

**F. No. 7/20/2023 -DGTR**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce Directorate General of Trade Remedies**  
**4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001**

**Dated: 20<sup>th</sup> September 2024**

**DISCLOSURE STATEMENT**

**Case No. AD(SSR)- 08/2023**

**Subject: Disclosure Statement in the Anti-dumping investigation concerning imports of “Digital Offset Printing Plates” (DOPP) originating in or exported from China PR, Japan, Korea RP, Vietnam, and Taiwan.**

In accordance with Rule 16 of 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, the Designated Authority hereby discloses the essential facts under consideration in the matter relating to the above investigation.

2. This Disclosure Statement comprises of the following four Sections:

**Section I: General Disclosure**

**Section II: Determination of Normal Value, Export Price and Dumping Margin**

**Section III: Methodology for Injury determination and examination of Injury and Causal Link**

**Section IV: Methodology for arriving at non-injurious price (Confidential copy for Domestic Industry only)**

3. The sections cited above contain essential facts under consideration of the Designated Authority, which would form the basis for the Final Findings. The reproduction of facts does not tantamount to either acceptance or rejection of any fact/argument/submission. Arguments/submissions made by the Domestic Industry and the interested parties during the course of the present investigation are reflected in this Disclosure Statement to the extent they are considered relevant to this investigation by the Authority.

4. Notwithstanding the facts given in this Disclosure Statement (including facts given on confidential basis), the Designated Authority would consider all replies given by the interested parties, on merit, in order to arrive at a final determination.

5. In this Disclosure Statement \*\*\* represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules. Interested parties may submit their comments, if any, in the form of soft copy, latest by 25<sup>th</sup> September, 2024 at 11.00 AM (IST) through email to [dir11-dgtr@gov.in](mailto:dir11-dgtr@gov.in) and [dd16-dgtr@gov.in](mailto:dd16-dgtr@gov.in) with a copy to [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in). Since anti-dumping investigations are time bound, the Designated Authority shall not entertain any request for extension of time.

This issues with the approval of the Designated Authority.

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TABLE OF CONTENTS

SECTION I: GENERAL DISCLOSURE..... 5

A. BACKGROUND OF THE CASE ..... 5

B. PROCEDURE..... 6

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE..... 10

C.1 Submissions made by the other interested parties..... 10

C.2 Submissions made on behalf of the Domestic Industry ..... 11

C.3 Examination by the Authority ..... 12

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING..... 14

D.1 Submissions made by the other interested parties..... 14

D.2 Submissions made on behalf of the Domestic Industry ..... 16

D.3 Examination by the Authority ..... 18

E. CONFIDENTIALITY..... 20

E.1 Submissions made by the other interested parties..... 20

E.2 Submissions made on behalf of the Domestic Industry ..... 21

E.3 Examination by the Authority ..... 22

F. MISCELLANEOUS ..... 23

F.1 Submissions made by the other interested parties..... 23

F.2 Submissions made on behalf of the Domestic Industry ..... 25

F.3 Examination by the Authority ..... 26

SECTION II: DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN ..... 30

G. MARKET ECONOMY TREATMENT (MET), NORMAL VALUE, EXPORT PRICE & DETERMINATION OF DUMPING MARGIN ..... 30

G.1 Submissions made by the other interested parties..... 30

G.2 Submissions made on behalf of the Domestic Industry ..... 31

G.3 Examination by the Authority ..... 32

SECTION III: METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY, CAUSAL LINK AND LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY ..... 41

H. ASSESSMENT OF MATERIAL INJURY AND EXAMINATION OF CAUSAL LINK..... 41

H.1 Submissions made by the other interested parties..... 41

H.2 Submissions made by the Domestic Industry ..... 45

H.3 Examination by the Authority:..... 48

H.3.1Assessment of demand ..... 51

H.3.2Volume effect of imports from subject countries..... 51

a) Relative Increase in the imports..... 52

b) Absolute Increase in the imports..... 52

H.3.3 Price effect of the imports from subject countries ..... 53

a) Price Undercutting ..... 53

b) Price suppression/depression ..... 54

H.3.4Economic Parameters of the domestic industry..... 54

a) Production, capacity, capacity utilization and sales volumes..... 55

b) Market Share..... 55

c) Inventories .....	56
d) Profitability, cash profits and return on capital employed.....	57
e) Employment, wages and productivity .....	57
H.3.5 Ability to raise capital investment .....	58
I. MAGNITUDE OF INJURY MARGIN .....	58
J. CAUSAL LINK AND NON – ATTRIBUTION ANALYSIS .....	60
J.1 Submissions made by the other interested parties .....	60
J.2 Submissions made by the Domestic Industry .....	61
J.3 Examination by the Authority .....	62
K. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY .....	63
K.1 Submissions made by the other interested parties .....	63
K.2 Submissions made by the Domestic Industry .....	64
K.3 Examination by the Authority .....	67
L. INDIAN INDUSTRY INTEREST AND OTHER ISSUES .....	70
L.1 Submissions made by other interested parties .....	70
L.2 Submissions made by the Domestic Industry .....	71
L.3 Examination by Authority .....	72
SECTION IV: METHODOLOGY FOR ARRIVING AT NON-INJURIOUS PRICE (CONFIDENTIAL COPY FOR DOMESTIC INDUSTRY ONLY).....	75

## **SECTION I: GENERAL DISCLOSURE**

**F. No. 7/20/2023 -DGTR** - Having regard to the Customs Tariff Act 1975 as amended from time to time 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 (“**AD Rules**”).

The Designated Authority (hereinafter referred to as “the Authority”) received an application from TechNova Imaging Systems (P) Limited (hereinafter referred to as the “**applicant**” or the “**domestic industry**”) seeking initiation of a sunset review of the anti-dumping duty imposed on imports of Digital Offset Printing Plates (hereinafter to be referred to as “**DOPP**” or the “**subject goods**” or “**product under consideration**” or the “**PUC**”), originating in or exported from China PR, Korea RP, Japan, Taiwan and Vietnam (hereinafter referred to as the “**subject countries**”).

### **A. BACKGROUND OF THE CASE**

1. The original investigation concerning imports of the subject goods from the subject countries was initiated by the Authority vide Notification No. 6/7/2019-DGTR dated 16.05.2019. The Authority issued the preliminary findings vide notification no., F. No.6/7/2019-DGTR dated 3.10.2019 recommending imposition of provisional anti-dumping duties on imports of the PUC from the subject countries for a period of six months. The ministry of finance vide notification no., 02/2020 – Customs (ADD) dated January 30, 2020 imposed the provisional anti-dumping duty.
2. Thereafter, the Final Findings were issued by the Authority vide Notification No. 6/7/2019-DGTR dated 15.05.2020, recommending the imposition of definitive anti-dumping duties. On the basis of the said recommendation, definitive anti-dumping duties were imposed by the Central Government vide Custom Notification No.21/2020-Customs (ADD) dated 29.07.2020 on the imports of the subject goods, originating in or exported from subject countries. The current anti-dumping duties are in force up to 29.01.2025.
3. On the basis of the duly substantiated application by the domestic industry, and having satisfied itself, on the basis of prima facie evidence submitted by the applicant substantiating the likelihood of dumping and consequent injury to the domestic industry, and in accordance with Rule 23(1B) of the Rules, the Authority initiated the investigation on 30.09.2023 to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject countries, and to examine whether the expiry of existing anti-dumping duty is likely to lead continuation or recurrence

of dumping and consequent injury to the domestic industry.

## **B. PROCEDURE**

4. The following procedure has been followed with regard to this investigation:
  - a. The Authority notified the embassies of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of the AD Rules.
  - b. The Authority issued a public notice dated September 30, 2022, published in the Gazette of India Extraordinary, initiating the anti-dumping investigation concerning imports of the subject goods from the subject countries.
  - c. The Authority sent a copy of the initiation notification on 20.10.2023, to the embassies of the subject countries in India, the known producers and exporters from the subject countries, the known importers/users of the subject imports and other interested parties, as per the information provided by the applicant. The interested parties were requested to provide relevant information in the form and manner prescribed in the initiation notifications and make their submissions known in writing within the time limits prescribed in the initiation notification.
  - d. The Authority also provided a copy of the non-confidential version of the application filed by the applicant to the known producers/exporters, known importers/users and to the embassies of the subject countries in India in accordance with Rule 6(3) of the AD Rules, 1995 through its email dated 20.10.2023.
  - e. The embassies of the subject countries in India were also requested to advise the exporters/producers from their countries to submit their responses to the questionnaire within the time limit prescribed by the initiation notification. The embassies of the subject countries were also sent a copy of the letter and questionnaire sent to the producers/exporters along with the names and addresses of the known producers /exporters from the subject countries.
  - f. The Authority sent questionnaires to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the AD Rules:
    - i Kodak (China) Graphic Communications, China PR
    - ii Shanghai Strong States Printing Equipment Co., Ltd. , China PR
    - iii Lucky Huaguang Graphics Co., China
    - iv Fujifilm Printing Plate (China) Co., Ltd. , China PR
    - v Mylan Printing Media Corporation
    - vi Top High Image Corporate
    - vii Jeil C&P Co., Ltd., Korea RP
    - viii Fujifilm Corporation, Japan

- g. In response to the above notification, the following producers/ exporters from the subject countries have submitted the exporter questionnaire response:
- i Lucky Huaguang Graphics Co., Ltd
  - ii Kodak (China) Graphic Communications Company Ltd.
  - iii Anhui Strong State New Materials Co., Ltd.
  - iv Huangshan Jinruitai Technology Co., Ltd.
  - v Zhejiang Jinruitai New Material Co. Ltd.
  - vi Chongqing Huafeng Di Jet Printing Material Co., Ltd
  - vii Fujifilm Corporation
  - viii Fujifilm Printing Plate (China) Co., Ltd.
  - ix Fujifilm Graphic Solutions Corporation
  - x Fujifilm (China) Investment Co., Ltd.
  - xi Eastman Kodak Company
  - xii Jeil C&P Co. Ltd
- h. The producers/exporters from the subject countries who have not submitted the questionnaire response or have not cooperated in the investigation have been treated as non – cooperative in the investigation.
- i. The Authority also sent questionnaires to the known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules.
- j. The following importers/users submitted the importer/user questionnaire responses:
- i Kapoor Imaging Pvt. Ltd.
  - ii Ganpati Imperial India
  - iii Fujifilm India Private Limited
  - iv Kodak India Private Limited (KIPL)
  - v ART Printing House Pvt. Ltd.
  - vi CEI Print Pack Pvt Ltd.
  - vii CEI Print Solutions Pvt. Ltd
  - viii Exquisite Print and Pack Pvt Ltd
  - ix Saraswati Print Factory Pvt Ltd.
  - x Printouch
  - xi Screen Point Systems
  - xii Trio Plate System
  - xiii Sri Priyan Graphics
  - xiv VPR Digital & Cards
  - xv Blue Star Printers

- xvi Sudarsan Graphics Private Limited
- xvii Printline Systems - C.T.P BUERO
- xviii Maa Images
- xix Printline Systems - The Print House
- xx Scan Graphic System
- xxi Bhagyam Binding Works
- xxii Colour Solutions
- xxiii Kal Publications Private Limited
- xxiv Thomson Press
- xxv Nippon Color

- k. Additionally, an association from India, namely, All India Federation of Master Printers (“AIFMP”) participated in the investigation.
- l. On December 1, 2023, the Authority conducted a discussion on the methodology to be adopted for Product Control Numbers (“PCN”) in the subject investigation. The Authority, based on the information submitted by the interested parties, finalized the PCN methodology in the subject investigation *vide* notification dated January 12, 2024. Thereafter, interested parties were provided time until January 31, 2024, to file a response to the questionnaires circulated by the Authority.
- m. The Directorate General of Systems & Data Management (DG Systems) was requested to provide transaction-wise details of the imports of the subject goods for the past injury investigation period and the period of investigation. The same was received by the Authority and considered for the purpose of the present investigation.
- n. In accordance with Rule 6(6) of the AD Rules, 1995 the Authority provided an opportunity to the interested parties for presenting their views orally regarding the subject investigation through a public hearing held on August 19, 2024. The interested parties who presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The interested parties were further directed to share the non-confidential version of the written submissions submitted by them with the other interested parties.
- o. The first public hearing was held on August 19, 2024 followed by the written submission and rejoinder of the views expressed orally. However, due to the appointment of the new Designated Authority, the Authority provided opportunity to the interested parties to present its views orally followed by submissions in writing pursuant to the judgement of the Hon’ble Supreme Court in the matter of ‘Automotive Tyre Manufacturers’ Association (ATMA) vs. Designated Authority, delivered in Civil Appeal No. 949 of 2006 on 07-01-2011. Accordingly, the Authority held another public hearing on September 12, 2024. The interested parties who presented their views in the 2<sup>nd</sup>



- oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The interested parties were further directed to share the non-confidential version of the written submissions submitted by them with the other interested parties.
- p. The Authority made available the non-confidential version of the submissions made by the various interested parties. A list of all the interested parties was uploaded on the DGTR website along with the request therein to all of them to email the non- confidential version of their submissions to all the other interested parties
  - q. The non-injurious price (hereinafter referred to as the ‘NIP’) has been determined based on the cost of production and reasonable profits of the subject goods in India, based on the information furnished by the Domestic Industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules, 1995 so as to ascertain whether anti-dumping duties lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
  - r. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of this disclosure statement, to the extent possible and verified the data documents submitted by the domestic industry and the interested parties to the extent considered relevant, practicable and necessary.
  - s. The information submitted by the Domestic Industry has been examined and verified during on site-verification as well as table verification to the extent deemed necessary and has been relied upon for the present disclosure statement.
  - t. The examination and verification of the information submitted by the cooperating producers/exporters from the subject countries was also carried out to the extent deemed necessary and have been relied upon for the purpose of the present disclosure statement.
  - u. The period of investigation (POI) for the purpose of present investigation is 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 (12 months). The injury examination period is from 1<sup>st</sup> April 2019 - 31<sup>st</sup> March 2020, 1<sup>st</sup> April 2020 - 31<sup>st</sup> March 2021, 1<sup>st</sup> April 2021 - 31<sup>st</sup> March 2022, and the POI.
  - v. The Authority made available the non-confidential version of the evidence presented by various interested parties on mutual basis in the manner prescribed through Trade Notice no. 10/2018 dated 7<sup>th</sup> September 2018. The information/submissions provided by the interested parties on a confidential basis were examined concerning the sufficiency of such confidentiality claims. On being satisfied concerning the sufficiency of the confidentiality claims filed by the interested parties, the Authority has considered such information/submissions as confidential. In case of non-acceptance of confidentiality claims, the interested parties were directed to submit the non-confidential version of the same and circulate it to the other interested parties.
  - w. 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 present disclosure statement on the basis of the facts available.

- x. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
- y. ‘\*\*\*’ in these disclosure statement represents information furnished by an interested party on confidential basis and so considered by the Authority under Rule 7 of AD Rules, 1995.
- z. The exchange rate for the POI adopted by the Authority for the subject investigation is 1 US \$= Rs. 81.06.

## **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

### **C.1 Submissions made by the other interested parties**

- 5. The other interested parties have made the following submissions with respect to the product under consideration:
  - a. The description of the PUC in the original anti-dumping investigation and the application for the sunset review clearly state that polyester plates are not included within the scope of the PUC. However, as can be seen from the domestic industry's product catalogue, it manufactures large varieties of Polyester-based digital printing plates.
  - b. The present investigation is a sunset review, and the scope of the product under consideration remains the same as defined by the Authority in the original investigation.
  - c. The product under consideration consists of three types: (i) Thermal plates; (ii) Violet plates; and (iii) CtCP/UV CtP plates. The Authority has classified these three types as different PCNs (Product Control Numbers) based on differences in cost and price.
  - d. In the original investigation, interested parties argued that the domestic industry does not produce certain product types: (i) Double Layer CtCP plates; (ii) Negative working UV CtP plates; (iii) Other variants of Process-less Plates (i.e., Violet and UV CtP) on a commercial scale; (iv) Chem-free UV CtP plates on a commercial scale.
  - e. The Authority previously considered that if there is commercial demand, and whether TechNova has the capacity to produce these product types. Despite demand for these product types, Technova has not made any sales of these products and is unable to manufacture them. The Authority should critically examine whether these product types were ever produced by the domestic industry.
  - f. The products involved are heterogeneous, with different production costs and processes. The price injury should be evaluated at the PCN level rather than applying a broad assessment across product types.

- g. It should also be investigated if Technova's self-imports include these product types, which would indicate that TechNova is importing products it cannot produce. The domestic industry should be required to disclose the types of products being imported and the reasons for importing them, allowing interested parties to make effective comments.
- h. The PUC includes various products, and the Domestic Industry does not produce the full range of the product scope. Instead, it relies on imports for products that it does not manufacture.

## **C.2 Submissions made on behalf of the Domestic Industry**

- 6. The following submissions have been made on behalf of the Domestic Industry with regards to the product under consideration:
  - a. Digital Plates are used in the printing industry for transferring data as an image (dot patterns or text) onto paper or on non-absorbent substrates like tin sheets, poly films, etc. In the printing process using Digital Offset Printing Plates, the digital workflow enables direct transfer of an image from a 'computer to the plate' (CtP) using lasers unlike the analog workflow that requires an intermediary film to transfer the image.
  - b. The PUC is freely importable into India and is not subject to any import restriction.
  - c. Digital Offset Printing Plates are made from high-purity litho-grade aluminium coils coated with a chemical coating. Digital Offset Printing Plates may be either positive (non-exposed area forms image) or negative (exposed area forms image) working plates.
  - d. The coating components, also known as 'sensitizers', vary for different types of plates. Based on the coating components and laser type of plate setters, the Digital Offset Printing Plates may be broadly classified into three categories, namely Thermal, Violet and CtCP/UV CtP (Computer-to-Conventional Plate) based on their application.
  - e. All types of Digital Offset Printing Plates, in all dimensions, are covered within the scope of the product under consideration, except waterless CtP plates.
  - f. The description of the subject goods and their use has not undergone any change since the conclusion of the Original anti-dumping Investigation.
  - g. The Authority finalized the product scope after assessing products manufactured by the Domestic Industry, imports of the product, and the end-use and substitutability of domestic and imported products. This being a sunset review, the scope of the product under consideration must be maintained, as was confirmed in the Original anti-dumping Investigation.
  - h. The Digital Offset Printing Plates produced by the Domestic Industry is alike in all respects to the to the imported digital offset printing plates from the subject countries. The end-use, technical characteristics, and physical characteristics of the imported goods are comparable with the PUC produced by the Domestic Industry.

- i. The Domestic Industry submitted that to the best of their knowledge, there are no known differences between the imported subject goods and the goods produced by the Domestic Industry.
- j. Therefore, the products being imported into India are alike in all respects to the products produced by the Domestic Industry.
- k. The Domestic Industry argues that the issues raised have already been resolved in the original investigation and should not be revisited during the sunset review. The scope of the review is fixed and was finalized by a January 12, 2024 notification, following input from interested parties. No new product specifications or evidence have been provided to support claims of exclusion, so the original scope must be relied upon.
- l. The Domestic Industry can manufacture Double Layer - Thermal (Elite) and Violet plates and has the capacity to produce double-layer UV CtCP plates, as confirmed during the original investigation.
- m. The Domestic Industry manufactures negative working UV CtCP plates, as previously established.
- n. The Domestic Industry clarifies it produces violet chem-free plates but notes that no players in the market, including itself, manufacture violet process-free plates or process-free UV CtCP plates. The Domestic Industry can produce chem-free UV CtP plates, though the costs are significantly higher, leading to low commercial demand in India.
- o. One of the interested party argued that the Domestic Industry has imported products it cannot produce is rejected. TechNova has not imported any of the products in question, and all products imported by TechNova are also produced by the company, making Kapoor's claims baseless.
- p. The scope of the PUC does not contain polyester plates.

### **C.3 Examination by the Authority**

- 7. The product under consideration in the present investigation is Digital Offset Printing Plates.
- 8. This being a sunset review investigation, the scope of the PUC remains the same as that in the original investigation. The PUC in the original investigation was defined as under:

*The product under consideration is "Digital Offset Printing Plates". Digital offset printing plates are used in the printing industry to transfer data as an image onto paper or on non-absorbent substrates like tin sheets, poly films, etc. In the printing process using Digital Offset Printing Plates, the digital workflow enables direct transfer of the image from a 'computer to the plate' (CtP) using lasers, unlike the analog workflow that requires an intermediary film to transfer the image. Digital Plates are made from high-purity litho-grade aluminium coils coated with a chemical coating. Digital Offset Printing*

*Plates may be either positive (non-exposed area forms image) or negative (exposed area forms image) working plates. The range includes plates that require chemicals for processing the plates; and environmentally friendly ones that require no chemicals or water for processing. The coating formulations vary for different types of plates. There are three types of digital offset printing plates, namely,*

*i. Thermal Plates;*

*ii. Violet Plates;*

*iii. CtCP/UV CtP Plates.*

*The Authority has taken note of post-disclosure comments and holds that all types of Digital Offset Printing Plates in all dimensions and thicknesses are covered within the scope of the product under consideration. However, waterless CtP plates are excluded from the scope of the PUC for reasons elaborated above.*

9. The Authority notes that certain interested parties have argued that in the original investigation, the Authority included Double Layer CtCP plates, Negative working UV CtP plates, Other variants of Process-less Plates (i.e., Violet and UV CtP), and Chem-free UV CtP plates within the PUC since the domestic industry demonstrated no commercial demand for these products. However, they should now be excluded from the scope of the PUC, since the domestic industry continues not to produce these products.
10. A meeting on scope of PUC/PCN was held by the Authority on December 1, 2023 wherein no submissions were made by the interested parties with respect to exclusion of products from the scope of the investigation. Pursuant to submissions received from the interested parties the Authority has vide its communication dated January 12, 2024, clarified the scope of the PUC and PCN methodology to be followed.
11. The Authority also notes that the interested parties have failed to provide any evidence to demonstrate that these products are not 'like' domestically produced products. Further, the Authority has examined the issues of exclusions of various types of products from the scope of the investigation in the original investigation, and the interested parties have not made available any new evidence establishing that the applicant does not manufacture any of such products. In view of the same, the Authority does not

consider it appropriate to examine these claims of product exclusion made by the interested parties at this juncture.

12. Rule 2(d) relating to the definition of "like article" specifies that "like article" means an article which is identical or alike in all respects to the article under investigation, or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation.
13. From the above definition of the term "like article", it is clear that the like article has to be identical or alike in all respects to the article under investigation. The scope of the term like article shall also include those articles having closely resembling characteristics to those under investigation in the absence of articles identical or alike in all respects.
14. The Authority notes that there is no known difference in the subject goods produced by the Indian domestic industry and those imported from the subject countries. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers also use the two interchangeably. The Authority holds that the product manufactured by the Applicant constitutes like article to the subject goods being imported into India from the subject countries.
15. With regards to the claims to the heterogeneity of the products covered within the scope of the investigation, the Authority notes that it has determined to follow the PCN methodology to ensure the fair comparison of the heterogenous products covered within the scope of the investigation.
16. The PUC falls under tariff item 8442.50 of the Customs Tariff Act, 1975. The PUC is also being imported under other customs tariff items, including, 3701.3000, 3704.0090, 3705.1000, 7606.1190, 7606.9190 and 7606.9290. Imports of PUC made under all the various HS codes have been taken into consideration for the purpose of injury assessment. The customs classification is indicative only and is in no way binding on the scope of the present investigation.

#### **D. SCOPE OF DOMESTIC INDUSTRY AND STANDING**

##### **D.1 Submissions made by the other interested parties**

17. The other interested parties have made the following submissions with respect to the Domestic Industry and Standing:

- a. The applicant, Technova Imaging Pvt Ltd, acknowledged in its application that they imported the subject goods from both subject and non-subject countries during the POI, despite having anti-dumping protection, but did not disclose the reasons for such imports.
- b. The indexed data provided by the applicant indicates that these imports from subject countries by the domestic industry constitute about 3% to 4% of the total imports of subject goods from subject countries during the POI. This amounts to approximately 6,09,929 sqm, which is six times more than the total imports of the subject goods from non-subject countries (1,66,592 sqm) and more than the combined imports from Japan, South Korea, and Vietnam.
- c. Interested parties argue that Technova is ineligible to be considered a "Domestic Industry" under Rule 2(b) because it is a significant and habitual importer of the subject goods from the countries under investigation. This increased substantially during the period of investigation, disqualifying it from being treated as a domestic industry. Several past cases, including *Aluminium Foil from China PR (2017)*, *Flax Yarn from China PR (2018)*, and *Glazed/Unglazed Porcelain/Vitrified Tiles from China PR (2017)*, are cited to support this argument.
- d. Technova's regular imports contradict the claim that such imports are temporary, as noted in previous investigations where the Designated Authority allowed temporary imports to retain core customers. However, current import data shows that Technova has consistently imported subject goods not only during the POI and injury period but also before and after the POI. This pattern challenges the domestic industry's eligibility under Rule 2(b).
- e. Rule 2(b) of the Anti-Dumping Rules stipulates that regular importers of the subject goods cannot be considered a "Domestic Industry." The respondents submit that Technova's imports increased from 100 index points in FY 2019-20 to 354 index points during the POI, further disqualifying it under Rule 2(b).
- f. The Manual of Operating Practices for Trade Remedy Investigations (Para 4.9.20(v)) requires a specific reference from the Director General on the issue of imports by petitioners. The petitioner has not provided any exceptional circumstances for these imports, and the reasons for such imports have been kept confidential.
- g. The Authority must evaluate compliance with Rule 2(b), as regular imports by the applicant, even though claimed to be temporary, contradict its status as a domestic industry. The applicant's substantial imports, both from subject and non-subject countries, raise questions about its eligibility, as similar producers have been disqualified in previous cases like *Soda Ash from Turkey and USA*.
- h. The Federation pointed out that M/s HL Printech Solutions Pvt Ltd, a major importer of subject goods from Chinese companies and a supporter of Technova's application, has not disclosed its

imports or its relationship with exporters/importers. This undermines the validity of their support for Technova's application.

- i. The existence of M/s Lastra Niraj Pvt Ltd, an associate company of Technova involved in a similar business, was not disclosed by Technova, affecting the applicant's standing. The Authority must thoroughly examine Lastra Niraj's potential imports and operational linkages with Technova.
- j. The Federation argues that both Technova and HL Printech Solutions should not be considered valid domestic producers under Rule 2(b) due to their import activities, which are substantial and habitual. The Authority is requested to terminate the investigation on these grounds.
- k. Technova's consistent imports are not insignificant, as claimed, and evidence suggests that these imports were regular, occurring during the injury period, POI, and post-POI. The applicant's imports were neither temporary nor made under a duty-free scheme.
- l. During the original investigation, the domestic industry's imports accounted for 7% of total imports, but the Authority treated these as temporary. However, current evidence suggests that the domestic industry remains reliant on imports, particularly from subject countries like China and Japan.
- m. Technova has regularly imported goods from both subject and non-subject countries during the POI, indicating that any decline in domestic production and sales cannot be attributed solely to the subject goods.
- n. The domestic industry is not fully equipped to serve all customers, lacks sufficient technology, and relies on imports to meet demand, which contradicts its claims of being a self-sufficient producer.
- o. The interested parties have alleged that the Petitioner made false claims regarding the import data for 2020-21 and 2021-22. Consequently, they have submitted a dataset which indicates that during 2019-20 and 2020-22, the domestic industry imported a total of 115,873 SQM.
- p. The volumes imported by the Petitioner are far too high to be imported for R&D purposes.

## **D.2 Submissions made on behalf of the Domestic Industry**

18. The following submissions have been made on behalf of the Domestic Industry with regard to the domestic industry:
  - a. Out of total domestic production, the production share of the domestic producer's share is 96%. In view of the same, the domestic producer meets the requisite threshold to constitute domestic industry for the purposes of the present application.
  - b. The domestic producer has clearly demonstrated that it qualifies as "domestic industry" within the meaning of Rule 2(b) and Rule 5(3) of the Customs Tariff (Identification, Assessment and Collection of anti-dumping duty on Dumped Articles and for Determination of Injury) Rules, 1995 ("AD Rules").



- c. In order to qualify as “domestic industry”, the domestic producer’s production of the PUC must constitute a major proportion of the eligible domestic production. The domestic producer’s production meets the threshold requirement.
- d. While the domestic producer was constrained to make some imports during the POI, these imports are insignificant when compared to total production of the domestic producer, total imports of PUC into India and subject imports of PUC.
- e. The Domestic Industry has imported the PUC from both subject and non-subject countries due to each of their two plants underwent separate routine maintenance shutdowns.
- f. It may be noted that neither of the plants were shut down at the same time. Consequently, to fulfil its commitments to existing customers, the Domestic Industry imported the PUC as a temporary solution.
- g. Furthermore, Post COVID-19, the PUC witnessed a pent-up demand which is evident from the production and sales of the Domestic Industry during the same period. In order to meet the sudden increase in demand from its existing customers, the Domestic Industry imported a limited quantity of the PUC while paying the applicable duties including anti-dumping duties
- h. The Domestic Industry submits that the imports from the subject countries on account of the above reasons are only 1.8% of its production and 1.2% of the overall demand of the subject goods in the POI period.
- i. The Domestic Industry continues to focus on manufacturing of the subject goods and was constrained to import the PUC as a temporary measure to serve its existing customers. This does not alter the fundamental characteristic of the Domestic Industry’s business i.e., manufacturing the PUC and supplying it to its customers.
- j. With regard to the imports from the non-subject countries (i.e., the European Union), the imports have been made from its erstwhile technology partner for the purpose of testing and market seeding.
- k. Since the imports by the domestic producer from the subject countries constitute only 1.8% of its total production of the PUC, 1.2% of the total demand, and 3.5% of the import from subject countries, such low imports could not have conferred any undue benefits to the Applicant.
- l. Indian courts have held that where the principal business of the producer is not importation, it should not be excluded from the scope of domestic industry. A producer who imports a small fraction of its total production, and that too, during production disruptions, should not be considered an importer under Rule 2(b) of the Anti-Dumping Rules.
- m. The Petitioner manufactures the subject goods in India as a predominant activity and possess all the essential characteristics of a manufacturer. The domestic production of the Petitioner accounts for almost 67% of the demand of the subject goods.

- n. The Petitioner is the largest producer of the subject goods accounting for 96% of the total domestic production.
- o. The Petitioner continues to focus on domestic production, continuing to further the Indian government's ambitions of "Make in India" and continues to expand its capabilities to serve the domestic customers.
- p. The Domestic Industry argues that "temporary" imports should not be conflated with "non-recurring." Occasional small imports do not indicate that the industry is a habitual importer or shifting towards trading activities. These imports are driven by short-term needs, and the primary focus remains domestic production.
- q. The Authority has consistently considered domestic producers with minimal imports as eligible for domestic industry status in previous anti-dumping investigations. Examples include cases involving natural mica-based pigments, flax yarn, and caprolactam.
- r. The Domestic Industry confirms that LNPL is its associate company by virtue of TechNova's shareholding in the company. LNPL is a producer of NPUC, and therefore, is not relevant for the purposes of the subject review

### **D.3 Examination by the Authority**

19. Rule 2(b) of the Rules provides as follows:

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

20. The Authority notes that the Application has been filed by M/s. TechNova Imaging Systems (P) Ltd. In addition to TechNova, there is only one other producer of the subject goods namely HL Printech Pvt. Ltd., who has filed a support letter in the said investigation.
21. The Applicant submitted that it is not related to any of the exporters of the PUC from the subject countries or importers of the PUC from the subject countries. However, the Applicant has submitted that it has imported the PUC from one of the subject countries during the period of investigation.

22. The Authority notes that Rule 2(b) of the AD Rules provides that the domestic producers which are related to the exporters or importers or which themselves are importers of the allegedly dumped goods **may** be excluded from the scope of domestic industry. The usage of the word “may” under Rule 2(b) indicates that producers related to exporters or importers as well as importing producers are not automatically excluded from being part of the domestic industry. The Authority has discretion to determine on the inclusion or exclusion of such producers within the scope of the domestic industry, on a case-to-case basis after making all due considerations in this regard. In particular, the Authority is required to examine if the Applicant has imported the PUC in such substantial volumes and under such conditions which would render the Applicant ineligible as domestic industry under Rule 2(b) of the AD Rules.

23. The Authority has also taken note of the arguments raised by interested parties, which assert that the Applicant’s imports of the subject goods cannot be characterized as ‘temporary,’ given that the Applicant had imported the subject goods during the POI of the original investigation as well. The Domestic Industry (DI), in response, contends that the term 'temporary' should not be conflated with 'non-recurring.' The Authority notes that occasional imports made by domestic producers, driven by specific and short-term needs such as unexpected demand surges or production disruptions, should not result in the conclusion that the imports are 'habitual' or not 'temporary' as long as such imports are incidental to its primary role as a domestic manufacturer and do not signify a shift in its business activities toward trading.

24. In this regard, the Authority notes that the details of imports made by the Applicant are as follows:

Particulars	Unit	2019-20	2020-21	2021-22	POI
Imports made by the Applicant from the subject countries	SQM	***	***	***	***
Production Quantity	SQM	***	***	***	***
Total Imports	SQM	1,45,05,334	73,67,190	86,88,785	1,43,03,156
Total Demand	SQM	***	***	***	***
Imports in relation to					
- Production of the Applicant	%	0-1%	Nil	Nil	1-2%
- Demand of the subject goods	%	0-1%	Nil	Nil	1-2%
- Subject Imports	%	1-2%	Nil	Nil	3-4%

25. The Authority notes that the volume of imports of the PUC by the Applicant during the POI are insignificant compared to the total imports, total domestic production or total demand of the country.

The volume of imports made by the Applicant in relation to total demand, its domestic sales and production is in the range of 1-2%. The same has been verified from the DG Systems data.

26. It is noted that the Applicant is the largest producer of the subject goods, constituting about 96% of the total domestic production in the country. Therefore, the imports made by the Applicant are consistent with its role as a domestic producer and do not indicate a shift toward trading or habitual importation.
27. With regard to the claims made by the interested parties regarding the Applicant's associate company, Lastra Niraj Private Limited, being engaged in the production and import of the PUC, the Authority notes that Lastra Niraj Private Limited is not engaged in the importation or sales of the PUC. The same has been verified from the DG systems data.
28. With regard to the alleged imports made by HL Printech Solutions Pvt Ltd, who is a supporter in the present review, the Authority notes that the supporter has not participated in the present review after its initiation. However, the Authority analysed the import data and found that there are no imports of PUC made by HL Printech Solutions Pvt Ltd over the injury period. The Authority further notes that HL Printech only constitutes about 4% of the domestic production of the PUC in India. Accordingly, irrespective of its eligibility, the Applicant meets the standing requirements required under law.
29. In view of the above, the Authority holds that the Applicant i.e., TechNova Imaging Systems (P) Ltd. satisfies the requirement of Rule 2(b) of the Rules and considered to be an eligible domestic producer for the purpose of determining domestic industry standing.
30. Based on the information available on record, the Authority notes that the production of the Applicant in the POI is about 96% of the total Indian production and constitutes a major proportion. Accordingly, the application filed by the Applicant satisfies the criteria of standing in terms of Rule 5(3) of the AD Rules.

## **E. CONFIDENTIALITY**

### **E.1 Submissions made by the other interested parties**

31. The other interested parties have made the following submissions with respect to the Confidentiality:
  - a. The applicant has violated the specific provisions of Trade Notice No. 10/2018 dated 7.09.2018 by claiming excessive confidentiality over various pieces of information.
  - b. The applicant has claimed the following information as confidential, which includes:
    - i Production process

- ii Names of major raw materials
  - iii Imports made by the Domestic Industry (+/- 5% range)
  - iv Non-Injurious Price Calculation (+/- 10% range)
- c. Rule 7 of the Indian Anti-Dumping Rules requires parties providing confidential information to furnish non-confidential summaries or provide reasons why summarization is not possible.
  - d. If the Designated Authority finds that the confidentiality claim is not warranted or the party is unwilling to disclose the information in a generalized form, the Authority may disregard the information.
  - e. Rule 7 emphasizes that not all information submitted confidentially should be treated as such unless supported by valid reasons and accepted by the Authority.
  - f. The applicant is responsible for providing detailed summaries to allow reasonable understanding of the confidential information, enabling other interested parties to respond effectively and assist the Authority in making the correct determinations.
  - g. The Hon'ble CESTAT, in the Vitriified Tiles case, held that information submitted confidentially should not automatically be considered confidential and emphasized the need for transparency.
  - h. The CESTAT ruling laid down guidelines for examining confidentiality claims and stated that there is an obligation for the Authority to require detailed non-confidential summaries from parties to allow a reasonable understanding of the confidential information.
  - i. If the request for confidentiality is not warranted, and the party refuses to disclose the information in a generalized or summarized form, the Authority may disregard such information.
  - j. The respondents request that the Authority terminate the investigation, as it is without jurisdiction due to the applicant's excessive and unjustified confidentiality claims.

## **E.2 Submissions made on behalf of the Domestic Industry**

- 32. The domestic industry has made the following submissions with respect to the Confidentiality:
  - a. Interested parties have filed questionnaire responses that are grossly deficient, excessively confidential, and does not meet the required standards under Trade Notice 07/2018 dated September 7, 2018.
  - b. The Domestic Industry points out that Kodak China was acquired by Lucky Huaguang in 2019, but Kodak China and its parent company, Eastman Kodak, did not disclose this information in their responses.
  - c. The Petitioner requests that the Authority examine Kodak China's and Lucky Imaging's commercial relationship, the impact on the production, sale, and marketing of the product under consideration (PUC) in India, and whether related parties provided inputs/raw materials.

- d. The Domestic Industry asks the Authority to reject incomplete questionnaire responses from interested parties.
- e. Responses filed by interested parties are excessively confidential, lacking meaningful non-confidential summaries, thereby hindering the Petitioner's ability to comment on the data provided.
- f. Several cases were cited to demonstrate how the Authority has rejected responses from foreign producers when they were found deficient or excessively confidential.

### **E.3 Examination by the Authority**

33. On confidentiality of information, Rule 7 of the Rules reads 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 subrule (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.”*

34. The Authority made available non-confidential version of the information provided by - various interested parties to all interested parties through the public file containing non- confidential version of evidence submitted by various interested parties for inspection as per for inspection as per Rule 6(7) of the Rules.

35. The Hon'ble Supreme Court in the case of Reliance Industries V. Designated Authority, had emphasized upon the importance of confidentiality. In para 3 of said decision it was reaffirmed that:

*“3. ... confidentiality under Rule 7 is not something which must be automatically assumed. Of course, in such cases there is need for confidentiality as otherwise trade competitors would obtain confidential information which they cannot otherwise get. But whether information supplied is required to be kept confidential has to be considered on a case- to-case basis. It is for the Designated Authority to decide whether a particular material is required to be kept confidential.”*

36. Accordingly, the Authority examined the information provided by the domestic industry and other interested parties on a confidential basis for sufficiency of such claims in accordance with Rule 7 of the AD Rules. On being satisfied, the Authority accepted the confidentiality claims, wherever warranted and such information has been considered confidential. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis.
37. With regard to the confidentiality claims over the name of raw materials, production process, imports by the domestic industry as well as NIP range, the Authority notes that the name of raw material, imports in ranges as well as injury margin in ranges has been disclosed by the domestic industry in its submissions including the petition. With regard to the confidentiality over production process, it is noted that such information is confidential in nature and disclosure of such information may adversely impact the domestic industry.

## **F. MISCELLANEOUS**

### **F.1 Submissions made by the other interested parties**

38. The following miscellaneous submissions have been made by the interested parties:
- a. Technova Imaging Pvt. Ltd. has consistently sought and received trade remedy protections, including anti-dumping and countervailing duties, on Digital Offset Printing Plates from various countries since 2011. The duties have been extended repeatedly, most recently against China, Japan, Korea, Taiwan, and Vietnam, with a countervailing investigation initiated against China and Taiwan in September 2023.
  - b. Despite these long-standing protections, Technova continues to claim injury from dumped and subsidized imports. The Federation argues that this could either indicate fabricated injury claims or internal structural issues within the domestic industry that trade remedies cannot resolve. They assert that it is economically illogical for multiple countries to consistently dump goods into India, given the demand-supply gap.
  - c. Interested parties urge the Authority to critically evaluate Technova's claims of continued injury before recommending an extension of duties. They suggest that the user industry should not bear

the burden of additional duties, especially if inefficiencies within the domestic industry are the primary cause. They recommend the immediate termination of duties, asserting there is no real injury or likelihood of its recurrence.

- d. The interested parties submit that the petitioner, Technova, selectively chooses periods of adverse market trends to file for investigations, using trade remedies as a shield against competition.
- e. The interested parties request the Authority to conclude both the Anti-Dumping and Countervailing Duty investigations concurrently. This would allow for a comprehensive and integrated assessment of injury margins and ensure consistent and effective remedies. By handling both anti-dumping and countervailing investigations simultaneously, the Authority can conduct a unified analysis of the cumulative effects of unfair trade practices, avoiding fragmented and inconsistent conclusions. This approach would also enhance efficiency by preventing duplicative efforts and potential discrepancies arising from separate investigations.
- f. The producer/exporter submits that a sunset review can only be initiated when the petitioner provides sufficient evidence of dumping, material injury, and causation. In this case, the information provided by the petitioner is inadequate to justify the investigation under Rule-5(3) of the Rules, relying primarily on estimates and assumptions.
- g. The Authority has appropriately initiated the investigation under Rule 23(IB), which pertains solely to the extension of existing anti-dumping duties, as reflected in the initiation notification. The applicant specifically requested a five-year extension of the current duties on page 56 of its application. As this investigation was initiated under Rule 23(IB), the respondents respectfully request the Authority to limit its scope to the extension of existing duties and not their modification, as modification can only occur under Rule 23(1A), which is not applicable here.
- h. The producer/exporter submits that the domestic industry has refrained from making substantial submissions during the oral hearings, likely because they recognize that the facts do not justify the extension of duties. Their delay in presenting substantial submissions until the rejoinder stage prevented interested parties from properly addressing their claims.
- i. Interested parties emphasize that verification is meant to cross-check existing information, not introduce new evidence. They urge the Authority not to allow the domestic industry to present new information during physical verification, as this would undermine due process and fairness.
- j. In the original investigation, imports under various HS codes (3701.3000, 3704.0090, 3705.1000, 7606.1190, 7606.9190, and 7606.9290) were considered for injury assessment, but in the current investigation, the petitioner has only focused on tariff item 8442.50, potentially skewing the injury analysis by excluding other relevant HS codes. This selective approach may distort the actual import volume and provide an inaccurate assessment of the injury, leading to flawed conclusions.



The Authority is urged to scrutinize this selective reporting to ensure the injury assessment reflects the full scope of relevant import data.

- k. The allegation by the petitioner that Fujifilm Group filed a delayed response is incorrect. The Authority granted an extension to Fujifilm Group based on merit, and the response was filed within the prescribed timeline.
- l. The claim that Chinese exporters, including FFPS, China, engage in trade malpractices is unsubstantiated. FFPS operates ethically and follows high standards. Moreover, with NIL duty imposed, there is no incentive for such malpractices. The applicant has provided no evidence to support these allegations.
- m. Kodak requests documentary evidence from TechNova to substantiate claims regarding circumvention. Since no circumvention investigation has been initiated under Rule 25 of the Anti-Dumping Rules, the circumvention allegations lack validity.
- n. In the original anti-dumping investigation, TechNova committed an investment of 400 crores for capacity enhancement. However, no concrete action has been taken by TechNova in this regard.
- o. Chongqing Huafeng Di Jet Printing Material Co., Ltd. and Huangshan Jinruitai Technology Co., Ltd. should be granted individual duty since they commenced production during the injury period.
- p. The applicant has categorically requested the Authority on page no. 56 of its application to “extend the period of imposition of the existing anti-dumping duties for a further period of five years”. Accordingly, the Authority has rightly initiated the investigation in terms of Rule 23(1B) as evidenced from the initiation notification, which is for sunset review investigation and prescribes only for extension of the period of imposition of the existing anti-dumping duties and not modification of the existing duties.
- q. The Domestic Industry has merely requested extension of duty and not requested to determine a common rate of duty for Kodak China and Lucky. In view of the above, they requested the Authority to continue the individual rate of duties for the respective entities as was done in the original investigation.
- r. The Anhui Strong State New Materials Co., Ltd earlier known as Anhui Strong state Printing Materials Co. ltd. in its questionnaire response stated about the change of name of the business name along with the relevant documents. An application of Mid-Term Review was also filed, requesting for change of name.

## **F.2 Submissions made on behalf of the Domestic Industry**

- 39. The following miscellaneous submissions have been made by the domestic industry:
  - a. Despite the Authority’s instruction to highlight new arguments in post-hearing written submissions, most interested parties failed to comply. This forced the Domestic Industry to sift through lengthy

submissions within a tight two-day deadline, creating a significant disadvantage. The failure to follow the Authority's directive disrupted the efficiency of the anti-dumping investigation, undermining the time-sensitive nature of the proceedings.

- b. The Kodak Group argued that post-POI data should be considered for examining threat of material injury and likelihood scenarios. However, the Domestic Industry highlighted that Para 5.15 of the Manual of Operating Practices for Trade Remedy Investigations states that post-POI data should be mentioned in the Initiation Notification, which was not done in this case. Thus, considering post-POI data now would be procedurally unfair.
- c. Interested parties argued that the Domestic Industry did not provide sufficient evidence for initiation. The Domestic Industry responded that the review was initiated according to the Anti-Dumping Rules, with any deficiencies in the petition rectified before the Authority initiated the review.
- d. Some parties claimed the Domestic Industry made no oral submissions during the hearing. The Domestic Industry clarified that it did make submissions, relying on its petition for evidence. There is no legal obligation to make oral submissions, and written submissions and rejoinders allow all parties to defend themselves fully.
- e. Despite these challenges, the Domestic Industry has made investments and plans to expand its capacity, contingent on the enforcement of anti-dumping duties. Without continued duty protection, the industry would face renewed competition from dumped imports, threatening its growth and sustainability.
- f. Interested parties claimed the Domestic Industry selectively focused on tariff item 8442.50.20 to distort import data. The Domestic Industry responded that the Authority may verify the data and rely on DG Systems or DGCIS data for the review.

### **F.3 Examination by the Authority**

40. The Authority notes that certain interested parties have argued that the present sunset review has been wrongly initiated since the petition filed by the domestic industry does not contain sufficient evidence as required under Rule 5(3) of the AD Rules. The Authority notes that the investigation was initiated after satisfying itself of the *prima facie* evidence of dumping, injury and likelihood of recurrence of dumping and injury. During the course of the investigation, the Authority has gathered information and evidence from the interested parties which will form its basis for recommendation in the present sunset review.
41. The Authority notes that the domestic industry has argued that Fujifilm's responses should be rejected since it delayed the filing of a response to the questionnaires. In this regard, the Authority notes that

upon its request and demonstration of genuine causes, the Authority granted an extension in deadlines for the Fujifilm group to file a response to the required questionnaires.

42. The Authority notes the concerns raised by interested parties relating to the non-inclusion of certain HS tariff items covered in the scope of the PUC in the original investigation. In this regard, the Authority has examined and relied on import data from DG systems to determine the volume of imports of the subject goods made from the subject countries in India. Import data from DG Systems has been examined for all HS tariff items which were covered in the original investigation and that have been reported by the Applicant in the petition. The import data has been sorted into PUC and Non-PUC based on the product description as well as relevant HS tariff items.
43. Regarding the allegations made by various interested parties that the domestic industry was allowed to submit additional information during the verification, the Authority notes that no additional information was accepted or presented during the verification except for the changes in the data that were rectified during the verification or sought by the Authority.
44. With regard to the contention of various interested parties on the limited submissions made by the domestic industry during the oral hearing, the Authority notes that Rule 6 of the Anti-Dumping Rules incorporates the right to a hearing granted to all interested parties in a quasi-judicial process under the principles of natural justice. The manner in which each party wishes to exercise its right is a matter of discretion. The Authority also notes that since oral submissions are taken on record only when presented in writing by the interested parties, no interested parties are prejudiced by the limited or descriptive oral submissions made by any of the interested parties. The Authority has considered the submissions made by all the interested parties including the domestic industry in writing.
45. With regard to the continuation or enhancement of duties, various interested parties have contended that Rule 23(1B) allows for only continuation of the duties and not enhancement of duties. The Authority notes that Rule 23(1B) of the AD Rules does not limit the Authority to merely continue the duties but allows for enhancement or vary the duties also if it comes to the conclusion the dumping and consequently the injury to domestic industry is likely to recur. The Authority further notes that in *Basf South East Asia Pte. Ltd. v. Designated Authority*, the Hon'ble CESTAT found that "*the Government has the power to vary the anti-dumping duty while continuing the same on conclusion of a sunset review under Section 9A(5) of the CTA. However, there is no warrant under the said Section 9A(5) to determine the current dumping margin and limit the anti-dumping duty to such limit as under Section 9A(1).*"

46. Various interested parties have averred that the Authority should investigate both the anti-dumping and parallelly ongoing countervailing duty (CVD) investigation together to avoid duplicity of efforts, comprehensive, holistic and integrated view of the injury caused to the domestic industry. In this regard, the Authority notes that the product scope of both the investigations is same and there is degree of overlap in the subject countries involved in both the investigations. While both the investigations are different and should be assessed on its merits, the Authority will appropriately take into consideration the facts presented by the interested parties while making its recommendations in both the investigations. However, the Authority notes that, as independent investigations with separate timelines governed by their respective rules, the Authority is fully entitled to conclude each investigation at different times, in accordance with the procedural requirements.
47. With regard to the contention of various interested parties that the petition filed by the domestic industry does not contain sufficient evidence under Rule 5(3) of the AD Rules, the Authority notes that the investigation was initiated after satisfying itself of the *prima facie* evidence of dumping, injury and likelihood of recurrence of dumping and injury. During the course of the investigation, the Authority has gathered information and evidence from the interested parties which will form its basis for recommendation in the present investigation.
48. Various interested parties have averred that the Applicant has enjoyed the protection from imports since 2011 despite that it continues to suffer from injury. Further, interested parties have argued that the claimed injury could be on account of internal structural problems or fabricated claims. The legal standard requires an assessment of the likelihood of continuation or recurrence of dumping and injury, irrespective of the duration of protection. The Authority has relied on verified information for its assessment of injury caused to the domestic industry. The Authority further emphasizes that the purpose of anti-dumping duties is to only create a level playing field and mitigate the injurious effects of unfairly priced imports on the domestic industry. These duties are not intended to provide undue protection to the domestic industry or to disadvantage any other industry.
49. Interested parties have also argued that domestic industry allegedly selects adverse market periods to file for investigations, which suggests an attempt to shield itself from competition. In this regard, the Authority notes that the domestic industry filed for the initiation of the present sunset review in line with the timelines prescribed by the Authority with regard to the filing of a petition for the initiation of a sunset review.

50. The Authority notes that Kodak and Fujifilm have argued that the domestic industry has provided no evidence to demonstrate the evasion/circumvention of duties by Chinese exporters. They have also argued any circumvention should only be addressed through an investigation initiated under Rule 25 of the AD Rules. The Authority notes that the domestic industry has not requested the Authority to examine the alleged circumvention/evasion of duties, and has instead, approached the appropriate forum to register its complaints. The Authority has examined these claims in further detail in the relevant section of the disclosure statement.
  
51. With regard to the submissions of various interested parties on the investment for expansion of capacities, the domestic industry submitted that the it has purchased the plant but could not install the same due to effects of the COVID. The Authority notes that the domestic industry has purchased the machinery for capacity expansion which form part of their capital WIP in the financial statements.
  
52. The authority notes that Anhui Strong State New Materials Co., Ltd had filed an application for Mid Term Review requesting for change of their business name from Anhui Strong state Printing Materials Co. Ltd to Anhui Strong State New Materials Co., Ltd. It was decided that the said Mid-Term review application should be dealt with in the ongoing sun set review investigation. The said exporter in the current investigation filed its questionnaire response mentioning the change of its business name enclosing the relevant documents. The Authority after examining the documents placed on record regarding the change of it's business name, noted the new name as Anhui Strong State New Materials Co., Ltd in place of Anhui Strong state Printing Materials Co. Ltd.

## **SECTION II: DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN**

### **G. MARKET ECONOMY TREATMENT (MET), NORMAL VALUE, EXPORT PRICE & DETERMINATION OF DUMPING MARGIN**

#### **G.1 Submissions made by the other interested parties**

53. Views of other interested parties with regards to normal value, export price and dumping margin, are as follows
- a. The producer/exporter submits that China's Accession Protocol to the WTO expired on 11th December 2016, and the use of the "surrogate country" practice in anti-dumping actions lacks a legal basis since that date.
  - b. The producer/exporter requests that the Designated Authority not use the "surrogate country" methodology to calculate the normal value for this case, regardless of whether China is treated as a market economy.
  - c. The interpretation of Article 15(a) and 15(b) of China's Accession Protocol, as clarified in the WTO Appellate Body's "Fastener case," supports China's automatic attainment of market economy status after the expiry of Article 15.
  - d. The international law principle of "Pacta sunt servanda" requires signatories to uphold their treaty obligations, including the obligation not to invoke domestic laws to evade international commitments.
  - e. China has fulfilled its obligations under the WTO framework and should be granted the corresponding rights, including recognition of its market economy status.
  - f. India, as a WTO member, is obligated to recognize China's market economy status after 11th December 2016 and should amend its domestic regulations to stop using the "surrogate country" approach in anti-dumping investigations against China.
  - g. Section 15 of China's Accession Protocol states that after 15 years from China's WTO accession, China must be treated like any other WTO member in anti-dumping investigations.
  - h. The "surrogate country" methodology expired after 11th December 2016, and normal value for imports from China must now be determined based on Chinese prices and costs.
  - i. The US and EU had previously supported the understanding that the "surrogate country" approach would expire after 15 years from China's accession to the WTO.
  - j. After 11th December 2016, the classification of China as a non-market economy (NME) under domestic law is irrelevant for determining normal value in anti-dumping investigations.

- k. The WTO Appellate Body in EC – Fasteners confirmed that the provisions of Section 15(a) expire 15 years after China's accession, establishing that WTO members must calculate normal value for Chinese imports using Chinese prices and costs.
- l. Any continuation of the "surrogate country" practice after 11th December 2016 would be inconsistent with the WTO's Anti-Dumping Agreement and India's WTO obligations.
- m. It is also relevant to note that most of Jeil's production facilities were destroyed by a fire on August 26, 2021. After the fire, Jeil was unable to produce the PUC until new production facilities were installed, with production restarting in January 2023. The Hon'ble Authority is requested to adjust the cost incurred until 2022 in the cost of the PUC, as this was an infrequent occurrence.

## **G.2 Submissions made on behalf of the Domestic Industry**

- 54. The following submissions have been made on behalf of the Domestic Industry with regard to the product under consideration:
  - a. Sub-paragraph (2) of paragraph 8, Annexure I of the AD Rules stipulates that a country shall be considered as a non-market economy ("NME") in an anti-dumping investigation if the country has been treated as an NME by the Authority in three (3) years preceding the investigation period. It may be noted that unless the producers/exporters cooperating in the investigation produce sufficient evidence establishing that it operates under market economy principles, the country ought to continue to be treated as an NME by the Authority.
  - b. The Authority in its Final Findings Notification No. F. No.6/4/2021-DGTR dated March 30, 2022, issued in Anti-dumping Investigation concerning imports of Certain Rubber Chemicals viz., TDQ originating in or exported from China PR, European Union and Russia, PVI originating in or exported from China PR, and CBS originating in or exported from China PR and European Union" and Final Findings Notification No. F. No.6/3/2021-DGTR dated March 29, 2022, issued in "Anti-dumping investigation concerning imports of Fluoro Backsheet originating in or exported from China PR has treated China PR as an NME.
  - c. Accordingly, it has calculated the normal value for the producers/exporters from China PR as per paragraphs 7 and 8 of Annexure 1 of AD Rules.
  - d. The Authority must continue to treat producers/exporters operating in China PR as operating under NME principles unless established otherwise by the said producers/exporters filing the relevant information.
  - e. Some interested parties claim that China should be granted market economy status since its Accession Protocol expired on December 11, 2016. However, the Domestic Industry argues that this interpretation is incorrect, citing Section 15 of the Protocol, which outlines three distinct timelines and conditions.

- f. China can only be treated as a market economy if it proves so under the national law of the importing country.
- g. Section 15(a)(ii) reiterates existing provisions under the second Ad Note of Article VI of GATT, allowing alternative price comparison methods. Article 2.7 of the Anti-Dumping Agreement supports this, meaning there is no obligation for India to consider China a market economy after 2016.
- h. The Authority has confirmed in prior investigations, such as the “Untreated Fumed Silica” and “Vinyl Tiles” cases, that China remains an NME unless proven otherwise. Indian law also states that a country will continue to be treated as an NME if classified as such for the previous three years, unless producers provide evidence of market economy conditions.
- i. Major jurisdictions like the European Union and the United States continue to treat China as an NME in trade remedial investigations. China's requests for WTO panel rulings on its NME status in the EU and US have not resulted in favorable outcomes for China.
- j. In the current investigation, no Chinese producers or exporters have submitted a request for Market Economy Treatment. Therefore, there is no evidence to prove that Chinese producers of the PUC operate under market economy principles.
- k. Based on these factors, the Domestic Industry urges the Authority to continue treating Chinese producers/exporters as operating under NME principles and to rely on the constructed normal value based on the Domestic Industry's cost of production, adjusted for relevant expenses and reasonable profit.
- l. Jeil has claimed certain adjustments to its costs on account of its plant being un-operational between 2021 to January 2023. In this regard, the Domestic Industry requests the Authority to kindly calculate Jeil's dumping margin in accordance with the principles laid out in Annexure I of the Anti-Dumping Rules.

### **G.3 Examination by the Authority**

#### **Normal value for China PR**

55. Article 15 of China's Accession Protocol in WTO provides as follows: Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

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



- (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
  - (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*
- (b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*
- (c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*
- (d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provision of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

56. It is noted that while the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO, read with obligation under 15 (a) (i) of the Accession Protocol require the criterion stipulated in Para 8 of the Annexure I of the Rules to be satisfied through the

information/data to be provided in the supplementary questionnaire on claiming the market economy status.

57. As none of the producers from China PR have filed a questionnaire response, the normal value has been determined in accordance with para 7 of Annexure I to the Rules which read as under:

*“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated the Authority in a reasonable manner [keeping in view the level of development of the country concerned and the product in question and due account shall be taken of any reliable information made available at the time of the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.*

8. (1) *The term "non-market economy country" means any country which the designated the Authority determines ds not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).*

*(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated the Authority or by the competent the Authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the non- market economy country or the concerned firms from such country may rebut such d presumption by providing information and evidence to the designated the Authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3).*

*(3) The designated the Authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour; output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment vid compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated the Authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.*

*(4) Notwithstanding, anything contained in sub-paragraph (2), the designated the Authority may treat such country as market economy country which, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization*

58. Para 7 lays down hierarchy for determination of normal value and provides that normal value shall be determined on the basis of price or constructed value in a market economy third country, or the price from such a third country to any other country, including India, or where it is not possible, on any reasonable basis, including the price actually paid or payable in India for the like article, duly adjusted, if necessary, to include a reasonable profit margin. Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Annexure-I.
59. It is to be noted that no information/evidence has been provided by the parties for the construction of the normal value on the basis of the first and second methods. In the absence of the above

information/evidence, it is not possible for the Authority to determine normal value on the basis of the first or second method. Therefore, the Authority has decided to construct normal value based on the third method, i.e., on any other reasonable basis including the price actually paid or payable in India, for each quarter of the period of investigation. The Authority has constructed the normal value on the basis of the price paid or payable in India.

**Export Price for China PR**

**Kodak (China) Graphic Communications Company Ltd. (“Kodak China”), Eastman Kodak Company and Kodak India Private Limited**

60. Kodak China has exported \*\*\*SQM of the product under consideration to India. Out of the above-mentioned exports \*\*\* SQM of PUC is exported through Eastman Kodak Company, a related trader who have further exported to Kodak India Private Limited. The producer has claimed adjustments on account of ocean freight, insurance, inland transportation, port and other expenses, credit cost and packing cost. The Authority has accepted the adjustments claimed by producer after due examination. The net export price so determined is shown in the table below.

**Lucky Huaguang Graphics Co**

61. Lucky Huaguang Graphics Co has exported \*\*\* SQM of the product under consideration to India through unrelated importer. Out of the above mentioned exports \*\*\* SQM of PUC is exported through Kodak (China) Graphic Communications Company Ltd. The producer has claimed adjustments on account of ocean freight, insurance, inland transportation, port and other expenses, credit cost and bank charges. The Authority has accepted the adjustments claimed by producer after due examination. The net export price so determined is shown in the table below.

**Anhui Strong State New Materials Co., Ltd.**

62. The producer has reported \*\*\* SQM as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has directly exported the product to India and no other related/unrelated party is involved in the export of the product under consideration. The producer has claimed adjustments on account of ocean freight, insurance, inland transportation, commission, port and other expenses, bank charges and credit cost. The Authority has accepted the adjustments claimed by producer after due examination. The net export price so determined is shown in the table below.

**Fujifilm Printing Plate (China) Co., Ltd. (FFPS), Fujifilm Corporation (FTYO) and Fujifilm India Private Limited**

63. The producer has exported \*\*\* SQM product under consideration to India during the period of investigation through Fujifilm Corporation (FTYO) a related trader who have further exported to Fujifilm India Pvt. Ltd., a related importer, who have sold in Indian market. The producer and the exporter have claimed adjustments on account of ocean freight, insurance, inland transportation, and credit cost. The Authority has accepted the adjustments claimed by the producer after due examination. The net export price so determined is shown in the table below.

**Huangshan Jinruitai Technology Co., Ltd and Zhejiang Jinruitai New Material Co., Ltd**

64. The producer has reported \*\*\* SQM as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has directly exported the product to India and no other related/unrelated party is involved in the export of the product under consideration. The producer has claimed adjustments on account of ocean freight, insurance, inland transportation, port and other expenses, bank charges and credit cost. The Authority has accepted the adjustments claimed by producer after due examination. The net export price so determined is shown in the table below.

**Chongqing Huafeng Di Jet Printing Material Co., Ltd**

65. The producer has reported \*\*\* SQM as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has directly exported the product to India and no other related/unrelated party is involved in the export of the product under consideration. The producer has claimed adjustments on account of inland freight, handling charge, bank charges and credit cost. The Authority has accepted the adjustments claimed by producer after due examination. The net export price so determined is shown in the table below.

**Export price for all non-cooperative producers/exporters from China PR**

66. The export price for other non-cooperative producers/exporters from China PR has been determined based on the facts available in terms of Rule 6(8) of the Rules

**Normal value for Korea RP**

**Jeil C&P Co. Ltd.**

67. The producer has reported domestic sales of \*\*\* SQM in the period of investigation. The producer has claimed that all domestic sales are to unrelated parties. The producer has claimed adjustments on account of warehouse storage fee, inland transportation, credit cost and free goods. The Authority has carried out ordinary course of trade (“OCT”) test. The Authority notes that \*\*\*% of the total domestic

sales were found to be loss making. Therefore, for the purpose of determination of normal value the Authority proposes to disregard the domestic sales as the basis for normal value. Accordingly, the Authority proposes to calculate the normal value on the basis of cost of production of the producer along with the reasonable profit of 5%.

**Normal Value for other producers/exporters in Korea RP**

68. The normal value for all other non-cooperating producers and exporters of Korea RP has been determined based on facts available and the same is mentioned in the dumping margin table below.

**Export Price for Korea RP**

**Jeil C&P Co. Ltd.**

69. The producer has reported \*\*\* SQM as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has directly exported the product to India and no other related/unrelated party is involved in the export of the product under consideration. The producer has claimed adjustments on account of ocean freight, insurance, inland transportation, brokerage, port and other expenses, bank charges, courier charge, credit cost and duty drawback. The Authority has accepted the adjustments claimed by producer after due examination. The net export price so determined is shown in the table below.

**Export price for all non-cooperative producers/exporters from Korea RP**

70. The export price for other non-cooperative producers / exporters from Korea RP has been determined based on the best available in terms of Rule 6(8) of the Rules.

**Normal value for Japan**

**Fujifilm Graphic Solutions Corporation, Fujifilm Corporation and Fujifilm India Private Limited**

71. The Fujifilm Corporation has reported domestic sales of \*\*\* SQM in the period of investigation. The producer has claimed that all domestic sales are to the related party i.e. Fujifilm Graphic Solutions Corporation. The producer has claimed adjustments on account of insurance and inland transportation. The Authority has carried out ordinary course of trade (“OCT”) test. The Authority notes that \*\*\*% of the total domestic sales for violet plates were found to be loss making. Therefore, for the purpose of determination of normal value the Authority proposes to disregard the domestic sales as the basis for normal value and proposes to calculate the normal value for violet plates on the basis of cost of production of the producer along with the reasonable profit of 5%. With regard to calculation of the

normal value for thermal plates all the profit-making transaction are considered. The net export price so determined is shown in the table below.

72. The ex-factory normal value so determined has been mentioned in the dumping margin table below.

**Normal Value for other producers/exporters in Japan**

73. The normal value for all other non-cooperating producers and exporters of Japan has been determined based on facts available and the same is mentioned in the dumping margin table below.

**Export Price for Japan**

**Fujifilm Graphic Solutions Corporation, Fujifilm Corporation and Fujifilm India Private Limited**

74. The producer has exported \*\*\* SQM of the product under consideration to India during the period of investigation through Fujifilm India Private Limited a related trader, who have sold in Indian market to unrelated customers. The producer and the exporter have claimed adjustments on account of ocean freight, insurance, inland transportation, and port and other related expenses. The Authority has accepted the adjustments claimed by the producer after due examination. The net export price so determined is shown in the table below.

**Export price for all non-cooperative producers/exporters from Japan**

75. The export price for other non-cooperative producers / exporters from Japan has been determined based on the best available in terms of Rule 6(8) of the Rules.

**Normal Value for other producers/exporters in Taiwan and Vietnam**

76. As none of producers/exporters from these two countries, have submitted their responses, the normal value for all other non-cooperating producers and exporters of Taiwan and Vietnam has been determined based on facts available and the same is mentioned in the dumping margin table below.

**Export price for all non-cooperative producers/exporters from Taiwan and Vietnam**

77. The export price for other non-cooperative producers / exporters from Taiwan and Vietnam has been determined based on the best available in terms of Rule 6(8) of the Rules.

**Dumping Margin**

78. The normal value, export price and dumping margin in the present investigation is determined on a quarterly basis and is as follows:

**Dumping Margin Table**

SN	Particular	Normal value	Net export price	Dumping Margin	Dumping Margin	Range
		USD/SQM	USD/SQM	USD/SQM	%	%
<b>1</b>	<b>China PR</b>					
a	Lucky Huaguang Graphics Co. Ltd.	***	***	***	***	40-50
b	Kodak China Graphic Communications Co. Ltd.	***	***	***	***	20-30
c	Fujifilm Printing Plate (China) Co. Ltd.	***	***	***	***	20-30
d	Anhui Strong State New Materials Co., Ltd.	***	***	***	***	Negative
e	Huangshan Jinruitai Technology Co., Ltd and Zhejiang Jinruitai New Material Co., Ltd	***	***	***	***	30-40
f	Chongqing Huafeng Di Jet Printing Material Co., Ltd	***	***	***	***	50-60
g	Any other	***	***	***	***	50-60
<b>2</b>	<b>Korea RP</b>					
a	Jeil C&P Co. Ltd.	***	***	***	***	80-90
b	Any other	***	***	***	***	90-100
<b>3</b>	<b>Japan</b>					
a	Fujifilm Corporation	***	***	***	***	100-110
b	Any other	***	***	***	***	110-120
<b>4</b>	<b>Taiwan</b>					
a	All	***	***	***	***	50-60
<b>5</b>	<b>Vietnam</b>					
a	All	***	***	***	***	50-60



### **SECTION III: METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY, CAUSAL LINK AND LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**

#### **H. ASSESSMENT OF MATERIAL INJURY AND EXAMINATION OF CAUSAL LINK**

##### **H.1 Submissions made by the other interested parties**

79. The other interested parties have made the following submissions with regard to injury and causal link:
- a. The producer/exporter submits that the Indian printing plates market has an annual demand of 48 million square meters, while domestic production fulfills only 50% of this demand, creating a heavy reliance on imports to meet the remaining 50%.
  - b. Imports from subject countries declined by 5% from the base year (2019-20) to the POI. Technova's own imports from subject countries constituted around 3-4%, further indicating that imports are not driving injury.
  - c. During the POI, import volumes normalized after a decline during the pandemic years (2020-21 and 2021-22). The producer/exporter requests these pandemic years be excluded from analysis, with 2019-20 used as the base year for comparison.
  - d. The producer/exporter contends that any increase in imports during the POI should not be seen as a genuine rise but rather as a return to pre-pandemic levels.
  - e. The significant demand-supply gap in India allows exporters considerable leverage over pricing, making it unlikely that all exporters are engaging in dumping or that subsidies are specifically targeted at the Indian market.
  - f. Import prices from China and Japan increased significantly during the POI, while the landed price of imports rose faster than the domestic selling price. For instance, from 2019-20 to 2022-23, the landed price from China rose from Rs.217/SQM (index 100) to Rs. 311/SQM (index 145), while domestic prices only increased from index 100 to 133.
  - g. Price undercutting is negligible, as landed prices with anti-dumping duties (ADD) are higher than domestic prices. The producer/exporter argues that there is no price effect from imports that could negatively impact the domestic industry.
  - h. The price undercutting and injury margins are within the same range, showing that imports are not causing significant harm. If the Net Sales Realization (NSR) and Non-Injurious Price (NIP) are equal, this suggests import pricing is not detrimental.
  - i. The domestic industry's claim that imports undercut their prices is contradicted by the rising landed price of imports, which has outpaced domestic price increases.
  - j. Given the price increase of imports by more than 43% and the domestic price increase of only 32%, the industry's claims of undercutting appear unfounded.

- k. The producer/exporter submits that price injury should be evaluated at the Product Control Number (PCN) level to get a more granular assessment, rather than applying a broad assessment across product types.
- l. CRISIL reports show a strong financial position for Technova, with a 35% year-on-year revenue growth in fiscal 2023 and an improved outlook from "Stable" to "Positive" in 2024.
- m. Technova's revenue growth of 38% in fiscal 2022 was supported by market reopening post-COVID, with expectations for further improvement due to stabilized commodity prices and pricing flexibility.
- n. Technova enjoys a diversified customer base, strong cash accruals, low leverage, and high interest coverage, contradicting claims of injury.
- o. Despite consistently raising its NSR, the domestic industry claims losses, which respondents attribute to mismanagement or internal inefficiencies rather than imports.
- p. The Federation asserts that Technova is using trade remedial measures to improve margins rather than addressing unfair trade practices. The company's financial data contradicts its claims of material injury.
- q. Technova's strong financial performance, as reflected in CRISIL reports, suggests that its claims of likely injury are exaggerated, and the purpose of continued protection may be to enhance profit margins.
- r. The respondents argue that, despite increasing profitability and financial stability, the domestic industry has not expanded its capacity or addressed production issues, leading to continued reliance on imports.
- s. Domestic production only fulfills about 50% of the total market demand for printing plates, and the domestic industry has not expanded its capacity despite claims of capacity expansion plans.
- t. The producer/exporter notes that domestic production of PUC increased significantly during the POI compared to prior years, rising from 68 index points in FY 2020-21 to 93 index points during the POI. This shows the domestic industry is capable of improving production without relying solely on trade protections.
- u. Productivity per employee increased during the POI, rising from 68 index points in FY 2020-21 to 94 index points during the POI, indicating operational efficiency.
- v. Inventory levels for the domestic industry declined significantly by around 45% during the POI, further contradicting claims of injury.
- w. Despite claims of expanding capacity, the domestic industry has not sufficiently scaled production to meet domestic demand, exacerbating the reliance on imports.

- x. The respondents argue that the 22% Return on Capital Employed (ROCE) used by the DGTR in calculating the Non-Injurious Price (NIP) is inflated and does not reflect current market realities, such as lower interest and corporate tax rates.
- y. CESTAT rulings have raised concerns about the reasonableness of the 22% ROCE, suggesting that actual profits earned during non-dumping periods should be used to calculate NIP.
- z. The EU follows a practice of determining reasonable returns based on profits earned during non-dumping periods, which the DGTR should consider adopting.
- aa. The producer/exporter submits that applying a uniform 22% ROCE on both debt and net worth components of capital employed results in excessive profit margins for the domestic industry, distorting injury and price underselling calculations.
- bb. There are discrepancies in the import data presented by the applicant, particularly regarding volumes from China, which distorts the injury claims. The producer/exporter requests that Technova's own imports be excluded from overall import volumes to provide a more accurate analysis.
- cc. The domestic industry's claim of circumvention through non-subject countries is unsubstantiated, as imports from non-subject countries remain de minimis.
- dd. The domestic industry contends that NIL duty imports are causing injury, but respondents argue that these imports are non-injurious based on the final findings.
- ee. The domestic industry claims increased production costs, but declining aluminum prices (a major component of production) contradict this claim.
- ff. The Federation argues that the domestic industry's inability to justify losses despite increasing NSR and declining costs suggests internal inefficiencies or mismanagement, not import-related injury.
- gg. It has also been alleged that the Petitioner benefits from distorted prices from China since it itself sources approximately 60-70% of its raw aluminium from China, with the remaining coming from other regions. Furthermore, the prices of import of raw material from China are lower than EU.
- hh. The comparison between the domestic industry's selling price and the landed price of imports is inappropriate because the domestic price includes considerable selling and distribution costs, unlike the imports.
- ii. The Importer has alleged that the Petitioner has failed to address why its cost of sales has not decreased during the Period of Investigation (POI) compared to the previous year, despite being linked to LME prices.
- jj. The user argues that the petitioner's claimed losses are inflated, as evidenced by economic factors highlighted in credit agency reports.
- kk. TechNova has devised a strategy of not increasing the price despite anti-dumping duty on imports. As a result, the duty will continue to remain ineffective in the future as well.

- ll. The injury, if any, is due to internal competition, notably from a new producer, H.L. Printech Solutions Pvt. Ltd., whose production increased by 3.3 times during the POI.
- mm. A 22% decline in the applicant's export sales during the POI increased fixed costs, contributing to any potential injury.
- nn. The applicant's inventory declined by around 45% in the POI compared to the base year, indicating no injury or likelihood of recurrence.
- oo. The applicant's productivity per employee increased significantly from 68 index points in FY 2020-21 to 94 index points during the POI.
- pp. The applicant's PUC production significantly increased during the POI compared to the preceding two years. The PUC production increased from 68 index points in FY 2020-21 to 93 index points during POI.
- qq. Kodak submits that the product is heterogeneous and inter-se non-substitutable, owing to differences in the cost of production, production process, and machine-specific end-use. Kodak requests the Authority to undertake price injury on the weighted average basis i.e. PCN level.
- rr. TechNova has reported significant losses for the product under consideration (PUC) despite it contributing over 70% of overall revenue, raising concerns that expenses may have been disproportionately allocated to the PUC, inflating losses and profits for other products.
- ss. Technova continues with PS plates infrastructural costs. Further, the company continues to incur all the fixed costs Technova had been incurring at that time. Since the company continues to incur those fixed costs, it is obvious that all those fixed costs are being charged to digital plates now thus resulting in increase in cost of production of digital plates.
- tt. It is submitted that the PUC production of the applicant industry significantly increased in the period of investigation (POI) as compared to the preceding two years. It may be noted that the PUC production of the applicant increased from 68 index points in FY 2020-21 to 93 index points during POI.
- uu. The applicant's productivity per employee increased significantly from 68 index points in FY 2020-21 to 94 index points during the POI.
- vv. The applicant's inventory declined by around 45% in the POI compared to the base year, indicating no injury or likelihood of recurrence.
- ww. The net sales realization (NSR) of the applicant is higher than the non-injurious price (NIP), suggesting no injury or likelihood of injury continuation.
- xx. A 22% decline in the applicant's export sales during the POI increased fixed costs, contributing to any potential injury.
- yy. The Authority must also examine the following: (i) Whether TechNova's raw material prices are comparable with global prices or the prices were influenced by long-term contracts entered by the

company when the aluminum prices peaked. The Authority is requested to undertake a re-evaluation of inventory in case of inventory loss incurred due to long-term contracts (ii) Consider the monthly aluminum procurement price for computation of non-injurious price, cost of production, and other economic parameters (iii) Compare aluminum prices reflected in the cost of production for different PCNs at each plant level.

- zz. As per Section 14 of the Customs Act and the judgment of the Supreme Court, the loading, unloading, and handling charges are an indispensable part of the assessable value. Therefore, these charges paid by Kodak India Pvt. Ltd. should be included for computation of the landed value of the goods. In the original investigation, the DGTR did not include handling charges for computing landed value since the interested parties had reported notional handling charges as against the actual handling charges. However, KIPL in the present investigation has provided the actual loading/unloading/handling charges and the same should be included in the landed value.

## H.2 Submissions made by the Domestic Industry

80. The domestic industry has made the following submissions with regard to injury and causal link:
- a. Rule 23(3) of the Anti-Dumping Rules states that Rule 11 of the Anti-Dumping Rules applies, ~~as is,~~ to a sunset review, for the purposes of determining the material injury caused to a domestic industry.
  - b. In order to determine the impact of imports, the Domestic Industry has provided relevant information on volume injury, price injury, and performance on economic parameters for the PUC.
  - c. The Domestic Industry also clarifies that the Authority has duly verified the relevant information regarding injury and the profitability of the company with regard to the PUC.
  - d. The volume of imports from the base year to the POI has seen a slight decline. This decrease can be attributed to the anti-dumping duties that have deterred imports from the subject countries to a certain degree, particularly from countries other than China PR and Taiwan. The Domestic Industry asserts that while imports from other countries have decreased, imports from China PR and Taiwan have increased during the injury period.
  - e. Import levels during the POI have shown a significant increase when compared to the previous year, specifically in FY 2021-22.
  - f. The Domestic Industry submits that the imports of the subject goods in relation to the Domestic Industry's production have remained the same in the POI as compared to the base year. The imports in relation to production did not witness any decline despite anti-dumping duties in place.
  - g. Subject imports in relation to the demand have remained the same in the POI as compared to the base year. However, the share of imports from China PR has increased from 31% in the base year to 33% in the POI.

- h. It may be noted that there is a significant increase in the subject imports in relation to both domestic production and demand in the POI, as compared to the previous year, i.e., 2021-22.
- i. It is interesting to note that the imports of the subject goods from China PR in relation to the production have increased compared to the base year. The imports from China PR were about 46% of the Domestic Industry's production in the year 2019-20, which has increased to 49% in the POI.
- j. Imports from the subject countries are coming at prices below the domestic selling price of the Domestic Industry, thus heavily undercutting its selling price and injuring the Domestic Industry. These declining prices have directly led to increased losses.
- k. The imports are coming into India at a much lower price compared to the non-injurious price, and are therefore, causing severe and material injury to the Domestic Industry. Such low-priced imports have adversely affected the performance of the Domestic Industry by preventing it from achieving a fair selling price.
- l. Price suppression is the inability of the Domestic Industry to reflect the impact of its change in the cost to its sales price. Price suppression is a delta between the change in cost vis-à-vis changes in the selling prices of the Domestic Industry in the domestic market.
- m. The cost to make and sell has increased substantially for the Domestic Industry, i.e., by 41 indexed points in the POI compared to the base year 2019-20. During the same period, the Domestic Industry could not increase the selling price of the PUC commensurately with the increase in its cost, on account of imports from the subject countries. Further, the price suppression increased substantially in the POI on account of dumped imports.
- n. the market share of the imports from China PR has increased from 31% in the base year to 33% in the POI, and by 12% in the POI as compared to the previous year.
- o. The market share of the Domestic Industry has decreased by 9% in the POI as compared to the previous year despite a substantial rise in the demand of the subject goods.
- p. The market share of the Domestic Industry has also witnessed a decrease in the POI as compared to the base year.
- q. The market share of the subject countries other than China PR and Taiwan has declined, mainly on account of the imposition of anti-dumping duties.
- r. The domestic sales of the Domestic Industry declined at a much faster pace compared to the decline in the production of the PUC. This is clearly on account of the continued dumped imports from the subject countries, particularly from China PR.
- s. The domestic sales of the Domestic Industry declined despite a substantial rise in the demand for the subject goods.
- t. The production and capacity utilization of the Domestic Industry has also declined in the POI compared to the base year.

- u. The productivity per day has declined from 100 indexed points in the base year to 93 indexed points in the POI. The no. of employees has also decreased by 2 indexed points.
- v. At the same time, the wages to the employees increased by 11 indexed points in the POI, as compared to the base year.
- w. Continued and incessant dumped imports from the subject countries have led to a significant decline in all the financial performance indicators of the Domestic Industry, such as PBIT, cash profits, and return on capital employed.
- x. The losses of the Domestic Industry have more than doubled in the injury period. The Domestic Industry's losses have increased by 315 indexed points in the POI as compared to the base year. This is primarily on account of the substantial pricing pressure from the exporters from the subject countries, particularly from China PR.
- y. The Domestic Industry incurred cash losses during the injury period and the same has intensified in the POI.
- z. The return on capital employed declined by 220 indexed points in the POI as compared to the base year.
- aa. The level of the inventories of finished goods has increased substantially in the POI compared to the base year 2019-20.
- bb. The dumped imports have clearly caused a deterioration in the financial performance of the Domestic Industry's PUC business. The PUC is part of a large product portfolio for the Domestic Industry, and the decline in the financial performance has adversely affected the Domestic Industry's overall capability to attract capital at competitive rates.
- cc. Chinese exporters evaded anti-dumping duties by mis-declaring the origin of imports as Sri Lanka and Spain, leading to a significant influx of underpriced goods that severely impacted the Domestic Industry. This circumvention nullified the benefits of the duties.
- dd. The Domestic Industry's capacity expansion plans were further delayed by the COVID-19 pandemic, which brought unforeseen challenges, including reduced demand, lockdowns, and financial pressures, preventing them from taking full advantage of the duties in place.
- ee. Some parties argued that they are selling products above the Non-Injurious Price (NIP) and should not be considered injurious to the Domestic Industry. The Domestic Industry agreed that fairly priced imports are not harmful but highlighted that a substantial volume of imports from subject countries are being dumped at prices below the NIP, causing significant injury.
- ff. While non-injurious imports exist, the Domestic Industry emphasized that dumped imports at injurious prices continue to harm the Domestic Industry by undercutting prices, eroding market share, and reducing profitability. The Authority must recognize the impact of these injurious imports.

- gg. Some interested parties argue there is no volume effect in the current investigation and suggest comparing import volumes in the Period of Investigation (POI) to FY 2019-20, dismissing data from FY 2020-21 and 2021-22 due to COVID-19. The Domestic Industry counters that such analysis would skew the assessment, as the anti-dumping duties deterred imports, and import volumes during the POI have significantly increased compared to FY 2021-22.
- hh. Certain parties argue the Domestic Industry caused its own injury by importing 3-4% of subject imports. The Domestic Industry clarifies that import volumes are calculated after excluding its own imports, refuting this claim.
- ii. Interested parties argue that imports have not affected prices. However, the Domestic Industry demonstrates that Chinese import prices have consistently been lower than its net sales realization, causing significant price suppression. Although domestic costs rose by 23%, domestic prices only increased by 17%, highlighting the impact of suppressed Chinese prices.
- jj. Certain parties have submitted that the landed price of imports from Kodak China and Lucky should include anti-dumping duty and compare their resale prices. The Domestic Industry rejects this, stating it is standard practice to calculate landed prices without anti-dumping duty and to compare them to domestic prices, which already account for relevant costs.
- kk. Certain parties have submitted the 26% increase in the Domestic Industry's production costs, citing a decrease in London Metal Exchange (LME) aluminium prices. The Domestic Industry counters that the (i) information provided is unreliable, (ii) the CSP of aluminium has increased at LME, and (iii) cost increase is due to premiums and procurement costs, verified by the Authority during on-site inspections.
- ll. AIFMP and Kapoor Imaging rely on a CRISIL report showing TechNova's financial performance, but the Domestic Industry argues the report covers TechNova's overall business, not just DOPP. The report also highlights that the removal of anti-dumping duties led to significant imports and competition, confirming injury to the Domestic Industry.

### **H.3 Examination by the Authority:**

- 81. Rule 11 of the AD Rules, 1995 read with Annexure II to the AD Rules, 1995 provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...". Further, in considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise



to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

82. Rule 23 of the Rules provides that the provisions of Rule 6,7,8,9, 10, 11, 16, 18, 19 and 20 shall apply *mutatis mutandis* in case of a review. In case the performance of the domestic industry shows that it has not suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to recurrence of injury to the domestic industry.
83. The submissions made by the domestic industry and other interested parties during the course of investigation with regard to injury and causal link and considered relevant by the Authority are examined and addressed below under the relevant parameters.
84. The Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters for assessing the financial parameters of the domestic industry. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and the other interested parties.
85. With regard to the allegations of various interested parties for changing the injury data contained in Proforma IV-A at such a belated stage, the Authority notes that the changes made by the domestic industry in Proforma IV-A is on account of the corrections identified during the course of the verification, which are miniscule in nature and does not impact holistic injury assessment. In addition, the Authority notes that the changes made by the domestic industry do not materially change the injury assessment in the present review. The Authority has taken the updated data on record and relied upon it for the purpose of present disclosure statement.
86. The Authority notes that the imports have been made in various units of measurement, including SQM, KGs, Pieces, and cases. The import volume has been determined in SQM based on the standard conversion norm i.e., 1.32 SQM per KG. With respect to the imports not made in SQM or KG, their quantity has been converted on the basis of the information indicated (quantities, dimensions etc.,) in the products' import transaction description. The sorted DG Systems data has been considered for the purpose of assessment of the injury in the present disclosure statement.
87. The Authority with respect to the claim of the interested parties that the 22% Return on Capital Employed (ROCE) used by the DGTR in calculating the Non-Injurious Price (NIP) is inflated and does

not reflect current market realities, such as lower interest and corporate tax rates, notes that 22% Rate of Capital Employed (ROCE) is consistently applied as standard practice in all anti-dumping investigations. It may be noted that in the case of Merino Panel Products the Ld. CESTAT upheld DGTR's practice of applying a 22% ROCE.

### **Cumulative Assessment of Injury**

88. Article 3.3 of the WTO Anti-Dumping Agreement and Para (iii) of Annexure II of the AD Rules provide that in cases where imports of a product from more than one country are being simultaneously subjected to an anti-dumping investigation, the Authority will cumulatively assess the effect of such imports, in case it determines that:
- a. The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article; and
  - b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.
89. The Authority notes that the volume of imports from these countries is above the *de minimis* limits prescribed under the AD Rules.
90. In order to ascertain whether cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles, the following parameters have been examined:
- a. Products supplied by different parties are like articles and are comparable in properties
  - b. Domestically produced products and the imported products are interchangeable. Consumers are using domestic products and imported products interchangeably and the exporter and the domestic industry have sold the same product to same set of customers.
  - c. There is direct competition between the domestic product and the imported product and inter-se between the imported products.
  - d. Import price from the subject countries have moved in tandem with each other.
91. The Authority notes that the domestic industry has provided evidence that the domestic producers and exporters from the subject countries sell 'like' products to the same category of customers, and both are

competing in the same market. Both the products are being used by the consumers interchangeably. The same has also been ascertained by the Authority through DG Systems data.

92. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the product under consideration from the subject countries on the domestic industry.
93. The Authority has examined the effect of dumped imports on the state of the Domestic Industry in the paragraphs below.

### H.3.1 Assessment of demand

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

Particulars	UOM	2019-20	2020-21	2021-22	POI
Import from Subject Countries	SQM	1,38,48,618	62,84,725	67,27,717	1,23,85,703
	Indexed	100	45	49	89
Import Non-Subject Countries	SQM	6,56,716	10,82,464	19,61,069	19,17,453
	Indexed	100	165	299	292
<b>Total Imports</b>	SQM	<b>1,45,05,334</b>	<b>73,67,190</b>	<b>86,88,785</b>	<b>1,43,03,156</b>
	Indexed	100	51	60	99
Sales of Domestic Industry	SQM	***	***	***	***
	Indexed	100	73	95	94
Sales of other domestic producer	SQM	***	***	***	***
	Indexed	100	23,100	1,73,463	1,67,345
Total Demand/Consumption	SQM	***	***	***	***
	Indexed	100	66	86	98

95. It is noted that the demand for the subject goods declined in 2020-21 as compared to 2019-20 but increased thereafter in 2021-22 and the POI. However, the demand has largely remained stable throughout the investigation period. The decline in the demand of the subject goods in the year 2020-21 and 2021-22 is on account of COVID 19 pandemic.

### H.3.2 Volume effect of imports from subject countries

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

India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DG systems.

**a) Relative Increase in the imports**

97. The import volumes of the subject goods from the subject countries during the injury period and the period of investigation in relation to the production of the domestic industry and demand of the subject goods are as follows:

Particulars	UOM	2019-20	2020-21	2021-22	POI
<b><u>Imports in relation to Production of the Petitioner</u></b>					
Subject Countries	%	***	***	***	***
	Range	40-50	20-30	20-30	40-50
Non-Subject Countries	%	***	***	***	***
	Range	0-10	0-10	0-10	0-10
<b>Total Imports</b>	%	***	***	***	***
	Range	40-50	30-40	30-40	40-50

<b><u>Imports in relation to Demand in the country</u></b>					
Subject Countries	%	***	***	***	***
	Range	30-40	20-30	10-20	20-30
Non-Subject Countries	%	***	***	***	***
	Range	0-10	0-10	0-10	0-10
Total Imports	%	***	***	***	***
	Range	30-40	30-40	30-40	30-40

**b) Absolute Increase in the imports**

98. The import volumes of the subject goods from the subject countries during the injury period and the period of investigation in absolute terms of the subject goods are as follows:

Particulars	UOM	2019-20	2020-21	2021-22	POI
Import from Subject Countries					
- China	SQM	1,20,02,862	46,81,170	52,84,813	1,16,11,633
- Japan	SQM	10,44,526	6,36,933	1,38,105	25,889
- South Korea	SQM	5,53,851	8,62,020	11,68,832	50,953
- Taiwan	SQM	2,33,646	1,04,602	1,35,967	6,97,228
- Vietnam	SQM	13,733	-	-	-
Total Import from Subject Countries	SQM	1,38,48,618	62,84,725	67,27,717	1,23,85,703
	Indexed	100	45	49	89
Imports from Non-Subject Countries	SQM	6,56,716	10,82,464	19,61,069	19,17,453
	Indexed	100	165	299	292
<b>Total Imports</b>	<b>SQM</b>	<b>1,45,05,334</b>	<b>73,67,190</b>	<b>86,88,785</b>	<b>1,43,03,156</b>
		<b>100</b>	<b>51</b>	<b>60</b>	<b>99</b>

99. It is seen that:

- a. The volume of imports from the subject countries has declined in the POI compared to the base year 2019-20. The decline in the import volumes in the year 2020-21 and 2021-22 is on account of the COVID 19 pandemic.
- b. Imports from Taiwan has increased in the POI compared to the base year whereas there is a minor decline in the imports from China PR. During the same period, imports from other subject countries have declined.
- c. Although the demand of the subject goods has witnessed a minor decline from the base year, the imports other than non-subject countries have increased.
- d. The imports from subject countries in relation to production of the domestic industry has declined from \*\*\*% to \*\*\*%.

### H.3.3 Price effect of the imports from subject countries

100. With regard to the price effect of the imports from the subject countries, it is required to be analysed whether there has been a significant price undercutting by the alleged imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the imports from the subject countries has been examined with reference to price undercutting, price suppression and price depression, if any.

#### a) Price Undercutting

101. To determine price undercutting, a comparison has been made between the landed value of the product and average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex-factory level:

Particulars	UOM	2019-20	2020-21	2021-22	POI
NSR of domestic industry	INR /SQM	***	***	***	***
Trend	Indexed	100	100	114	133
Landed Price from subject countries	INR/SQM	***	***	***	***
Trend	Indexed	100	114	133	141
Price Undercutting	%	***	***	***	***
Trend	Indexed	100	(6.07)	(25.86)	46.25
Price Undercutting	% - Range	20-40%	Negative	Negative	40-50

102. It is seen that there is positive price undercutting in the injury period except in the year 2021-22 where there is slightly negative price undercutting. It is noted that the price undercutting in the POI has increased from the year 2020-21 to the POI.

#### **b) Price suppression/depression**

103. In order to determine whether the effect of imports depress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the Authority has examined the changes in the costs and prices of the domestic industry (at ex-factory level excluding direct selling overheads) over the injury period.

Particulars	UOM	2019-20	2020-21	2021-22	POI
Cost to make and sell	INR/SQM	***	***	***	***
Trend	Indexed	100	96	115	142
Domestic selling price	INR/SQM	***	***	***	***
Trend	Indexed	100	100	114	133
Landed Price	INR/SQM	***	***	***	***
Trend	Indexed	100	114	133	141

104. The Authority notes that the domestic industry experienced price pressure from imports. As evident from the table above, the selling price of the domestic industry has been consistently below the cost to make and sell. The gap between the cost to make and sell and selling price has increased in the POI compared to the base year.

105. With regard to the claims of a few interested parties that the raw material cost of the domestic industry has not moved in tandem with the change in the prices of aluminium as per the London Metal Exchange (LME), the domestic industry has submitted that the prices quoted on LME are the price of base metal. The lithographic aluminium coil includes additional charges such as conversion cost, metal premium, energy surcharge etc., The Authority has verified the cost of purchase of aluminium by the domestic industry.

### **H.3.4 Economic Parameters of the domestic industry**

106. The AD Rules require that the determination of the injury shall involve an objective examination of the consequent injury of the subject imports on the domestic producers. With regard to the consequent impact of these imports on the domestic producers of such products, the AD Rules further provide that the examination of the impact of the dumped imports on the domestic industry would include an objective evaluation of all relevant economic factors and indices having a bearing on the state of industry, including actual and potential decline in sales, profits, output, market share, productivity,

return on investments or utilization of capacity; factors affecting domestic prices, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Accordingly, performance of the domestic industry has been examined over the injury period.

**a) Production, capacity, capacity utilization and sales volumes**

107. The performance of the domestic industry with regard to capacity, production, sales and capacity utilization over the injury period was as below:

Particulars	UOM	2019-20	2020-21	2021-22	POI
Capacity	SQM	***	***	***	***
Trend	Indexed	100	100	100	100
Production	SQM	***	***	***	***
Trend	Indexed	100	68	91	96
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	68	89	93
Domestic Sales	SQM	***	***	***	***
Trend	Indexed	100	73	95	94

108. It is seen that:

- a. The production of the PUC has declined in the POI compared to the base year 2019-20. Further, the Authority notes that the production of PUC has increased significantly in the POI compared to the production in the year 2020-21 and 2021-22.
- b. The capacity utilization of the domestic industry has declined in the POI compared to the base year 2019-20. The Authority notes that capacity utilization of the domestic industry is more than 100%, however the domestic industry submitted that it has been able to improve its production by continuous process improvement and debottlenecking.
- c. The domestic sales of the domestic industry have declined in the POI compared to the base year 2019-20.

**b) Market Share**

109. Market share of the imports and domestic industry have been examined as below:

Particulars	UOM	2019-20	2020-21	2021-22	POI
<b>Import from Subject Countries</b>	<b>SQM</b>	<b>1,38,48,618</b>	<b>62,84,725</b>	<b>67,27,717</b>	<b>1,23,85,703</b>
- China	SQM	1,20,02,863	46,81,170	52,84,812	1,16,11,632
- Japan	SQM	10,44,526	6,36,933	1,38,105	25,889
- South Korea	SQM	5,53,851	8,62,020	11,68,832	50,953
- Taiwan	SQM	2,33,646	1,04,602	1,35,967	6,97,228

- Vietnam	SQM	13,733	-	-	-
Imports from Non-Subject Countries	SQM	6,56,716	10,82,464	19,61,069	19,17,453
<b>Total Imports</b>	<b>SQM</b>	<b>1,45,05,334</b>	<b>73,67,190</b>	<b>86,88,785</b>	<b>1,43,03,156</b>
Domestic Industry	SQM	***	***	***	***
Sales of the other producers	SQM	***	***	***	***
<b>Total Demand</b>	<b>SQM</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
Total Demand	Indexed	100	66	86	98
<b><u>Market Share</u></b>					
<b>Import from Subject Countries</b>	<b>%</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Indexed</b>	<b>100</b>	<b>69</b>	<b>57</b>	<b>91</b>
- China	%	***	***	***	***
	Indexed	100	59	51	99
- Japan	%	***	***	***	***
	Indexed	100	93	15	3
- South Korea	%	***	***	***	***
	Indexed	100	236	246	9
- Taiwan	%	***	***	***	***
	Indexed	100	68	68	305
- Vietnam	%	***	***	***	***
	Indexed	100	-	-	-
Imports from Non Subject Countries	%	***	***	***	***
	Indexed	100	250	348	298
Total Imports	%	***	***	***	***
	Indexed	100	77	70	101
Domestic Industry	%	***	***	***	***
	Indexed	100	110	110	96
Sales of the Supporter	%	***	***	***	***
	Indexed	100	35,043	2,02,335	1,70,881
Total Demand	%	100%	100%	100%	100%

110. The Authority notes that the domestic industry has lost its market share in the period of investigation compared to previous year whereas the market share of the subject countries have increased from \*\*\*% to \*\*\*% during the same period.

### c) Inventories

111. Inventory position of the domestic industry over the injury period is given in the table below:

Particulars	UOM	2019-20	2020-21	2021-22	POI
Opening Inventories	SQM	***	***	***	***
Closing Inventories	SQM	***	***	***	***
Average Inventories	SQM	***	***	***	***



Trend	Indexed	100	91	55	55
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112. It is noted that the inventories of the domestic industry have declined over the injury period.

**d) Profitability, cash profits and return on capital employed**

113. Profits, cash profits and return on capital employed of the domestic industry over the injury period is given in the table below:

Particulars	UOM	2019-20	2020-21	2021-22	POI
Profit/(Loss) before interest and tax (PBIT)	INR in Lacs	***	***	***	***
Trend	Indexed	(100)	(146)	(216)	(391)
Profit/(Loss) before interest and tax (PBIT)	INR/SQM	***	***	***	***
Trend	Indexed	(100)	(200)	(228)	(417)
Cash Profits/(Losses)	INR in Lacs	***	***	***	***
Trend	Indexed	(100)	(280)	(597)	(2,010)
Cash Profits/(Losses)	INR/SQM	***	***	***	***
Trend	Indexed	(100)	(384)	(632)	(2,142)
Capital employed	INR in Lacs	***	***	***	***
Trend	Indexed	100	101	104	129
Return on capital employed	%	***	***	***	***
Trend	Indexed	(100)	(144)	(208)	(302)

114. The Authority notes that the performance of the domestic industry has further declined. It is noted that the inventories of the domestic industry have declined over the injury period. The profits, cash profits and return on capital have further declined compared to the base year. The domestic industry is incurring cash losses with negative return on capital employed.

115. With regard to the contention of various interested parties that the duties have had no effect on the performance of the domestic industry, the Authority notes that the domestic industry has not been able to increase its prices commensurate with increase in the cost.

**e) Employment, wages and productivity**

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

Particulars	UOM	2019-20	2020-21	2021-22	POI
Productivity per day	SQM/Day	***	***	***	***
Trend	Indexed	100	68	89	93
Employment	Nos	***	***	***	***
Trend	Indexed	100	101	102	98

Wages	INR in Lacs	***	***	***	***
Trend	Indexed	100	83	105	114

117. It is noted that the number of employees has remained stable over the injury period. The productivity per day has declined over the injury period, however, wages has increased over the period of investigation.

### H.3.5 Ability to raise capital investment

118. The Authority notes that the performance of the domestic industry has declined concerning its PUC business. The domestic industry suffered losses as well as recorded a negative decline in return on capital employed. Thus, the imports have adversely impacted the ability of the domestic industry to raise its capital investment.

## I. MAGNITUDE OF INJURY MARGIN

119. The non-injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject countries for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price.

120. Certain interested parties have argued to examine the cost of production and allocation methodologies followed for the determination of non-injurious price and injury claimed by the domestic industry. In this regard, the Authority notes that it has examined and verified the records of the domestic industry including but not limited to the allocation of the cost, to its satisfaction while computing the non-injurious price as well as the claims of injury made by the domestic industry. With regard concerns on the allocation of infrastructural cost of non-PUC products to PUC, the Authority has examined allocations made and allowed the cost appropriately for computation of NIP. The Authority has followed the principles laid down in Annexure III for computation of the non-injurious Price as indicated the table below.

121. The landed price for the cooperative producers / exporters from the subject countries has been determined on the basis of the data provided by the producers / exporters. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on the facts available.

122. Some of the Interested parties averred that handling, loading, unloading charges should be considered for purpose of computation of landed value. The Authority has computed the landed price of based on assessable value of the subject goods which in in line with the consistent practice followed by the Authority. The landed price as computed by the Authority is indicated in the table below.

123. Based on the landed price and non-injurious price determined as above for the PCNs prescribed by the Authority, the weighted average injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below

**Injury Margin Table**

SN	Producer	NIP	Landed Price	Injury Margin	Injury Margin	Range
		USD/SQM	USD/SQM	USD/SQM	%	%
<b>1</b>	<b>China PR</b>					
a	Lucky Huaguang Graphics Co. Ltd.	***	***	***	***	30-40
b	Kodak China Graphic Communications Co. Ltd.	***	***	***	***	Negative
c	Fujifilm Printing Plate (China) Co. Ltd.	***	***	***	***	10-20
d	Anhui Strong State New Materials Co., Ltd.	***	***	***	***	Negative
e	Huangshan Jinruitai Technology Co., Ltd. and Zhejiang Jinruitai New Material Co., Ltd	***	***	***	***	20-30
f	Chongqing Huafeng Di Jet Printing Material Co., Ltd	***	***	***	***	30-40
g	Any other	***	***	***	***	30-40
<b>2</b>	<b>Korea RP</b>					
a	Jeil C&P Co. Ltd.	***	***	***	***	20-30
b	Any other	***	***	***	***	20-30
<b>3</b>	<b>Japan</b>					
a	Fujifilm Corporation	***	***	***	***	10-20
b	Any other	***	***	***	***	20-30

<b>4</b>	<b>Taiwan</b>					
a	All	***	***	***	***	30-40
<b>5</b>	<b>Vietnam</b>					
a	All	***	***	***	***	30-40

## J. CAUSAL LINK AND NON – ATTRIBUTION ANALYSIS

### J.1 Submissions made by the other interested parties

124. Various interested parties have made following submissions:

- a. Injury to the domestic industry is due to internal competition.
- b. A new producer, HL Printech Solutions Pvt. Ltd., began commercial production in FY 2020-21.
- c. HL Printech Solutions Pvt. Ltd. increased its production significantly from 100 index points in FY 2020-21 to 431 index points during the POI, an increase of approximately 3.3 times.
- d. The domestic sales of other producers rose substantially from 100 index points in the base year to 167,345 index points during the POI.
- e. The injury, if any, suffered by the applicant is due to the pricing strategies of other domestic producers, especially the new entrant, HL Printech Solutions Pvt. Ltd.
- f. The export sales of the applicant's PUC declined by around 22% during the POI compared to the base year, increasing the per-unit fixed cost. Any injury to the applicant is due to this decline in export sales.
- g. The applicant has enjoyed duty protection since December 2012, for approximately 11.5 years. The injury, if any, is due to mismanagement and poor business decisions by the applicant.
- h. The respondents request that the Authority not attribute any injury suffered by the applicant to imports from China PR and Japan, as other factors are responsible for any harm experienced.
- i. The domestic industry claimed during the oral hearing that it is a major producer and exporter of the product under consideration, and is price competitive in export markets.
- j. This raises concerns about the domestic industry's performance in India, where it claims injury due to dumped imports, while being price competitive in export markets.
- k. The domestic industry should address why it is competitive in export markets but struggles in its own home market.
- l. The domestic industry's claims of Chinese dumping and large production capacity raise questions about its ability to compete globally while claiming injury at home.
- m. The information provided by the domestic industry shows a decline in export volume during the injury period.
- n. The trends in domestic selling prices and export selling prices have been similar throughout the injury period.

- o. The injury, if any, is due to internal competition, notably from a new producer, H.L. Printech Solutions Pvt. Ltd., whose production increased by 3.3 times during the POI. The new domestic producer's penetrating pricing policy is the real cause of any injury to the applicant.
- p. The Petitioner has deliberately overlooked other external factors which could cause injury to it, such as the Russia-Ukraine war.

## **J.2 Submissions made by the Domestic Industry**

125. The domestic industry has made following submissions:

- a. In a sunset review, authorities must determine whether removing anti-dumping duties would lead to continued or resumed dumping and consequent injury to the domestic industry. It's not necessary to re-establish the causal link between dumping and injury, as sunset reviews focus on the likelihood of continuation or recurrence of dumping and injury.
- b. Several rulings, including the WTO's decision in the US–OCTG from Mexico case and Indian Supreme Court cases (Rishiroop Polymers and Union of India v. Kumho Petrochemicals), confirm that sunset reviews only assess whether withdrawing anti-dumping duties would lead to resumed dumping and injury, not whether dumping exists anew.
- c. Despite existing measures, the Domestic Industry remains at significant risk of injury from persistent dumping. Historical patterns indicate that removing duties would likely lead to intensified dumping and further harm.
- d. The claim that TechNova is attributing costs from obsolete infrastructure to the production of the PUC is incorrect. Only costs directly associated with PUC production are reported.
- e. Arguments that new producers, such as HL Printech, are creating competition for the Domestic Industry are dismissed. HL Printech's market share is minimal and has no impact on the Domestic Industry's performance.
- f. Claims that the Domestic Industry is injured due to export losses are irrelevant, as the injury analysis pertains exclusively to domestic sales. TechNova's export sales represent a small portion of its overall business and have little impact on its financial performance.
- g. While there was a fall in demand during the pandemic, the Domestic Industry's performance improved slightly due to a reduction in imports from subject countries. However, as conditions normalized, dumped imports surged again, leading to a decline in sales during the POI.
- h. Claims of injury due to mismanagement or poor business decisions are unsupported by evidence. The Domestic Industry has consistently made prudent decisions to maintain competitiveness, and the injury is directly attributable to intensified dumping.
- i. The conflict has disrupted supply chains and increased costs globally, but it has affected all parties in the investigation equally. The conflict did not affect dumping patterns, as import prices did not

increase at the same rate as production costs, indicating dumping continued regardless of geopolitical issues.

### **J.3 Examination by the Authority**

126. As per the Rules, the Authority, inter alia, is required to examine any known factors other than dumped imports which are injuring to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present review is a sunset review and causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. In particular, the Authority has also examined if the removal of duties is likely to result in the continuation/recurrence of injury to the domestic industry.
127. **Volume and value of imports from third countries:** The Authority notes that imports from countries other than subject countries are insignificant. Therefore, imports from third countries cannot be the reason for the injury suffered by the domestic industry.
128. **Contraction in demand and pattern of consumption:** The Authority notes that the demand of the subject goods has been stable with minor decline. Therefore, imports from contraction in the demand of subject goods cannot be cause of injury to the domestic industry. Further, Authority notes that there is no material change in the pattern of consumption of the product under consideration, to which the injury suffered by the domestic industry can be attributed.
129. **Conditions of competition and trade restrictive practices:** There are no trade restrictive practice or conditions of competition which can cause to the domestic industry. With regard to the inter-se competition between the domestic producers, the Authority notes that the domestic producers including the domestic industry faces competition from the imports from the subject countries.
130. **Development of technology:** None of the interested parties have furnished any evidence to demonstrate significant changes in the technology that could have caused injury to the Domestic Industry.
131. **Performance of other products of company:** The Authority notes that the performance of other products being produced and sold by the Domestic Industry does not appear to be a possible cause of injury to the Domestic Industry. In any event, the Authority has considered the performance of PUC only for the purpose of the injury assessment.

132. **Export performance**: The Authority has considered the performance of domestic operations only for injury analysis of domestic industry. Further, the Authority notes that the domestic industry has very limited exports, therefore, external reasons such as Russia-Ukraine war cannot be a cause of injury to the domestic industry.

133. **Pricing strategy and other management decisions by the Domestic Industry**: The Authority notes that the interested parties have argued that the Domestic Industry has adopted poor pricing strategies which have resulted in loss of profitability. In this regard, the Authority notes that the Domestic Industry has been reeling under the pressure of dumped imports which have been suppressing the prices of the Domestic Industry. There is a causal link between the dumped imports and the injury caused to the Domestic Industry.

## **K. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**

### **K.1 Submissions made by the other interested parties**

134. Various interested parties have made the following submissions:

- a. The Federation argues that there is no likelihood of injury recurrence if duties are withdrawn, as Technova's physical and financial performance has significantly improved under the current anti-dumping duty (ADD) regime.
- b. The applicant's claims regarding the likelihood of injury are unsubstantiated, as they rely on flawed logic. The mere existence of spare capacities in exporting countries does not automatically justify injury recurrence without considering global demand-supply dynamics.
- c. The applicant's assertion that the Indian market is price attractive contradicts its claim of lower import prices. In a market with a demand-supply gap, foreign sellers would logically charge a premium. Additionally, the applicant has not provided sufficient data on inventories and price scenarios to support its injury claims.
- d. The existence of injury and dumping alone does not automatically imply a likelihood of continued or recurrent injury. It must be shown that the injury is caused by imports. If the injury stems from other factors, the claim of continued injury from imports cannot be sustained.
- e. While there is no strict format for substantiating the likelihood of injury, certain parameters have been considered by the Authority in past cases, as outlined in Trade Notice No. 4/5/2017-DGAD, dated December 12, 2017. These parameters include:
  - Total and surplus capacities of the product under consideration in subject countries during the POI and three years prior.
  - Quantities and prices of exports by producers/exporters in subject countries to destinations other than India.

- Export orientation of producers/exporters in subject countries.
  - Justification for why the Indian market would be targeted for exports after the withdrawal of anti-dumping duties.
- f. The petitioner has not provided information on these key parameters. There is no explanation as to why the Indian market would be the preferred destination for exports after the removal of ADD, nor has the attractiveness of the Indian market been substantiated.
- g. The Appellate Body in the US — Corrosion-Resistant Steel Sunset Review noted that using presumptions without positive evidence can be inconsistent with the obligation to make determinations based on solid evidence. Thus, a firm evidentiary foundation is required to properly assess the likelihood of continued or recurrent dumping.
- h. The domestic industry claims that producers in subject countries, especially China, have significant spare capacity. However, surplus capacity alone does not establish a likelihood of dumping or injury. It must be demonstrated how this capacity would be directed to the Indian market. Past cases, such as Aniline from the USA and Japan, have shown that surplus capacity is insufficient to prove likelihood without further justification.
- i. The petitioner references anti-dumping duties imposed on China by other countries, including Brazil, South Korea, Chinese Taipei, and the EU. However, the imposition of duties by other countries does not automatically imply that the product will be diverted to the Indian market.
- j. The domestic industry attributes its continued injury to imports, but its performance has deteriorated despite the imposition of duties. This indicates that the injury is likely caused by other factors, not imports, as detailed in previous submissions.
- k. The companies rejected claims of excess production capacity in China, providing evidence of high capacity utilization. They argued that the mere existence of capacity does not equate to an imminent threat to the Indian market.

## **K.2 Submissions made by the Domestic Industry**

135. Various interested parties have made the following submissions:
- a. Imports of the PUC from the subject countries continue to be dumped. The fact that imports continue to be dumped and cause injury to the Domestic Industry is sufficient to establish the likelihood of continuation of dumping and injury.
  - b. Dumped imports continue to come from the subject countries in significant volumes. If the duties are withdrawn, there is a strong likelihood of incessant dumped imports from the subject countries.
  - c. The Domestic Industry continues to suffer from price and volume injury despite the imposition of anti-dumping duties.
  - d. Financial and economic performance has declined substantially over the past four years.



- e. Domestic Industry is forced to sell products at low prices, significantly impacting profitability.
- f. Despite anti-dumping duties, consistent profitability has not been maintained.
- g. Return on Capital Employed (ROCE) is negative and far lower than the benchmark rate of 22%.
- h. There is positive price undercutting, price underselling, price depression, and price suppression, as detailed in Part VI of the Petition.
- i. Injury is expected to continue and worsen if duties are withdrawn.
- j. In 2018, the Authority did not recommend continuing duties against China PR, leading to a substantial increase in injury to the Domestic Industry in a short period.
- k. Substantial excess and idle capacities exist in China PR for the production of the product under consideration (PUC).
- l. China PR's installed capacities exceed 1025 million SQM, while domestic demand is estimated at only 180-200 million SQM.
- m. Excess capacity of about 825 million SQM is directed toward export markets.
- n. India's market size for the subject goods is around 45 million SQM annually.
- o. The excess capacity in China PR is nearly 20 times greater than India's total domestic demand.
- p. If duties are withdrawn, China PR's excess capacity will likely be utilized for increased exports to India.
- q. China's aluminum market is distorted due to state intervention, as noted in OECD reports from 2019 and 2024.
- r. China has managed high input costs and low aluminum prices through sustained state support.
- s. China's tariff structure supports downstream aluminum activities, with high export tariffs and incomplete VAT rebates on primary aluminum exports.
- t. China provides preferential loans, tax incentives, and subsidized energy prices to aluminum manufacturers and PUC producers.
- u. This lowers production costs and leads to an oversupply of aluminum in the global market, affecting other countries' producers.
- v. These market distortions have created significant challenges for the Domestic Industry.
- w. Persistent state intervention and market distortions in China PR increase the likelihood of continued dumping and injury to the Domestic Industry.
- x. Chinese exporters engage in trade malpractices, such as transshipment and false declarations of origin (e.g., declaring origin as Sri Lanka or Spain instead of China PR).
- y. These malpractices flood the Indian market with dumped products, undermining the Domestic Industry.
- z. Imports of the subject goods are priced substantially lower than domestic prices.

- aa. With increased demand and anti-dumping measures in other countries, India becomes an attractive market for exporters from subject countries.
- bb. Various jurisdictions, including Brazil, South Korea, Taiwan, the USA, and the EU, have imposed anti-dumping duties on digital plates from China PR, highlighting the global recognition of China's dumping practices and increasing the likelihood of redirected excess production to India if duties are withdrawn.
- cc. In the absence of anti-dumping duties, imports and dumping will likely increase.
- dd. Anti-dumping measures in Brazil, South Korea, Taiwan, the USA, and the EU increase the risk of Chinese dumping in India.
- ee. Without anti-dumping duties, India would become a prime target for dumped digital plates at unfair prices, severely harming the Domestic Industry.
- ff. Trade Notices serve as guidelines for investigations but are not legally binding. Particularly in cases of establishing the likelihood of continued or recurred dumping and injury, the Domestic Industry may not have access to confidential information, such as surplus capacities of foreign producers. The goal is for the Domestic Industry to provide sufficient reason to believe there is an imminent threat of continued/recurred dumping if duties expire.
- gg. The Domestic Industry provided evidence that China's total installed capacity for the PUC is over 1025 million SQM, with domestic demand at only 180-200 million SQM, leaving an excess of around 825 million SQM dedicated to export markets. In contrast, India's market size is only 45 million SQM annually, making China's excess capacity nearly 20 times India's total demand.
- hh. Although the PUC lacks a dedicated HS tariff code, making it difficult to provide third-country export data, the Domestic Industry established that the subject countries are export-oriented and adopt unfair practices globally. Countries like Brazil, Taiwan, Korea RP, and the USA have imposed duties on DOPP imports from China.
- ii. The Domestic Industry has shown that if anti-dumping duties are removed, India would be a prime target for low-priced, dumped digital plates from China, as other jurisdictions become unviable for Chinese producers.
- jj. Jeil admitted its exports were minimal during the injury period due to plant shutdowns. However, with new capacities now in place, Jeil is likely to increase exports to India if anti-dumping duties are removed.
- kk. The Domestic Industry argues that if anti-dumping duties are withdrawn, India risks becoming a dumping ground for Chinese imports, particularly given the substantial dumping and injury margins that have persisted despite existing duties.
- ll. China's state-supported aluminium market gives its producers an unfair advantage by allowing them to undercut global competitors, including those in India. Other countries like Brazil, South

Korea, and the USA have imposed anti-dumping measures against Chinese exports to combat this threat.

- mm. Without anti-dumping protections, India will be vulnerable to a surge in dumped imports, exacerbating the injury already suffered by the Domestic Industry and destabilizing the market with cheap, low-quality imports.
- nn. None of the interested parties have disputed the facts presented by the Domestic Industry regarding the likelihood of continued or recurred dumping and injury.

### **K.3 Examination by the Authority**

136. The present review is a sunset review of anti-dumping duties imposed on the imports of the product under consideration from China PR, Korean RP, Japan, Taiwan and Vietnam. Under the AD Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuance or recurrence of dumping and injury to the domestic industry.
137. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure - II (vii) of the Rule rules, and other relevant factors brought on record by the interested parties.
138. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, *inter alia* for factors which are required to be taken into consideration, viz.
- a. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.
  - b. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.
  - c. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices and would likely increase demand for further imports; and
  - d. Inventories of the article are being investigated
139. The Authority has, *inter alia*, considered the above requirements and following parameters in order to determine whether dumping is likely to recur in the event of cessation of anti-dumping duty, and if so, whether the same is likely to cause injury to the domestic industry. Additionally, the Authority

has examined all the relevant information brought on record by the domestic industry and the other interested parties.

### **Significant Rate of increase of dumped imports**

140. The Authority notes that while the overall imports of the PUC have remained stable, the imports from subject countries have increased significantly in the POI compared with the imports made in the year 2020-21 & 2021-22. The imports from the subject countries are provided in the table below:

Particulars	UOM	2019-20	2020-21	2021-22	POI
Subject Countries	SQM	1,38,48,619	62,84,725	67,27,716	1,23,85,702
	Indexed	100	45	49	89

141. The Authority notes that anti-dumping duties were in effect from January 30, 2020, were not applicable for most of the year 2019-20. The Authority notes that imports have continue to be significant even after imposition of anti dumping duty.

### **Surplus and disposable capacities**

142. Based on the information made available by the interested parties, the Authority notes that there are substantial excess and idle capacities to product the PUC in the subject countries (particularly from China PR). The domestic industry submitted that the total installed capacities in China PR are in excess of 1025 million SQM, whereas the total demand in the country is estimated to be only 180-200 million SQM. The excess capacities of about 825 million SQM are dedicated for the export markets. The excess capacities are about 20 times of the Indian demand. The Authority notes that none of the interested parties have provided any information or evidence contrary to the claims made by the domestic industry.

143. Further, the analysis of the questionnaire response filed by the responding exporters from the subject countries shows as follows:

Particulars	Unit	Exporters from China PR	Exporters from Japan	Exporters from Korea RP	Total
Installed Capacity	SQM	***	***	***	***
Production	SQM	***	***	***	***
Capacity Utilization	%	***	***	***	***
Total Sales	SQM	***	***	***	***
Export Sales	SQM	***	***	***	***
Surplus capacities	SQM	***	***	***	***
	Trend	100	12	15	127

Export Orientation – Ratio of total sales to export sales	%	40-50%	50-60%	40-50%	50-60%
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144. As can be seen from the above,

- a. The producers and exporters have far higher capacities than the total Indian demand. Further, the unutilized capacities available with the participating producer and exporters is about \*\*\*% of the Indian demand.
- b. The producers and exporters are highly export oriented with about \*\*\*%-\*\*\*% of the total sales are exported from respective countries. These exports can be diverted to India.

**Imposition of duties by various countries**

145. The applicant has submitted that the various countries have imposed anti-dumping duties on the PUC against China PR and other countries. The details of the same are provided as under:

- a. Brazil: Brazil has extended definitive anti-dumping duty for a period of five years on the PUC imported from China PR, Chinese Taipei, the USA, the EU, and the UK on May 4, 2021. The duties range from USD 0.19 – 2.38/KG.
- b. South Korea: South Korea has extended anti-dumping duty for a period of five years on the PUC imported from China PR on October 25, 2022. The duties range from 8.78 – 10.32%.
- c. Chinese Taipei: On May 25, 2023, the Ministry of Finance of Chinese Taipei initiated an anti-dumping investigation on the PUC originating in or imported from China PR. In June 2024, Chinese Taipei imposed duties on imports from China PR. The duties range from 13.52% - 76.89%.
- d. United States of America: The United States has preliminarily determined that Chinese exports of DOPP to the US are being both dumped and subsidized. The preliminary CVD duties range from 38.5 – 231.98%, while the preliminary anti-dumping duties range from 164.30-477.59%. In addition, the US is conducting an anti-dumping investigation against imports from Japan.

**Suppressing and depressing effect of imports**

146. As seen from the injury assessment, the imports from the subject countries are suppressing the prices of the domestic industry as well as undercutting the selling price of the domestic industry. The same is evident from the table below:

Particulars	UOM	2019-20	2020-21	2021-22	POI
Cost to make and sell	INR/SQM	***	***	***	***
Trend	Indexed	100	96	115	142
Domestic selling price	INR/SQM	***	***	***	***

Trend	Indexed	100	100	114	133
Landed Price	INR/SQM	228	259	304	323
Trend	Indexed	100	114	133	141
Price Undercutting	%	***	***	***	***
Price Undercutting	% - Range	10-20%	Negative	Negative	0-10%

147. It is seen that in the period of investigation, the landed price of the subject imports is below the selling price and cost of sales of the domestic industry.

## L. INDIAN INDUSTRY INTEREST AND OTHER ISSUES

### L.1 Submissions made by other interested parties

148. The interested parties have made following submissions:

- a. The Federation argues that the significant demand-supply gap in the Indian market for printing plates makes the allegation of continued dumping by all sources economically implausible. The total market for printing plates in India is approximately 48 million SQM annually, with segments including 18.5 million SQM for CTCP Digital Offset Plates, 13 million SQM for Thermal Digital Offset Plates, 7 million SQM for Chemical-Free Plates, and 1.5 million SQM for Process-less Plates. Domestic manufacturers can produce only 20-25 million SQM, covering about 50% of demand, forcing the user industry to rely on imports for the remaining requirement. This demand-supply gap gives exporters an advantage in setting prices in the Indian market, making it unlikely that all exporters would resort to dumping or that governments would be subsidizing exports, as claimed by the applicant. Due to the ongoing demand-supply gap, imposing or continuing anti-dumping or anti-subsidy duties would harm the user printing industry by increasing costs and disrupting supply chains.
- b. The domestic industry, particularly Technova, faces regular quality and supply disruption issues. Problems such as spot issues, lining issues, and sensitivity variations have been reported with Technova's plates. In contrast, imported plates offer consistent quality, making them preferable for users seeking reliable printing outputs. Despite these issues and the clear demand-supply gap, domestic producers, including Technova, have not made significant efforts to scale up production or improve product quality.
- c. Technova, in partnership with Agfa, has failed to maintain quality or expand production sufficiently to meet domestic demand, while restrictions prevent producers from countries like China from entering the Indian market.
- d. The continuation of anti-dumping duties could increase costs for industries reliant on the PUC, including printing and publishing companies, by raising the cost of imports.

This cost increase could result in higher prices for printed materials, packaging, and related products, which would ultimately be passed on to consumers.

- e. Higher prices could reduce the competitiveness of the Indian printing and publishing sectors, both domestically and internationally, and hurt profit margins in industries that operate on thin margins.
- f. Maintaining the duties could disrupt established supply chains, especially for companies with tight margins that depend on affordable and stable supplies of DOPP.
- g. If domestic production cannot meet demand, the increased costs due to anti-dumping duties could cause production delays, reduced output, or decreased profitability for the user industry. The broader economic impact should also be considered, as the printing and packaging industries contribute significantly to employment and ancillary sectors in India. MSMEs, in particular, would struggle with the higher input costs, threatening their financial stability and growth prospects.
- h. The continuation of duties could lead to increased operational costs for the downstream industries reliant on DOPP, disrupting supply chains and negatively impacting the broader economy. The producer/exporter argues that the ongoing reliance on imports is necessary to bridge the demand-supply gap, and the imposition of ADD harms the downstream industry without addressing the root causes of the domestic industry's struggles.
- i. Digital offset printing plates produced by Chinese manufacturers are of superior quality, without the technical issues faced with Technova's products, which use outdated technology.
- j. The printing industry comprises different types of operations based on run-length. Long runs for large quantities (e.g., newspapers) where plate costs are a smaller share of operational expenditure. Medium runs for print volumes like brochures and catalogs, which may not justify the higher setup costs of traditional offset printing. iii. Short runs for on-demand or limited quantities (e.g., business cards), where plate costs can account for up to 85% of total expenditure, making price changes impactful.
- k. The imposition of anti-dumping duties on digital offset printing plates significantly affects the packaging printing industry by increasing raw material costs and squeezing profit margins in an already price-sensitive market.
- l. The increased costs also negatively impact plate bureaus and pre-press houses, which rely heavily on digital offset plates. The imposition of duties strains their financial positions.
- m. Protecting local manufacturers is important, but the claim that continuing anti-dumping duties is crucial for India's self-sufficiency in this sector is unfounded.

## **L.2 Submissions made by the Domestic Industry**

149. The interested parties have made following submissions:

- a. Continuation of anti-dumping duties will have a negligible effect on downstream industries, with a 20% average duty translating to only 0.5% to 1.5% of the average cost of a print job in segments like newspaper, commercial, and packaging printing. No users opposing duties have demonstrated any adverse public interest impacts from the duties.
- b. Non-continuation of duties would lead to the shutdown of the Domestic Industry, which is critical for India's self-reliance in the printing sector, essential for industries such as media, publishing, and packaging.
- c. The DOPP market often has urgent needs, especially in sectors like newspapers and packaging. Relying on imports introduces risks of delays, quality issues, and price volatility, which are unacceptable in critical sectors.
- d. The Domestic Industry has proven its ability to meet urgent demands efficiently, as seen during the COVID-19 lockdown.
- e. During the lockdown, global supply chains were disrupted, but the Indian newspaper industry continued to function due to the availability of domestically produced DOPP.
- f. With imports unavailable, the nation relied on domestic manufacturers, demonstrating the importance of a robust Domestic Industry for national security and continuity of essential services.
- g. Despite the strategic importance of DOPP, the Domestic Industry is struggling to survive due to dumped imports being sold at artificially low prices.
- h. These imports are significantly undercutting domestic manufacturers' prices, making it economically unviable for the Domestic Industry to continue operations.
- i. The closure of domestic plants would result in substantial job losses and make India entirely dependent on imports.
- j. This would jeopardize India's ability to respond to future emergencies that require quick and reliable supply.
- k. To ensure that India remains self-sufficient in this strategically important sector, capable of meeting national needs during crises, it is crucial that the Authority continues the anti-dumping duties on DOPP imports.
- l. Parties argued that imported plates are preferred due to consistent quality, while domestic plates often have quality issues. The Domestic Industry noted that TechNova has one of the lowest rejection rates and emphasized that anti-dumping duties are intended to ensure fair pricing, not limit competition based on product quality.

### **L.3 Examination by Authority**

150. The Authority considered whether extension of ADD shall have adverse public interest. For the same, the Authority examined whether the extension of the anti-dumping duty on imports of the product under



investigation would be against the larger public interest. This determination is based on consideration of information on record and interests of various parties, including domestic industry, importers, and consumers of the product.

151. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers, and other interested parties. The Authority also prescribed a questionnaire for the consumers to provide relevant information with respect to the present investigation, including the possible effects of the anti-dumping duties on their operations. The Authority sought information on, inter-alia, the interchangeability of the product supplied by various suppliers from different countries, ability of the consumers to switch sources, the effect of anti-dumping duties on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the antidumping duties.

152. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the continuation of the anti-dumping duties might affect the price levels of the product under consideration as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, the continuation of anti-dumping measures would prevent the decline of the domestic industry that may ensue as a consequence of low-priced imports from the subject countries and help maintain the wider availability of choices to the consumers of the product under consideration.

153. The Authority had prescribed an economic interest questionnaire which was sent to all interested parties to this review investigation. Only the domestic industry has responded to the economic interest questionnaire. The domestic industry has supplied information related to the domestic industry as well as the user industry.

154. It has also been claimed that there is a demand and supply gap in the country. However, the Authority notes that the demand-supply gap does not justify dumping. The Authority notes that the anti-dumping duties are not imposed to block imports, but to create a level playing field in the domestic market. The user industry of the PUC can continue to import at fair prices. The Authority notes that existence of a viable domestic industry (being the only large producer accounting for more than 95% of domestic

production) is necessary for the user industry to avoid being excessively dependent on imports leading to high chances of supply chains disruptions.

155. The interested parties have claimed that there are quality issues such as spot issues, lining issues, and sensitivity variations etc., in the domestically manufactured products. On the other hand, the domestic industry has claimed that it has one of the lowest rejection rates in the industry and submitted relevant data in this regard. The Authority notes that the anti-dumping measures aim to ensure that all products, whether domestic or imported, are priced fairly and do not undermine the Domestic Industry through unfair competition. Anti-dumping duties aim to level the playing field and protect the integrity of the market, encouraging both domestic and foreign producers to meet high standards without engaging in unfair trade practices.

156. The Authority notes that the interested parties have not demonstrated how the prices of subject goods have adversely impacted the consumers. On the other hand, the domestic industry has submitted quantified information showing that the impact of the antidumping duties on the user industry would be miniscule. The domestic industry submitted that the current prevalent anti-dumping duties (assuming an average rate of 20%) translate to a cost increase of merely 0.5% to 1.5% of the average cost of a print job in the predominant end-use segments such as the newspaper printing segment, commercial printing segment, and packaging printing segment. From the information on record, the Authority notes that the impact of anti-dumping duty is miniscule to the consumers of the product under consideration.

157. The domestic industry procures its main raw material (litho grade aluminium coil) from Hindalco to the extent of their manufacturing capacity. The Authority notes that any decline in the production of the PUC by the domestic industry would adversely impact the operations of Hindalco for litho grade aluminium coils since the domestic industry is the only large manufacturer of the subject goods in the country. The Authority also notes that Hindalco has extended the support to the domestic industry for imposition of anti-dumping duties on imports of PUC.

**SECTION IV: METHODOLOGY FOR ARRIVING AT NON-INJURIOUS PRICE  
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**METHODOLOGY FOR DETERMINATION OF NON-INJURIOUS PRICE**

158. The non-injurious price of the product under consideration has been determined by adopting the verified information / data relating to the cost of production for the period of investigation (1 April 2022 to 31 March 2023) in respect of the domestic industry. Detailed analysis / examination and reconciliation of the financial and cost records maintained by the company, wherever applicable, were carried out for this purpose. The non-injurious price for the domestic industry has been determined in terms of the principles outlined in Annexure – III to the Rules as briefly described below:

- a) **Raw material cost**: The best utilization of raw materials by the domestic producers, over the period of investigation and preceding three years period, at the rates prevailing in the period of investigation was considered.
- b) **Cost of utilities**: The best utilization of utilities by the domestic producers, over the period of investigation and preceding three years' period, at the rates prevailing in the period of investigation was considered.
- c) **Production**: The best utilization of production capacity over the period of investigation and preceding three years' period was considered.
- d) **Salary & wages**: Propriety of the expenses grouped under this head and charged to the cost of production was examined. Salary and wages paid was reviewed and reconciled with the financial records of the domestic industry.
- e) **Depreciation**: The reasonableness of the amount of depreciation charged to the cost of production was examined to ensure that no charge has been made for facilities not deployed on the production of the subject goods.
- f) **Identification and Allocation/Appportionment of Expenses**: The expenses to the extent identified to the PUC were directly allocated and common expenses or overheads classified under factory, administrative and selling overheads were apportioned on reasonable basis. It is ensured that no extraordinary or non- recurring expenses were charged to the cost of production.
- g) **Reasonable return on capital employed**: A reasonable return (pre-tax) at 22% on average capital employed (that is Average Net Fixed Assets and Average Working Capital) for the product under consideration was allowed for recovery of interest, corporate tax and profit. Interest is allowed as an item of cost of sales and after

deducting the interest, the balance amount of return has been allowed as pre-tax profit to arrive at the Non- injurious Price.

- h) **Non-injurious price for the domestic industry**: The NIP for the product under consideration is proposed as Rs. \*\*\* /SQM for UV CtP, Rs. \*\*\*/SQM for Thermal and Rs. \*\*\*/SQM for Violet. The weighted average NIP of PUC is proposed as Rs. \*\*\*/SQM.