countries or importers of the subject goods in India. Two of the applicants, namely Century Enka Private Limited and Oriilon India Private Limited, have imported the subject goods from the subject countries during the period of investigation. The imports made by the applicants are negligible in relation to their production and domestic sales. In view of the same, the Authority finds that the applicants cannot be treated as ineligible to constitute domestic industry.
9. In view of the above and after examination of the application filed by the applicants, the Authority notes that the applicants account for 37% of the total domestic production in India and along with supporters account for 62% of the total domestic production in India. Thus, the Authority notes that the applicants account for major proportion of the total domestic production and constitutes domestic industry in terms of Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. SUBJECT COUNTRIES

10. The subject countries for the present anti-dumping investigation are China PR and Vietnam.

E. PERIOD OF INVESTIGATION

11. The applicants have proposed that a period 1st April 2023 to 30th June 2024 as the period of investigation. The applicants have submitted that a 15 months period of investigation is appropriate for the purpose of the present investigation, as it would allow inclusion of one full accounting year and as well as the most recent period. It has been further submitted that the consideration of July 2023 – June 2024 as period of investigation would result in significant practical difficulties for preparation of the costing data, as it would require culling information for two separate financial years. The applicants have

claimed that majority of them are relatively small companies having limited resources. Preparation of information by extracting and collating information from two separate financial years would become unduly onerous for the applicants.

12. In view of the above, the period of investigation considered appropriate for the purpose of the present investigation is 1st April 2023 to 30th June 2024 (15 months). The injury analysis period covers the period of investigation and the three preceding financial years that is, 1st April 2020 – 31st March 2021, 1st April 2021 – 31st March 2022, 1st April 2022 – 31st March 2023 and the period of investigation.

F. BASIS OF ALLEGED DUMPING

Normal value for China PR

13. The applicants have claimed that China PR should be treated as a non-market economy and the producers from China PR should be directed to demonstrate that market economy conditions prevail in the industry with regard to production and sales of the subject goods. Unless the Chinese producers show that market economy conditions prevail, their normal value should be determined in terms of Paragraph 7 of Annexure-I to the Rules.
14. Therefore, for the purpose of the present initiation, the Authority has considered China PR to be a non-market economy and determined normal value for China PR based on price payable in India. The normal value has been constructed based on estimated cost of production of the applicant domestic producers, duly adjusted for selling, general and administrative expenses with reasonable profits.

Normal value for Vietnam

15. The applicants have claimed that they did not have access to any evidence of domestic selling prices or actual cost of production in Vietnam. Thus, the applicants have determined the cost of production based on information available. The applicants have adopted the price of raw material (caprolactam) prevailing in Vietnam, based on imports into Vietnam and prices of power in Vietnam as per publicly available sources, relying on conversion costs and applicable consumption norms of the domestic industry. An addition has been made towards selling, general and administrative expenses and reasonable profits.
16. For the purpose of initiation, the Authority has considered the normal value as determined by the applicants.

Export price

17. The export price of the subject goods has been determined by considering CIF price of the subject goods, as reported in the DG Systems data. Price adjustments have been made on account of ocean freight, marine insurance, commission, port expenses, handling charges and bank charges to arrive at ex-factory export price.

Dumping margin

18. The normal value and the export price of the subject goods have been compared at the ex-factory level, which prima facie shows that dumping margin is above the de-minimis level and is significant in respect of product under consideration from the subject countries. Thus, there is sufficient prima facie evidence that the product under consideration from the subject countries is being dumped in the Indian market by the exporters from the subject countries.

G. INJURY AND CAUSAL LINK

19. Information furnished by the applicants have been considered for assessment of injury to the domestic industry. The applicants have furnished prima facie evidence establishing that the imports have caused material injury to the domestic industry. The applicants have claimed that the volume of imports has increased in absolute terms as well as in relation to production and consumption in India. The imports are undercutting the prices of the domestic industry. The imports have depressed the prices of the domestic industry, and have prevented price increases, which otherwise would have occurred. The domestic industry has been forced to sell at losses in order to compete with the low import prices and to maintain its market share. This has adversely impacted the profitability of the domestic industry which has deteriorated in the injury period. Despite selling at losses, the domestic industry has accumulated inventories. There is sufficient prima facie evidence of material injury being caused to the domestic industry due to the dumped imports from the subject countries to justify initiation of anti-dumping investigation.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

20. On the basis of the duly substantiated application filed by the applicants, and having satisfied itself, on the basis of the prima facie evidence submitted by the applicants, substantiating dumping of the product under consideration originating in or exported from the subject countries, the consequential injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree and effect of dumping in respect of the subject goods originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

21. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

J. SUBMISSION OF INFORMATION

22. All communication should be sent to the Authority via email at the email addresses adg16-dgtr@gov.in ; adv11-dgtr@gov.in ; jd11-dgtr@gov.in and dd19-dgtr@gov.in. It

should be ensured that the narrative part of the submission is in searchable PDF/MS Work format and data files are in MS Excel format.

23. The known producers/exporters in the subject countries, the Governments of the subject countries through their embassies in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
24. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
25. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
26. Interested parties are further advised to keep a regular watch on the official website of the Directorate General of Trade Remedies (<http://www.dgtr.gov.in/>) for any updated information with respect to this investigation as well as further processes related to the investigation.

K. TIME LIMIT

27. Any information relating to the present investigation should be sent to the Authority via email at the email addresses adg16-dgtr@gov.in ; adv11-dgtr@gov.in ; jd11-dgtr@gov.in and dd19-dgtr@gov.in within thirty days (30 days) from the date on which the non-confidential version of the documents filed by the domestic industry would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries as per Rule 6(4) of the Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Rules.
28. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant investigation and file their questionnaire response/submissions within the above time limit.
29. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules and such request must come within the time stipulated in this notification.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

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

nature of the information submitted. If the Authority is not satisfied that the request for confidentiality is warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

38. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

M. INSPECTION OF PUBLIC FILE

39. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions/response/information to all other interested parties. Failure to circulate non-confidential version of submissions/response/information might lead to consideration of an interested party as non-cooperative.

N. NON-COOPERATION

40. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.


(Darpan Jain)
Designated Authority