

CVD No. 01/2016/NTC/CY
National Tariff Commission

Preliminary Determination and Levy of Countervailing Duty on Subsidised Imports of Fine Cotton Yarn Originating in and/or Exported from the Republic of India to Pakistan

The National Tariff Commission (the "Commission") initiated a countervailing investigation on April 20, 2016 under Section 11 of the Countervailing Duties Act, 2015 (the "Act") after establishing that the application lodged by All Pakistan Textile Mills Association ("APTMA") (the "Applicant") on behalf of domestic industry of cotton yarn carded or combed of 55.5 and above counts ("Fine Cotton Yarn") was in compliance with provisions of Section 11 of the Act. In accordance with the provisions of the Act and the Countervailing Duties Rules, 2002 (the "Rules"), the Commission has, after investigation, determined the following on a preliminary basis:

Investigated Product: The investigated product is fine cotton yarn carded or combed of 55.5 and above counts, originating in and/or exported from India to Pakistan. It is classified under Pakistan Customs Tariff ("PCT") Heading Nos. 5205.1500, 5205.2700, 5205.2800, 5205.3500, 5205.4700 and 5205.4800. It is used by weaving mills for production of cotton fabrics.

Period of Investigation ("POI"):

For investigation of Subsidy: From July 1, 2014 to June 30, 2015
For investigation of injury: From July 1, 2012 to June 30, 2015

Determination of Subsidies and Amount of Subsidy: In view of the large number of Indian exporters/producers involved in this investigation and nature of the product, the Commission has limited this investigation in accordance with Section 27 of the Act to three exporters/foreign producers. Individual subsidy amount/subsidy margin for these three exporters/producers has been determined on the basis of the information provided by them and by the Government of India ("GOI") in accordance with provisions of Part III and IV of the Act. Subsidy amount/margin for other exporters/ foreign producers who cooperated and furnished information in response to the questionnaire is determined in accordance with Section 16(4) of the Act. The provisional subsidy amount/ subsidy margins work out as follows:

S.No	Exporter Name	Subsidy margin (% of C&F)	Status	
i.	Nagreeka Exports Ltd., Mumbai.	4.76%	Investigated exporters	
ii.	Trident Ltd, Sanghera Barnala.	10.99%		
iii.	Veebee Yarnntex Ltd., Rajapalayam, Virudhungan District, Tamilnadu	10.17%		
iv.	Kikani Exports Private Limited. Coimbatore, Pincode, Tamil Nadu	9.08%	Cooperating Exporters but not investigated	
v.	Nahar Spinning Mills Limited. Ludhiana			
vi.	SJLT Spinning Mills Limited. Chennai			
vii.	SJLT Textile Mills Limited. Paramathi – Vellur			
viii.	Vardhman Textiles Limited., Ludhiana			
ix.	K.A.S Industries India Pvt. Ltd. Veerabathrar Street, Erode			
x.	Prasuna Vamsikrishna Spinning Mills Private Limited. Guntur, Andhra Pradesh			
xi.	Prime Urban Development India.			
xii.	All others			10.99%

Injury to the Domestic Industry: Injury to the domestic industry is determined in accordance with Part V of the Act. The Commission has, on preliminary basis, established that the volume of subsidised imports of the investigated product increased relevant to domestic consumption during the POI which simultaneously undercut, suppress and depressed prices of the domestic like product. Subsidised imports

of the investigated product adversely affected market share, sales, profits and profitability, cash flows, inventories return on investment and ability to raise capital of the domestic industry during the POI.

Imposition of Provisional Countervailing Duty: Section 13 of the Act empowers the Commission to impose provisional countervailing duties. In accordance with provisions of Section 13 of the Act and keeping in view the analysis of all relevant factors the Commission has decided to impose following provisional countervailing duties on subsidised imports of the investigated product originating in and/or exported from India for a period of 4 months effective from January 18, 2017.

Exporter Name	Provisional amount of countervailing duty (Rs./Kg)
Nagreeka Exports Ltd., Mumbai.	26.89
Trident Ltd, Sanghera Barnala.	50.81
Veebee Yarnntex Ltd., Rajapalayam, Virudhungar	48.10
Kikani Exports Private Limited. Coimbatore, Pincode,	46.76
Nahar Spinning Mills Limited. Ludhiana	
SJLT Spinning Mills Limited. Chennai	
SJLT Textile Mills Limited. Paramathi – Vellur	
Vardhman Textiles Limited., Ludhiana	
K.A.S Industries India Pvt. Ltd.Veerabathrar	
Prasuna Vamsikrishna Spinning Mills Private Limited.	
Prime Urban Development India.	
All other exporters from India	55.80

Fine Cotton Yarn imported from other sources (other than India) and coarse counts of cotton yarn (less than 55.5 counts) imported from all sources shall not be subject to the provisional countervailing duty. Further, in accordance with Section 25(1)(d) of the Act, provisional duty will not be levied on imports of the investigated product that are to be used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969

Disclosure meeting: In accordance with Section 30(1) of the Act the interested parties may request for a disclosure meeting within 15 days of the date of publication of this notice to discuss details underlying the essential facts and considerations on the basis of which provisional countervailing duties have been imposed.

Hearing: Any party registered as an interested party in this case may, if it so wishes, request a hearing in accordance with Rule 10 of the Rules within 30 days of the publication of this notice by contacting Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. +92-51-9202839, Fax No.+92-51-9221205.

Authority under Law: This notice is published pursuant to Section 25(3) of the Act by order of the Commission.

(Muhammad Anwar)
Secretary
January 18, 2017