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**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)**

NOTIFICATION

New Delhi, dated the 10th March, 2014

Final Findings

Subject: Sunset Review (SSR) of anti-dumping duty imposed on the imports of Presensitised Positive Offset Aluminium Plates/PS Plates, originating in or exported from China PR.

15/11/2012-DGAD – Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter referred to as the Rules) thereof;

A. Background of the Case

1. Whereas, the original investigation concerning imports of Presensitised Positive Offset Aluminium Plates/PS Plates (hereinafter referred to as the subject goods), originating in or exported from Bulgaria, China PR, Malaysia, Singapore and South Korea, was initiated by the Designated Authority (hereinafter referred to as the Authority) vide Notification No. 14/6/2006-DGA dated 24th August, 2006. The Final Findings Notification was issued by the Authority vide Notification No. 14/6/2006-DGA dated 23.08.2007, recommending imposition of definitive anti-dumping duty on reference price basis, on the imports of Presensitised Positive Offset Aluminium Plates (thickness ranging from 0.15 mm to 0.40 mm with a variation of 0.03 mm on either side), originating in or exported China PR, Bulgaria, Malaysia, Singapore and Korea RP. On the basis of the recommendations made by the Authority in the final findings, definitive anti-dumping duty on reference price basis was imposed by the Central Government vide Notification No. 108/2007-Customs dated 25.09.2007 on the imports of Presensitised

Positive Offset Aluminium Plates (thickness ranging from 0.15 mm to 0.40 mm with a variation of 0.03 mm on either side), originating in or exported from China PR, Bulgaria, Malaysia, Singapore and Korea RP.

2. Whereas, appeals were filed challenging the final findings and imposition of anti-dumping duties before Hon'ble CESTAT. The Hon'ble CESTAT vide its order No. AD/31-51/2011 dated 11th August 2011 remanded the matter back to the Designated Authority with inter alia the following order:

“15. Accordingly we allow these appeals by remand to the DA for affording post decisional hearing to the appellants and for making such modifications to the final findings as may be necessary as a result of such post-decisional hearing. The respondent- domestic industry and other interested parties, if any, shall be allowed to participate in such post decisional hearing. Any modifications made in the final findings would be considered by giving effect to the same by the Government by carrying out the necessary amendments to the impugned notifications imposing anti-dumping duty. This process shall be completed within 6 months from the date of this order and status quo shall be maintained meanwhile. Since we are allowing these appeals by remand, the related stay petitions, MAs, and COs stand disposed off.”

3. In compliance with the above stated orders of the Hon'ble CESTAT, the Authority vide its post decisional findings issued vide Notification No.14/6/2006-DGAD dated 9th February, 2012, re-affirmed its original findings issued vide Notification No. 14/6/2006-DGAD dated 23rd August 2007 and the recommendations made therein, without prejudice to appeal before the Apex Court. The Authority had also filed an appeal before the Hon'ble Supreme Court challenging the orders of the CESTAT, which is pending.
4. Whereas, M/s. Kodak (China) Graphic Communications Company Ltd. (Producer/Exporter from China PR) filed an application for a New Shipper Review under Rule 22 of Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, and requested the Designated Authority to initiate a New Shipper Review of the anti-dumping duty levied vide Customs Notification No. 108/2007 dated 25th September, 2007, on imports of Pre-sensitized Positive Offset Aluminium Plates, originating in or exported from China PR, pursuant to the Final Findings dated 23rd August, 2007 issued by the

Designated Authority. The Authority vide its NSR Findings issued vide Notification No.15/13/2009-DGAD dated 23rd February, 2012, concluded that M/s Kodak (China) Graphic Communications Company Ltd., China PR, cannot be treated as a New Shipper under Rule 22 of the Anti-Dumping Rules and is, therefore, not entitled to individual dumping margin.

5. Whereas, M/s Techhova Imaging Systems (P) Ltd and M/s Lastra Niraj Pvt Ltd filed an application before the Authority, on behalf of the producers of the subject goods in India, alleging dumping/likelihood of dumping of the subject goods, originating in or exported from Bulgaria, China PR, Malaysia, Singapore and South Korea and requested for review, continuation and enhancement of the relevant anti-dumping duties. They also requested for a change in the form of duty from reference price to fixed form.
6. Whereas, as far as China PR is concerned, preliminary scrutiny of the application prima facie showed that the dumping of the subject goods has not ceased despite imposition of the anti-dumping measures, no substantive evidence could be furnished by the applicants to prove dumping, injury and causal link or likelihood of dumping and injury on account of imports of the subject goods, originating in or exported from Bulgaria, Malaysia, South Korea, and Singapore. In fact, the applicants themselves informed vide their letter dated 5th September, 2012 that:
 - a) Since the plant in Bulgaria has been shut down, the Authority is requested not to initiate the sunset review in respect of Bulgaria as it would not serve any purpose.
 - b) If the Authority considers that it is not appropriate to initiate the sunset review against Malaysia, South Korea and Singapore, the Authority is requested to initiate the investigation against China PR.
7. In view of the above position, the Authority initiated sunset review investigation in respect of the imports of the subject goods, originating in or exported from China PR (hereinafter referred to as the subject country) only vide Notification No. 15/11/2012-DGAD dated 18th September, 2012.
8. A corrigendum notification was issued by the Authority vide even No. dated 3rd January, 2013 rectifying the injury period of the investigation.

B. PROCEDURE

9. The procedure described below has been followed with regard to the investigation:
- i. The embassy of China PR in New Delhi was informed about the initiation of the investigations in accordance with Rule 6(2).
 - ii. The Authority initiated the present sunset review investigation on 18th September, 2012, published in the Gazette of India, Extraordinary, on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry and in accordance with the Act and the Rules, to examine whether cessation of the duty would lead to continuation or recurrence of dumping of the subject goods, originating in or exported from the subject country, and consequent injury to the domestic industry.
 - iii. The Authority provided copies of the non-confidential version of the application of the domestic industry to the known exporters and Embassy of China PR in New Delhi in accordance with Rules 6(3) supra. A copy of the non-confidential application of the domestic industry was also provided to other interested parties, wherever requested.
 - iv. The Authority forwarded a copy of the public notice to the following known exporters (whose names and addresses were made available to the Authority) and gave them opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rule 6(2) & 6(4) of the Rules, with copy to the embassy of the subject country in New Delhi:
 1. Kodak (China) Graphic Communication
 2. Fujifilm Printing Plate (China) Co. Ltd.
 3. Xingraphics, China
 4. The Second Film Factory of Lucky Group, China
 5. Lucky Huagang Graphics Co Ltd
 - v. A Market Economy Treatment (MET) questionnaire was also forwarded to all the known exporters and embassy of China

PR with a request to provide relevant information to the Authority within the prescribed time.

- vi. While for the purpose of initiation the normal value in China PR was considered based on the cost of production of the subject goods in India, duly adjusted, the Authority informed known exporters that it proposes to examine the claim of the applicant in the light of para 7 and para 8 of Annexure I of Anti-Dumping Rules, as amended. The exporters/producers of the subject goods from China PR were therefore requested to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 to enable the Authority to consider whether market economy treatment can be granted to cooperative exporters/ producers.
- vii. None of the producers/exporters from the subject country filed the Exporters Questionnaire or Market Economy Treatment (MET) response.
- viii. Copy of the initiation notification was also sent to the embassy of the subject country in New Delhi, along with a copy of the letter, petition and questionnaire sent to the exporters, and requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time.
- ix. The Authority forwarded a copy of the initiation notification to the following known importers of the subject goods in India in accordance with the Rule 6(4) of the Rules:
 1. Kodak India private Limited
 2. Fujifilm India private Limited
 3. Newstech (India) Pvt. Ltd.
 4. Kapoor Imaging Pvt.ltd.
 5. Heidelberg India Pvt. Ltd.
 6. Max Flex and Imaging Systems Pvt. Ltd.
 7. M S Graphics Pvt Ltd
 8. Allied Enterprises.
 9. All India Federation of Master Printers
 10. The Bombay Master Printers
 11. Delhi Printers Association
 12. Salem District Offset Printers Association

13. Pragati Offset Pvt Ltd
14. K. Joshi & Co
15. Silver Point Press Pvt Ltd
16. R R Donnelley India
17. TCPL Packaging Ltd
18. Bennet Coleman & Co Ltd
19. Jagaran Prakashan Ltd
20. Dainik Bhaskar Group of Publications
21. Utility Printers
22. M/s Creed Engineers Pvt Ltd
23. The Madras Printers & Lithographers

- x. None of the Indian importers/users filed importers questionnaire response.
- xi. Submissions have been received on behalf of the following interested parties during the course of the investigation:
 - i. Lucky Huaguang Graphics Co. Ltd, China PR.
 - ii. Creed Engineers Pvt. Ltd.
 - iii. All India Federation of Master Printers.
 - iv. Noida Offset Printers Association.
 - v. Andhra Pradesh Printers' Association.
 - vi. Indian Languages Newspapers' Association.
 - vii. Delhi Printers Association.
 - viii. Orion Photosensitive Systems.
- xii. The Period of Investigation (POI) for the purpose of the present review was from 1st April, 2011 to 31st March, 2012 (12 months). However, injury investigation covered the years 2008-09, 2009-10, 2010-11 and the POI. The data beyond the POI has also been examined to determine the likelihood of dumping and injury.
- xiii. The domestic industry had relied upon the data from the secondary sources i.e. EXIMNET. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the injury period including the POI and also the post-POI. Since during the POI the volume of the imports of the subject goods from the subject country, as per the EXIMNET source, was found to be more than that reported in the DGCI&S data, although price of the subject goods in both the sources of data is almost at the same level, the Authority has relied

upon the data from the EXIMNET source in the present investigation. Moreover, the data from the EXIMNET source reports the imports of the subject goods under several other customs heads which does not seem to have been captured in the data from the DGCI&S source.

- xiv. Exporters, producers, importers and other interested parties who have neither responded to the Authority nor supplied information relevant to this investigation have been treated as non-cooperating interested parties by the Authority.
- xv. The Authority has examined the information furnished by the domestic producers to the extent possible on the basis of guidelines laid down in Annexure III to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xvi. In accordance with Rule 6(6) of the Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 12th August 2013. The parties which presented their views in the public hearing were requested to file written submissions of the views expressed orally. The arguments made in the written submissions received from the interested parties have been considered by the Authority, wherever found relevant, in the present disclosure statement.
- xvii. Verification of the information and data submitted by the domestic industry was carried out by the Authority to the extent considered necessary.
- xviii. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were

directed to provide sufficient non-confidential version of the information filed on confidential basis.

- xix. The essential facts of the investigation were disclosed by the Authority vide disclosure statement dated 10th February, 2014 and comments received thereon, including the submissions received during the course of the investigation, from the interested parties, considered relevant by the Authority, have been addressed in this final finding.
- xx. The Department of Revenue vide its Office Memorandum No.354/136/2007-TRU dated 29th October, 2013 allowed extension of time up to 17th March, 2014 for completing the subject investigation.
- xxi. 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 recorded these disclosures on the basis of the 'facts available' and treated such parties as non-cooperative.
- xxii. *** In this Notification represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.
- xxiii. The exchange rate for the POI has been taken as Rs. 48.14 = 1 US\$.

C. Product under consideration and Like article

10. The product under consideration in the present sunset review investigation, as in the original investigation, is Pre-sensitized Positive Offset Aluminum plates (also referred to as "PS Plates" or the subject goods). In the final findings issued by the Authority vide Notification No. 14/6/2006-DGA dated 23.08.2007, the Authority had defined the product under consideration and observed as under:

"5. The product under consideration in the present investigation is Pre-sensitized Positive Offset Aluminum plates (also referred to as "PS Plates" or subject goods). The subject goods is primarily used

in the printing establishments. There are various kinds of Aluminium Offset Plates, designed to suit the quality, speed & cost requirements of the users, and the imaging technology available to them e.g. Non-sensitised Grained Plates; Pre-sensitised Plates (Positive or Negative working); Digital Plates (Thermal or Violet or UV sensitive). The thickness of the subject goods ranges between 0.15 mm to 0.40mm. The present application covers PS PLATES of all types of thickness ranging from 0.15 mm to 0.40mm with a variation of 0.03mm on either side.”

6. PS Plates serve as an image-carrier on an offset printing machine, and is the final link in the lithographic offset printing process. It is used by the printing Industry on sheet-fed & web-fed offset printing machines for printing of newspapers, flexible packaging materials, books, general commercial printing, and stationary, business forms. The subject goods are manufactured from coils or sheets of “litho-grade” Aluminium by electro-chemically treating the surface, followed by photo-sensitive coating, drying, and cutting the sheets to required dimensions. The subject goods falls under Chapter 84 of the Custom Tariff Act, 1975. While the classification of the PS plates at the eight digit level is 84425020, the subject goods are reported to have been imported under sub-headings 37013000, 37040090, 37051000, 76069190, and 76069290 as well. However, the Customs classification is indicative only and is in no way binding on the scope of the present investigation. Subsequent to the initiation, various interested parties have submitted that scope of the product under consideration should be clarified so that it does not include other products like negative plates and digital plates. The Authority has examined the contention of other interested parties and it holds that product under consideration does not cover negative plates and digital plates,, negative offset plates and all plates other than “Pre-sensitized Positive Offset Aluminum plates with thickness ranging from 0.15 mm to 0.40mm with a variation of 0.03mm on either side” are outside the scope of the investigation.”

11. As per the Duty table in the Notification No. 108/2007-Customs dated 25.09.2007, the product has been classified under chapter 37, 76 or 84

of the Customs Tariff Act. However, the Customs Classification is indicative only and not binding on the scope of the investigation.

12. The Authority further notes that the subject goods produced by the domestic industry is like article to the goods imported from the subject country. Product under consideration produced by the domestic industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The Designated Authority has examined the issue of product under consideration and like article in the original investigation, which is relied upon. The goods produced by the domestic industry and imported from subject country are like articles in terms of the Rules.
13. The present investigation being a sun set review investigation the Authority considers that the scope of the PUC in the present investigation remains the same as that of the original investigation. Moreover, none of the interested parties have made any relevant submission requesting modification in the scope of the Product under consideration or disputing the likeness of the subject goods imported from the subject countries and produced and supplied by the domestic industry.

D. Scope of the Domestic Industry & standing

14. The application has been filed by M/s Technova Imaging Systems (P) Ltd and M/s Lastra Niraj Pvt Ltd on behalf of the domestic industry. The Authority notes that the production of the aforesaid domestic producers constitutes almost 100% of the total domestic production of the domestic like article. Moreover, none of the interested parties have made any relevant submission in this regard requiring the Authority to specifically examine and address the scope of the domestic industry and standing. Further Orion Photosensitive Systems, another domestic producer, supported the petition during public hearing. In view of the above position, the Authority notes that M/s Technova Imaging Systems (P) Ltd and M/s Lastra Niraj Pvt Ltd account for a major proportion of domestic production of like article and constitute domestic industry under the Rules.

E. Confidentiality

Submissions made by the Domestic Industry

- i. The allegation that domestic industry has claimed excessive confidentiality is not correct.
- ii. The information placed in the public file meets with the requirements of Rule 7 of the Anti-dumping Rules and the related trade notices.

Submissions by exporters/importers/other interested Parties

- i. The petitioners have claimed excessive confidentiality in their petition.
- ii. Technova should be asked to place its annual reports in public file.

Examination by the Authority

15. The Authority has examined the confidentiality claims of the interested parties. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides as follows:-

(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 authorize its disclosure in a generalized or summary form, it may disregard such information.

16. The provision for disclosure of essential facts before giving final findings has been laid down under Rule 16 of the Anti-dumping Rules. Even under Rule 16, the confidential facts are required to be disclosed to “respective interested parties” only, while non-confidential facts are required to be disclosed to all interested parties. At no stage the Designated Authority is empowered to disclose the confidential information to the parties with competing and conflicting interests.
17. The Authority notes that the information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has granted confidentiality, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. However, wherever possible, parties providing information on confidential basis were directed to provide non-confidential version of the information filed on confidential basis and the non-confidential information was made available to the interested parties in the form of a public file.
18. The copy of the annual report, as provided by M/s Technova, has been made available in the Public file.

Miscellaneous Submissions

Domestic Industry

19. The following are the miscellaneous submissions made by the domestic industry:
 - i. The initiation of the present sunset review investigation is lawful and within the rights of the Authority.
 - ii. Steep depreciation of the Rupee against the Dollar has hurt domestic manufactures as more than 70% of the cost of production of PS Plates is linked to Dollar-Rupee exchange rate. Although the reference price duty has so far provided the protection to the domestic industry, it has failed to curb the unfair trade practices that caused injury to the

domestic industry. Therefore, the duty should be imposed in US Dollar in fixed form.

- iii. There are a large number of SME printers who do not have the necessary financial wherewithal to invest in the required capital equipment for using 'digital plates'. Therefore, the current decline in demand is only a temporary phase and the demand is expected to pick up in the immediate future.
- iv. 45% of the country's printing industry still uses analog variety of Printing Plates (PS Plates), which constitute the life blood of the Domestic Industry's business. The true well-being of the printing industry lies in continuation of anti-dumping duties to restore stability to the domestic producers.
- v. As regards the reduction in benchmark pricing over the course of the digital plates investigation, it is humbly submitted that the facts of that case do not apply here as that is a different product examined over a completely different time period.
- vi. India is the only country world-wide where analog plates of global standards and quality are made available at such low prices. It is undisputed that subject goods of comparable quality are priced considerably higher worldwide. If duties on PS Plates are removed, Technova and other domestic producers are bound to continue suffering material injury as a result of which they might be forced to shut down their PS Plates operations. If that occurs, the printing industry will be at the mercy of the overseas producers who will seek to increase prices once they know there is no domestic competition in India. Therefore, it is in the long term interest of the public and printing industry that duties on PS plates are continued to protect the Indian printing and plates sectors from predatory pricing.
- vii. The allegations regarding monopolistic behaviour of the Domestic Industry are misplaced. The Domestic Industry has made every effort to provide the highest quality products at the most reasonable rates. Technova has signed an MOU with the All India Federation of Master Printers on its pricing policy and has implemented the same in full letter and spirit. In any event, allegations of monopolistic behaviour are under the domain of the competition commission and have no impact on the operation of a sunset review examination.
- viii. The product concerned is continued to be imported at dumped prices from China PR under the guise of different nomenclatures. Moreover, Digital plates and PS plates look alike and in the event of revocation of duty on PS plates, digital plates may get dumped in the guise of PS plates.

Submissions by producers/exporters/importers/other opposing interested Parties

20. The following are the miscellaneous submissions made by the opposite interested parties:
- i. Application was not filed by the domestic industry within the prescribed time limit and therefore the initiation of the present investigation is bad in law.
 - ii. Technova has monopoly over the product concerned in the country. The printing industry is suffering from the existing anti-dumping duty on PS Plates and it should be removed in the public interest.
 - iii. The domestic industry is over protected from the reference price duties imposed in US\$. In case the reference price ADD needs to be extended, the same should be done in Indian Rupees and not US\$ since the US\$ has appreciated significantly over the injury period.

Examination by the Authority

21. The miscellaneous submissions are addressed by the Authority as follows:
- i. As regards the contention that application was not filed by the domestic industry within the prescribed time limit, the Authority notes that the investigation was initiated on submission of a duly substantiated application by the domestic industry in accordance with Section 9 A (5) of the Act, read with Rule 23 of the Anti-dumping Rules.
 - ii. As regards the contention that the domestic industry is over protected from the reference price duties imposed in US\$ vis-à-vis its cost of production, the Authority notes that the form and quantum of the anti-dumping measures recommended by the Authority is dependent upon the facts of the case and governed by the lesser duty rule i.e. the dumping margin or injury margin whichever is less.
 - iii. As regards the contention that Technova has monopoly over the product concerned and the printers, especially the small scale printers, will continue to be at the mercy of Technova if the ADD continues, the Authority notes that the Anti-dumping Rules do not bar the benefit of protection to domestic industry, which

may be the sole producer of the subject goods, vis-à-vis dumped imports. The Authority further notes that there is another producer of the subject goods in the country namely M/s Orion Photosensitive Systems who made submissions in the present investigation.

F. Market Economy Treatment, Normal Value, Export Price and Determination of Dumping Margin - Methodology and Parameters

Submissions made by the Domestic Industry

22. The following are the submissions made by the domestic industry:

- i. Despite the duties levied in the original investigation, dumped imports continue to enter the country at a price much lower than the reference price duty, which has prevented the domestic industry from recovering adequately. The dumping margin for China PR for the period of investigation is substantial.
- ii. No exporter has cooperated in the present investigation. Authority should treat China as non-market economy for the purposes of this investigation and determine normal value on the basis of constructed cost in terms of paragraph 7, annex 2 of the AD Rules.
- iii. The Interested parties have claimed that the normal value for analog plates from China cannot possibly be higher than the normal value for CtCP Digital plates from China. However the periods considered in both the investigations are vastly different and the prices of the raw materials have significantly gone through drastic price variances which justify that the prices adopted for the present investigation is accurate.

Submissions by producers/exporters/importers/other interested Parties

23. The following are the submissions made by the opposite interested parties:

- i. The calculation of normal value and export price by the applicant are flawed. The normal value for analog plates from China cannot possibly be higher than the normal value for CtCP Digital plates from China.

- ii. It is not dumping of the product under consideration which is bothering the petitioner domestic industry. It is possible shipment of digital plates as PS Plates which is bothering the domestic industry. However, because PS Plate may be mis-declared and imported as digital plate, the same cannot be a ground for extension of anti-dumping duty on PS Plates.

Examination and Determination of Normal Value for China PR

24. Under Section 9A (1) (c) of the Customs Tariff (Amendment) Act, 1995 normal value in relation to an article means:

"(i) The comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section(6); or

(ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either –

(a) comparable representative price of the like article when exported from the exporting country or territory to an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6)".

25. Since none of the producers/exporters of China PR has submitted exporters questionnaire response and rebutted the non-market economy treatment in the present investigation, the normal value has been determined by the Authority on the basis of the provisions laid down under Para-7 to Annexure-I of the Anti-dumping Rules.

26. Para 7 of Annexure I of the Anti-dumping Rules provides as follows:

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

27. In view of the above position, the normal value is constructed by the Authority in the present investigation taking into account the international price of the major raw materials, consumption norms, conversion cost, and SGA expenses of the most efficient domestic industry. The constructed normal value is determined by the Authority accordingly as US\$ ***/Kg.

Export Price

28. As no exporter/producer from the subject country has filed exporters questionnaire response, the Authority determined the export price for the exporters from China PR on the basis of ‘facts available’ on record after making acceptable adjustments on account of ocean freight, marine insurance and port handling charges. The net export price is determined by the Authority as US\$***/Kg.

Determination of Dumping Margin

29. Comparing the normal values and export price at ex-factory level as determined above, the dumping margin for the producers/exporters of the subject country has been determined by the Authority as follows:

Normal Value USD/KG	Export Price USD/KG	Dumping Margin USD/KG	Dumping Margin %	Dumping Margin % Range
***	***	***	***	10-20

G. Methodology For Injury Determination and Examination of Injury and Causal Link

Submissions made by the Domestic Industry

30. The following submissions have been made by the domestic industry:

- i. The claim of the importers that the costing information provided by the Domestic Industry is unreliable is baseless.
- ii. Although the volume of imports from China has come down, these imports continue to come into India at heavily dumped prices and Domestic Industry has continued to suffer material injury.
- iii. The present investigation being a sunset review, the Authority is required not to look at injury in isolation, but in the context of whether there is sufficient improvement in the performance of the Domestic Industry to warrant complete removal of duties. The state of the domestic industry is still extremely unstable. The moment duties are removed, the Domestic Industry will be left vulnerable to an inevitable increase in dumped imports.
- iv. While demand has come down over the injury period and the period of investigation, the market share of the domestic industry has grown marginally.
- v. The domestic industry is capable to satisfy the entire domestic demand for the product under consideration. However, due to incessant dumping of the subject goods from the subject country, the domestic industry is unable to sell its production, thus leading to sustained material injury.
- vi. There is positive undercutting up to the period of investigation and significant price depression post period of investigation since the domestic industry had

- no choice but to lower its prices in order to sell its product.
- vii. Despite a decline in imports from China, the low prices continue to cause a reduction in the sales and therefore production of the subject goods, leading to lower capacity utilization which has dropped by nearly 25% over the injury period to the period post POI.
 - viii. Due to the low prices at which Chinese imports are coming into India, the domestic industry is unable to sell at remunerative prices leading to a dip in sales quantity.
 - ix. Even though there has been a miniscule improvement in profit terms and ROCE, it continues to be highly unstable due to the fragile state of the domestic industry caused by dumped imports.
 - x. Both employment and wages have increased per unit of production.
 - xi. The factors that adversely affect the domestic industry are both the volume of imports as well as the prices at which the imported goods enter the country.
 - xii. If imports continue to enter the country at the current dumping margin levels, there is a likelihood of more intensified injury to the domestic industry.
 - xiii. The domestic industry is compelled to match the prices quoted by the exporters in order to retain the market share. The averment of the Interested Parties in the original investigation was that the entire injury to the Domestic Industry was being caused only by the transition of the market to digital plates. While the Domestic Industry has always acknowledged that such a transition is in place, it is undisputed that the injury was caused to the Domestic Industry due to low priced imports.
 - xiv. At the time of the original duties being recommended, about 90% of the market was dominated by analog plates. Therefore, there was no question of injury being caused by digital plates in the original investigation. About 45% of the Indian printing industry still uses analog plates.
 - xv. From the data on record it is clear that not only is the Domestic Industry not able to sell at the NIP, but that

if the duties are removed, the Domestic Industry will not even be able to maintain its current, marginally profitable prices.

- xvi. It is a well-known fact that certain digital plate's installations may also be used for PS Plates production. The entire calculation submitted by the Interested Parties on allegedly misrepresented capacities does not take the above into account.

Submissions by the producers/exporters/other interested parties

31. The following are the submissions made by the opposite interested parties:

- i. The demand for the product in the country has steeply declined (by 22%) due to change in the technology and consumption pattern, but the market share of domestic industry increased in the POI. Thus, it is a clear situation where the domestic industry has lost sales less than the decline in demand.
- ii. At the time of original investigations, the interested parties heavily argued that the changes in the consumption pattern and decline in demand of the product, in view of emergence of digital plate, was the cause of injury to the domestic industry. The argument of the interested parties that digital plate was causing the price pressure on analogue plate was also rejected. The domestic industry has now stated precisely what was argued by the interested parties in that investigation.
- iii. The price undercutting calculations must be done after making all those adjustments which were done by the Designated Authority in digital plate case. Once these adjustments are made, possibly, the price undercutting in the present case shall be negative.
- iv. Low level of price underselling may result in negative injury margin and absence of injury from the imports of subject goods from the subject country.
- v. The petitioner has excessive fixed cost, incidence of which has come down after commercialization of production at the new production line of digital plate.
- vi. The petitioner had contended in the digital plate investigations that its production facilities can be utilized for production of digital and analogue plate as well.

However in the present case, the petitioner has not utilized its production facilities for production of other products despite decline in demand. It is thus a clear situation where the petitioner is suffering significant injury as a result of decline in demand. Such demand is expected to decline further in future. No co-relation exists between landed price of imports and profitability of the domestic industry.

- vii. The petitioner admitted at the time of hearing that conversion costs were hardly 20-25%, whereas the claim in the petition is that a conversion cost constitutes 35% of total cost of production. It thus clearly establishes contradiction in the claims on one hand and exaggerated normal value in the petition on the other hand.
- viii. Significant appreciation in the US\$ has resulted in the increase in the landed price of imports of the subject goods. This appreciation of US\$ has not adversely affected the domestic industry as the price of raw materials have significantly declined. Thus there is no injury to the domestic industry and continuation of ADD is not justified.
- ix. The profitability of Technova has significantly improved as per their annual reports.
- x. Digital plates are much costlier than PS Plates and therefore in the event of revocation of ADD on PS Plates, Digital plates cannot be dumped in the guise of PS plates.
- xi. Now when demand for PS plates is declining, Technova has not started using the existing facilities for production of digital plates. Technova is forced to underutilize the plant. The consumers cannot be penalized for changing consumption pattern of PS plates and injury being caused to Technova by the same.
- xii. The claim of Technova that they are forced to operate at sub-optimal levels is due to decline in demand, as has also been admitted by the industry. The same is not because of dumping.
- xiii. The capacity with Technova is far in excess of the demand of the PS Plates in the country leading to underutilized capacities.
- xiv. There exists no co-relation between landed price of imports and profitability of the domestic industry. The landed price of import shows decline in 2009-10 and profitability of Technova shows improvement in this period.

- xv. Return on capital employed has improved as has been admitted by Technova.
- xvi. While arguing that the CIF price is significantly less than the reference price, what they overlooked is that the reference price was on weight basis (in kg) whereas the landed price of imports is in SQM.
- xvii. There is no difference between reference price and landed price of imports as claimed by the petitioner.
- xviii. The loss of market by the domestic industry is less than the decline in demand. Further, domestic industry would not be in a position to utilize its capacity as the same now exceeds the demand of the product in the country.
- xix. The price undercutting is negative. The imports are being made by traders who are reselling the product in the Indian market. Since imports are by traders and domestic industry sales are directly to end consumers, the comparison is flawed.
- xx. The sales volume of the domestic industry has declined less than the decline in demand. The market share of domestic industry has in fact increased. This clearly establishes that the decline in sales volume for the domestic industry is due to the contraction in demand and not because of dumping.
- xxi. The decline in production and capacity utilization is a natural outcome of decline in demand. If demand has declined and if the same has led to decline in production, sales, capacity utilization, imports cannot be blamed.
- xxii. The domestic industry is suffering high cost of production because of the expenditure of digital plate loaded on PS Plates and the domestic industry is facing significant decline in capacity utilization because of decline in demand. Since demand has declined, the petitioner is suffering excessive fixed cost.
- xxiii. Because of the decline in demand, imports have lost disproportionately higher sales in the Indian market as compared to domestic industry, as is clearly established by increase in market share of domestic industry and the decline in market share of imports.
- xxiv. Since market share of domestic industry has increased, it is evident that consumers have not increasingly switched from domestic to import source. In later situation, the domestic industry's market share would have declined.

- xxv. There are no discounts being paid by the exporters from China. The allegation by Technova is unsubstantiated.
- xxvi. Decline in domestic sales of the domestic industry is lower than the decline in the import volumes. This clearly shows that domestic industry has lost sales volumes disproportionately lower than the imports. Further, since imports have declined more than the domestic sales, it follows that decline in domestic sales is not because of imports.
- xxvii. The sales volume of the domestic industry has declined less than the decline in demand. The market share of domestic industry has in fact increased. This clearly establishes that the decline in sales volume for the domestic industry is due to the contraction in demand and not because of dumping.

Examination by the Authority

- 32. In consideration of the various submissions made by the domestic industry and other interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country. The various submissions made by the interested parties are ipso facto addressed in the injury analysis conducted by the Authority.
- 33. Rule 11 of Antidumping Rules read with Annexure-II 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..." 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.
- 34. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of

dumping, etc. have been considered in accordance with Annexure II of the rules supra.

35. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has therefore determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti-dumping duties are in force on imports of the product under consideration, the Authority considers that the fact of existing anti-dumping duties on the imports of subject goods from China PR is required to be considered while examining injury to the domestic industry. The Authority has examined whether existing measure is sufficient or not to counteract the dumping which is causing injury.
36. According to Section 9 (A) (5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.
37. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods from the subject country on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal link between the dumping and injury, if any. Accordingly, the volume and price effect of dumped imports have been examined as below.

VOLUME EFFECT:

38. Volume effect of dumped imports and impact on domestic industry has been examined as follows:

Demand and Market Share

39. The Authority has determined demand or apparent consumption of the product in the Country as the sum of domestic sales of the Indian Producers and imports from all sources. The demand so assessed can be seen in the table below:

Demand	UOM	2008-09	2009-10	2010-11	2011-12 (POI)
Sales of Domestic Industry	Million Kg	7.59	7.80	7.24	6.15
Subject country-Imports	Million Kg	1.45	1.42	1.12	0.95
Other Countries – Imports	Million Kg	0.11	0.04	0.02	0.05
Total Imports	Million Kg	1.56	1.45	1.14	1.00
Total demand/cons umption	Million Kg	9.15	9.26	8.39	7.15
Market Share in Demand					
➤ Domestic Industry	%	83%	84%	86%	86%
➤ Subject Country	%	16%	15%	13%	13%
➤ Other Countries		1%	0%	0%	1%
➤ Total	%	100%	100%	100%	100%

The Authority notes that sales of the domestic industry show decline during the POI as compared to the preceding three years. Similarly, imports of the subject goods from the subject country declined during the POI vis-a-vis the preceding years. The Authority further notes that demand of the subject goods in the domestic market declined during the POI as compared to the immediate preceding year as well as the base year. The Authority further notes that during the POI as compared to the base year, while the market share of the domestic industry has increased, the market share of the subject country has declined.

Import Volume & market share

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

Particulars	Unit	2008-09	2009-10	2010-11	2011-12 (POI)
Imports from China PR	Million Kg	1.45	1.42	1.12	0.95
Total Imports	Million Kg	1.56	1.45	1.14	1.00
Production of domestic Industry	Million Kg	9.76	10.04	9.63	8.35
Share of Chinese Imports in relation to:					
Total imports into India	%	93	98	98	95
Demand in India	%	16	15	13	13
Production of domestic Industry	%	15	14	12	11

41. The Authority notes that volume of dumped imports from the subject country has consistently declined throughout the injury period. However, the imports from the subject country continue to hold significant share in the Indian market despite the domestic industry holding the capacity to meet the entire domestic demand and despite the anti-dumping duty imposed.

Production, Capacity & Capacity Utilization

42. The Authority notes that domestic industry, in some of its plants, has the capacity to manufacture PS plates (PUC) as well as the digital plates (non-PUC). Therefore, the Authority has considered the overall plant capacity and capacity utilisation in the present analysis. As per the table given below, the Authority notes that during the POI the production of the product under consideration and capacity utilization of the domestic industry has declined significantly as compared to the immediate preceding year. However, in view of the capacities of the domestic industry for analogue and digital plates being

interchangeable, no inference on injury to the domestic could be drawn by the Authority.

Particulars	Unit	2008-09	2009-10	2010-11	(2011-12) POI
Installed capacity (Plant)	Million Kg	24.56	24.56	24.56	24.56
Trend		100	100	100	100
Production of Product Concerned	Million Kg	9.76	10.04	9.63	8.35
Trend		100	103	99	86
Production of Non-PUC	Million Kg	3.98	7.67	12.46	11.55
Trend		100	193	313	290
Capacity Utilization (Plant)	%	56%	72%	90%	81%
Trend		100	129	161	145

Sales of the Domestic Industry:

43. Sales volume of domestic industry are given in the following table:

Particulars	Unit	2008-09	2009-10	2010-11	POI
Domestic Sales	Million Kg	7.59	7.80	7.24	6.15
<i>Indexed</i>		100	103	95	81

44. The sales volume of the domestic industry shows decline during the POI as compared to the immediate preceding year as well as the base year.

Price Effect:

45. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject country have been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed

value of imports from the subject country. A comparison for subject goods during the period of investigation was made between the landed value of dumped imports and the domestic selling price in the domestic market. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission offered by the domestic industry have been adjusted. The price underselling is an important indicator of assessment of injury; thus, the Authority has worked out a non-injurious price and compared the same with the landed value to arrive at the extent of price underselling. The non-injurious price has been evaluated for the domestic industry by appropriately considering the cost of production for the product under consideration during the POI. Price effect of dumped imports and impact on domestic industry has been examined as follows:

Price Undercutting and Underselling

46. The price undercutting/underselling effects are examined below:

Price Undercutting

Particulars	Unit	2008-09	2009-10	2010-11	2011-12 (POI)
Net Sales realisation	Rs/KG	***	***	***	***
	Trend	100	102	101	99
Landed value of imports without ADD	Rs/KG	***	***	***	***
	Trend	100	92	102	103
Price Undercutting without ADD	Rs/KG	***	***	***	***
	Trend	100	281	77	132
Percentage	%	***	***	***	***
	% Range	0-10	10-20	0-10	0-10

The Authority notes that during the POI the price undercutting was positive.

Price Underselling

In order to determine the price underselling effect, the Authority has compared the landed value of imports during the POI with the non-injurious selling price of the domestic industry and the trends in this regard during the POI are summarized below:

Particulars	RS/KG.	2011-12 (POI)
NIP	RS/KG.	***
Landed value of imports without ADD	RS/KG.	***
Underselling without ADD	RS/KG.	***
Underselling % without ADD	%	***
Underselling without ADD	% Range	0-10

The Authority notes that the price underselling effect during the POI is positive.

Price suppression and depression effects of the dumped imports:

47. To examine the price suppression and depression effects of the dumped imports on the domestic prices, the trend of net sales realization of the domestic industry has been compared with the cost of production. The Authority notes that there is no evidence of price suppression/depression, as during the injury period, except the POI, domestic industry was able to increase its selling prices in spite of substantial reduction in its cost of production.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Cost of production	Rs/KG	***	***	***	***
Trend	Index	100	91	90	96
Net selling Price	Rs/KG	***	***	***	***
Trend	Index	100	102	101	99

Examination of other Injury Parameters

48. After having examined the effect of dumped imports on the volume and prices of the domestic industry and major injury indicators like volume and value of imports, capacity, output, capacity utilization and sales of the domestic industry as well as demand pattern with market shares of various segments, other economic parameters which could indicate existence of injury to the domestic industry are analysed hereunder:

Profit/loss, return on investment and cash flow

49. The return on investment, profit/loss before and after interest and cash profit are as shown in the table below:

Particulars	Unit	2008-09	2009-10	2010-11	POI
Cost of production	Rs/KG	***	***	***	***
Trend	Index	100	91	90	96
Net selling Price	Rs/KG	***	***	***	***
Trend	Index	100	102	101	99
Profit/Loss	Rs/KG	(***)	(***)	(***)	(***)
Trend	Index	(100)	(14)	(19)	(41)
Profit/loss	Rs.Lacs	(***)	(***)	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	(14)	(18)	(33)
Profit before Interest	Rs.Lacs	(***)	***	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	21	(4)	(31)
Cash Profit	Rs.Lacs	(***)	(***)	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	(2)	(10)	(29)
Return on Capital Employed	%	(***)	***	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	22	(5)	(36)

The Authority notes from the above data that the cost of production as well as the net selling price of the domestic industry has declined during the POI as compared to the base year. However, the profit position of the domestic industry has remained negative throughout the injury period.

Inventories:

50. The data given in the table below shows that the inventory position of the domestic industry has declined during the POI as compared to the base year.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Average Stocks	Million Kg	0.60	0.42	0.31	0.33
Average Stocks	Index	100	70	52	55

Employment, wages and Productivity

51. The Authority notes from the information given in the table below that employment, wages and productivity have shown increasing trend during the POI as compared to the base year.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Employment	No	***	***	***	***
<i>Trend</i>	Indexed	100	100	106	106
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>	Indexed	100	107	123	107

Ability to raise Capital Investment

52. The ability to raise capital investment in the event of dumping is not relevant since the domestic industry is a multi-product industry

Growth

53. The Authority notes that the volume parameters of the domestic industry, especially production and domestic sale, indicate a negative growth during the POI as compared to the base year. Similarly, the price parameters also indicate a negative growth during the POI as compared to the base year. This has been noted by the Authority in the context of declining demand. Despite the anti-dumping duties, the dumping continues and dumping margin remains positive to the detriment of the domestic industry.

Magnitude of Dumping Margin

54. The Authority notes that the dumping margin of the imports of the subject goods from the subject country is positive during POI.

H. Other Known factors and Causal Link:

Submissions by Domestic Industry

55. As regards causal link, the following submissions have been made by the domestic industry:

- i. The domestic industry has not been able to sell the product under consideration at desired quantities and has therefore accumulated stock over the period of investigation as well as the post POI period. The domestic industry has sufficient capacity to meet the entire demand in the country and therefore, availability of material is also not a constraint. Delivery problems are also almost non-existent. Thus, market conditions are favorably disposed towards using the product produced by the domestic industry and yet the domestic industry is not operating at optimum capacity. Such a situation has arisen only because of dumped imports coming into the country at significantly low prices.
- ii. There have been no changes in technology since the imposition of duty in 2007 that could have caused injury to the Domestic Industry.
- iii. The transition from analog to digital plates in the Indian printing industry has been much slower and is expected to take several more years. A significant number of existing and new printing establishments would continue to use 'analog plates'. Accordingly, the market size for analog plates will also grow in size in India in the next 3 to 5 years. Therefore, the current decline in demand is only a temporary phase and the demand is expected to pick up in the immediate future.
- iv. The demand for analog plates during 2011-12 was 9.52 Million SQM. It is expected to go down marginally and stabilize around 8.50 Million SQM to 9.00 Million SQM in the short term. The market size is not expected to go down below this level.
- v. Irrespective of demand of analog and digital plates, there is no justification of continued dumped imports from China. If duties are removed, there is an obvious likelihood of recurrence of dumping since imports are coming in much

lower than the reference price, which is going to cause severe injury to the Domestic Industry.

- vi. It is an admitted fact that demand has come down over the injury period and the period of investigation. However, despite the fact that demand and imports have come down, the market share of the Domestic Industry has grown only marginally. Further, since demand has come down, it is now less than the total capacity for the product possessed by the Domestic Industry.
- vii. Even if demand has declined, Designated Authority is only required to ensure that injury caused to the Domestic Industry as a result of such decline is not attributed to the dumped imports. What the Interested Parties are trying to imply is that since there is a decline in demand, the entire injury ought to be attributed to it. Just because there is another factor which may marginally be responsible for injury does not mean that the dumped imports have not caused injury. There is still a substantial price injury caused to the Domestic Industry which has nothing to do with declining demand. Therefore, the argument of the Interested Parties that declining demand has led to continued material injury is without basis and is liable to be dismissed.

Submissions by the producers/exporters/other interested parties

56. As regards causal link, the following are the submissions made by the opposite interested parties:
- i. The real cause for injury to the domestic industry is their excess capacity for the PS plates and decline in the demand. There is sharp decline in the demand for the PS Plates and sharp increase in the demand for digital plates in the country. This is the cause of injury and not dumped imports as alleged by the petitioners.
 - ii. Almost 100% of petitioner's business was of analogue plate earlier which has now admittedly declined to 45% of total business. It is an admitted position that the consumption pattern has significantly changed from analogue to digital plate, as a result of which demand for the product under consideration has significantly declined. Thus, there is no causal link between

deterioration in performance of the company and imports of the product in the country.

- iii. Technova has claimed to have suffered financial losses in 2008-09 despite anti-dumping duty being in place. This shows that the injury to Technova is on account of other factors and not imports.
- iv. There is no co-relationship between import prices and selling price of the domestic industry, thus no causal link. The normal value and consequently dumping margin have significantly declined. When normal value has substantially declined, export price has not shown such material decline. Thus there is no likelihood of dumping in the event of revocation of anti-dumping duty.

Examination by the Authority

57. Under Section 9A (5) of the Act, the Authority is required to examine the likelihood of dumping and injury and the need for continuation of duties. Notwithstanding this, the Authority examined whether other known factors could have caused injury to the domestic industry as follows:

- i) **Imports from Third Countries:** - The imports of the subject goods from other countries are either below de-minimus or the import price is higher. Therefore, imports from any other country cannot have any adverse effect on the domestic industry.
- ii) **Contraction in Demand and Pattern of consumption:-** The invent of Digital Plate is a step ahead in the modernization of the printing industry. The quality and magnitude of demand in the printing sector is fast being met by the digital plates, leading to decline in demand for analog plates. But, due to high cost involved in switching over from 'analog' plates to 'digital' plates, small printers continue to use the analogue plates. The more the adoption of digital plates by the consumers, the less the demand shall be for the analogue plates in the country. However, the demand for the analogue plates in the domestic market is still substantial.

- iii) **Conditions of competition:** - The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.
- iv) **Developments in technology:** - The Authority notes that invent of digital plate is a technological development in the printing technology which has affected the demand for the analogue plates. But, invent of digital plates cannot be held as the sole culprit for injury to the domestic industry.
- v) **Export performance:** The domestic industry has also made export sales of subject goods. However, the injury analysis has been done without including export performance of the domestic industry.

Likelihood Analysis

Submissions by Domestic Industry

58. Following submissions have been made by the domestic industry with regard to likelihood of continuation or recurrence of dumping and injury :
- i. Removal of the Anti-dumping duty will encourage and enhance the import of PS Plates at ridiculously low prices, thereby adversely impacting the Domestic Industry and causing huge financial injury.
 - ii. Since none of the exporters or importers has filed the requisite questionnaires in the present investigation and since exporters have not established that there is no likelihood of continuation and recurrence of dumping and injury, the Authority must conclude that duties ought to be continued in light of the continued dumped imports and fragile state of the Domestic Industry.
 - iii. Previously, analog plates were exported to India under the classification of CTCP plates in order to circumvent the duties on PS Plates. Since there are now duties in force on CTCP plates as well, removal of duties on analog plates will lead to exports of CTCP plates under the classification and description of analog plates in order to circumvent the duty on CTCP plates.
 - iv. As per the market information available with the Domestic Industry, huge excess and idle capacity is available in China PR, which is more

than the total domestic demand in India. It is highly likely that the excess capacity would be utilized to produce more and ship the additional production to India in the event of withdrawal of the existing duties.

- v. Further, these excess capacities are bound to be focused on the Indian and other Asian markets since most of Europe and a majority of the American markets have already made the transition to digital plates and there is no demand in those countries for PS (analog) plates.
- vi. Imports of analog plates from China have been made subject to anti-dumping duties in countries such as Brazil and Turkey. In fact, Brazil has already initiated a sunset review to determine whether or not to continue duties for imports from China. It is pertinent to note that due to the operation of these duties, India will become an easy target if it removes its anti-dumping duties since Chinese exporters will have no other target.
- vii. During the year 2010 and 2011, the domestic industry had supplied substantial quantities of subject goods to domestic users, but many of them did not buy from the domestic industry in 2012 for further orders despite repeated price enquiry proposals received from them.
- viii. The imports from countries other than the subject country are not significant in volume terms so as to cause or threaten to cause injury to the Domestic Industry. There is no likelihood of increased imports coming into India from any of the other countries not subject to duty.
- ix. Imports from China PR have continued to be made at a price significantly lower than the reference price fixed by the authority. If duties are removed, the domestic industry shall once again be vulnerable to the low prices at which imports sourced from China are being made into India.
- x. It may be seen that the imports from China have declined at a rate comparable to the decline in demand. Further, the imports continue to come at heavily dumped prices, whereby they pose a substantial threat to the Domestic Industry should duties be withdrawn.
- xi. CIF prices continue to be significantly lower than the reference price even at USD/Sqm whereby withdrawal of duties at this stage is bound to lead to continuation and recurrence of dumping and injury.

Submissions by the producers/exporters/other interested parties

59. Following submissions, considered relevant by the Authority, have been made by the producers/ exporters/other interested domestic

industry with regard to likelihood of continuation or recurrence of dumping and injury :

- i. If exporters have not established that there is no likelihood of dumping and injury, it cannot be presumed that there is likelihood of dumping and injury. Since the petitioner has sought extension of anti-dumping duty, the burden to establish likelihood of dumping and injury in the event of cessation of anti-dumping duties is on the petitioner domestic industry.
- ii. The claim of excess capacity in the subject country is based on mere conjectures. No evidence has been provided in support of it. Further, mere excess capacity is not enough, what is important is surplus capacities and possibilities of these surplus capacities being utilized for exports to India.
- iii. It is an admitted position that the consumption pattern has significantly changed from analogue to digital plate and consequently demand for the product is fast declining, thus showing no likelihood of injury.

Examination by the Authority

60. The present investigation is a sunset review of anti-dumping duties imposed on the imports of subject goods from China PR. Under the Rules, the Authority is required to determine whether continued imposition of anti-dumping duty is warranted. This also requires examination of whether the duty imposed is serving the intended purpose of eliminating injurious dumping.
61. The Authority notes that neither the producers/exporters of the subject goods in the subject country, nor the importers of the subject goods in India have cooperated by filing the questionnaire responses. Therefore the submissions made on behalf of the producers/exporters/importers are unsubstantiated.
62. In the present investigation, as there are continued dumped imports from the subject country, the Authority is not required to examine whether revocation of duty is likely to lead to recurrence of dumping. Despite the anti-dumping measures in force, the subject country could maintain a significant presence in the Indian market and continued to dump the subject goods to the detriment of the domestic industry. Nevertheless, the likelihood of continuation/intensification of dumping

of the subject goods from the subject country, in the event of revocation of the anti-dumping duty are analysed as below:

Demand for Subject Goods and Price attractiveness of Indian market

63. The demand for the subject goods in the domestic market, although declining, still continues to be sizable. Moreover, as reported by the domestic industry, the demand for the subject goods in the world market, especially in the developed countries, is also declining. The existing positive price undercutting and underselling effects during the POI indicate the price attractiveness of the Indiana market. Thus, considering the Chinese capacity and export orientation, the dumping is likely to intensify in the event of revocation of duty.

Production Capacity of China and its Export Orientation

64. The Authority notes that none of the producers/exporters of the subject goods in the subject country has cooperated and filed exporter’s questionnaire response in the present investigation. Nevertheless, as submitted by the domestic industry, the Chinese Capacity is as follows:

Producers in China	Capacity in Million Sqm
Lucky Huaguang Graphics	40
Shanxi Jingun	5
AONE Graphics	12
Zhejiang Aoguang Printing	8
Shanghai Bocica Printing	12
PNE Print	30
Strong State Printing (2011)	33
Other Producers	60
Total Estimated Capacity	200

Considering the huge excess capacity stated to be available in China PR, the Indian demand of about 10 million SQM per annum can be completely catered by the Chinese exporters. Thus, considering the continued substantial demand for the subject goods in the Indian

market and its price attractiveness, in the event of revocation of the ADD, the dumping is likely to intensify further.

Antidumping Duty imposed by Turkey and Brazil

65. Apart from India, the import of subject goods from China PR is also subjected to anti-dumping duty by the Government of Turkey and Brazil. Gaining their strength from the huge production capacity and considering the continued demand in Indian market and its price attractiveness, the Chinese exporters will be in a strong position to dump the subject goods in India in a much intensified manner in the event of revocation of the anti-dumping duty by India.

I. Magnitude of injury and injury margin

66. The non-injurious price of the subject goods produced by the domestic industry has been determined by the Authority in terms of Annexure III to the Anti-dumping Rules. The NIP so determined, has been compared with the landed value of the exports of subject goods for determination of injury margin during the POI as below:

Particulars	US\$/Kg	Rs/Kg.
Non-Injurious Price	***	***
Landed Price without ADD	***	***
Injury Margin	***	***
IM %	***	***
Injury Margin range	2-10	2-10

Post- Disclosure Comments

67. The following are the post disclosure comments made by the domestic industry:

- i. Although the Domestic Industry has initially prayed for fixed duties, the Domestic Industry hereby withdraws that request and prays for a continuation of the duties as originally levied i.e. US\$/KG imposed on reference price basis.

- ii. None of the exporters or importers has filed the requisite questionnaires in the present investigation. Since Exporters have not established that there is no likelihood of continuation and recurrence of dumping and injury, the Designated Authority must conclude that duties ought to be continued in light of the continued dumped imports and fragile state of the Domestic Industry.
- iii. Without having filed any questionnaire responses, the importers namely Creed Engineers as well as other user associations have no locus in this investigation.

Other interested parties

68. The following are the post disclosure comments made by the other interested parties:
- i. There is no relationship between the movement of landed price of imports, cost of production and selling price of the domestic industry. Decline in demand is the cause of injury to the domestic industry.
 - ii. Mere existence of injury and dumping does not lead to the conclusion that there exists likelihood of dumping and injury. It needs to be seen whether or not the injury being suffered by the domestic industry is on account of imports.
 - iii. Designated Authority may consider definitive anti-dumping duty in terms of fixed amount only, in view of steep decline in aluminium prices.

Examination by the Authority

69. The Authority notes that post-disclosure both the opposing parties mostly reiterated their earlier submissions. As regards the submission on form of duty, the same has been addressed in the relevant paragraph of this finding.

J. Indian Industry's Interest & Other Issues

70. The Authority recognizes that imposition of anti-dumping duties might affect the price level of product in India. However, fair competition in

the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain one or even more sources of supply.

71. The Authority notes that the purpose of anti-dumping duties, 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. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and, therefore, would not affect the availability of the products to the consumers.

K. CONCLUSIONS

72. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in this final finding and on the basis of the above analysis of the state of continuation of dumping and consequent injury and likelihood of continuation of dumping and injury, the Authority concludes that:

- i. Imports of the subject goods from subject country continue to command a significant share during the POI despite the extant anti-dumping measures and domestic industry's capacity to satisfy the entire domestic demand;
- ii. Volume of dumped imports from subject country is quite significant in relation to production and consumption in India;
- iii. There has been continued dumping of the subject goods from subject country and the dumping is likely to continue and intensify if the anti-dumping duty is allowed to cease.
- iv. Price undercutting and price underselling effect without anti-dumping duty are positive;

- v. The Authority notes that the volume parameters of the domestic industry, especially production and domestic sale, indicate a negative growth during the POI as compared to the base year. Similarly, the price parameters also indicate a negative growth during the POI as compared to the base year.
- vi. The subject goods are entering the Indian market at dumped prices from the subject country and the dumping margin is substantial during POI, causing injury to the domestic industry. Since the domestic demand for analogue plates still continues to be sizable and the consumption pattern seems unlikely to shift completely towards the digital plates in near future, should the anti-dumping duties gets revoked, dumping of the subject goods may continue causing further injury to the domestic industry.

L. Recommendations

73. Authority notes that throughout the investigations the domestic industry pleaded for imposition of fixed form of duty. In view of the submissions of the domestic industry during the investigation and taking in to account other relevant considerations including changing patterns of production and demand for the subject goods, the Authority recommends levy of fixed form of duty in the present investigation.
74. Having concluded as above, the Authority is of the view that the anti-dumping measure is required to be extended and revised in respect of imports of the subject goods, originating in or exported from the subject country, as specified in the duty table below. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. For the purpose of determining injury margin, the landed value of imports has been compared with the non-injurious price of the domestic industry determined for the period of investigation. The margin of dumping and injury determined by the Authority is indicated in the paragraphs above. Accordingly, the anti-dumping duty equal to the amount indicated in Col. 9 of the table below is recommended to be imposed concerning all imports of the subject goods, originating in or exported from China PR, by the Central Government.

Duty Table

S. N	Heading/ Subheading	Description of goods	Specification	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	37, 76 or 84	Pre-sensitised Positive Offset Aluminium Plates	Thickness ranging from 0.15MM to 0.40 MM with a variation of 0.03 MM on either side.	China PR	China PR	Any	Any	0.22	Per Kg	US \$
2		-Do-	-Do-	China PR	Any other than China PR	Any	Any	0.22	Per Kg	US \$
3		-Do-	-Do-	Any other than China PR	China PR	Any	Any	0.22	Per Kg	US \$

M. Further Procedures

75. An appeal against this order, after its acceptance by the Central Government, shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.

J.S. Deepak
Designated Authority