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**F. No.14/43/2016-DGAD
Government of India
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
4th Floor Jeevan Tara Building,
5, Parliament Street, New Delhi-110001**

Date: 07.03.2018

(Final Finding)

Sub: Anti-dumping investigation concerning imports of “Playing Cards” originating in or exported from China PR.

1. 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 thereof, as amended from time to time (hereinafter referred to as the AD rules) thereof, M/s. Parksons Graphics Private Limited, M/s. Parksons Cartamundi Private Limited and M/s. T M Printers Private Limited (hereinafter referred to as the “applicants” or “petitioners” or “domestic industry”) have jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the AD Rules, for initiation of anti-dumping investigation concerning imports of “**Playing Cards**” (hereinafter also referred to as the subject goods), originating in or exported from China PR. (hereinafter also referred to as the subject country), and requested for initiation of an investigation for levy of anti-dumping duties on the subject goods.
2. The Authority on the basis of sufficient *prima facie* evidence submitted by the applicant issued a public notice dated 30th March 2017 published in the Gazette of India, Extraordinary, initiating an anti-dumping investigation concerning imports of the subject goods, originating in or exported from the subject country, in accordance with Rule 6(1) of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which, if levied would be adequate to remove the injury to the domestic industry.

A. Procedure

3. The procedure described below has been followed:
 - a. The Authority notified the Embassy of China PR in India about the receipt of application before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the AD Rules.
 - b. The Authority sent copy of initiation notification to the Embassy of China PR in India, known producers/ exporters from the subject country and known importers/ users/ associations of the subject goods as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification in accordance with Rule 6(2) of the AD Rules.
 - c. The Authority forwarded copy of the non-confidential version of the application to the Embassy of China PR in India, known producers/exporters from the subject country and known importers of the subject goods, in accordance with the AD Rules. A copy of the application was also provided to other interested parties, wherever requested.
 - d. The Embassy of China PR in India was also requested to advise the producers/exporters from their country to file their responses within the prescribed time limits.
 - e. The Authority sent the exporter's questionnaires to elicit relevant information to the following known exporters in the subject country in accordance with Rule 6(4) of the AD Rules:

China PR

1. Wengzhou Tiange Printing Co. Ltd.
2. Shenzhen Wangjing Printing Co., Ltd.
3. Nanjing Bewe Intl Trading Co., Ltd
4. Heke Packing and Printing Plant Co. Ltd
5. Shanghai King Show Industrial Co., Ltd.
6. Guangzhou Jinguan Printing Co., Ltd.
7. Wuyi Dadi Printing Co., Ltd.
8. Dongguan Fusheng Printing Co., Ltd.
9. Yuyao Feifan Leisure & Entertainment Goods Co., Ltd.
10. Dongguan Dong Hong Presswork Limited
- f. None of the exporter/producer from the subject country has responded to the Authority in the present investigation.
- g. Questionnaires were sent to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:
 1. Western Greenville Company
 2. Prakash Trading Company

3. Myriad Holdings
 4. Miles Retail
 5. Poker Stuff India
 6. Adishwar Impex Pvt. Ltd.
- h. None of the importers/user of the subject goods has filed questionnaire response. However, the following importers have filed submissions/comments during the course of investigation:
1. Zen Impex
 2. Velocity
 3. Sun Seas Trading Company
 4. Metro card & Print Private Limited
 5. San International,
 6. Jainico Traders,
 7. A J Impex,
- i. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties have been taken into account in the present disclosure statement.
- j. 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.
- k. Further information was sought from the applicant and other interested parties to the extent deemed necessary.
- l. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings on the basis of the facts available.
- m. The Non-Injurious Price (hereinafter referred to as 'NIP') is based on the cost of production and cost to make and sell 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 Anti-Dumping Rules. It has been worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- n. Verification of the information provided by the applicant domestic industry was carried out by the Authority to the extent deemed necessary and only such

verified information with necessary rectification, wherever applicable, has been relied upon.

- o. Investigation was carried out for the period starting from 1st April 2015 to 30th September 2016 (18 months) (hereinafter referred to as the 'period of investigation' or the 'POI'). The examination of trends, in the context of injury analysis covered the period from 2012-13, 2013-14, 2014-15 and the POI.
- p. The petitioners had submitted the petition alleging dumping of the subject goods from the subject country relying upon transaction wise imports data sourced from IBIS. However, request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of the imports of the subject goods. The Authority has relied upon the transaction-wise DGCI&S import data.
- q. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a hearing held on 30th January, 2018. All the parties attending the oral hearing were requested to file written submissions of the views expressed orally. The parties were advised to collect copies of the views expressed by the opposing parties and were requested to submit their rejoinders by 12th February, 2018.
- r. Arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority.
- s. A Disclosure Statement was issued on 20.02.2018 containing essential facts under consideration of the Designated Authority, giving time up to 26.02.2018 to furnish comments, if any, on Disclosure Statement. The Authority has considered post disclosure comments received from interested parties appropriately.
- t. Exchange rate for conversion of US\$ to INR is considered for the POI as INR 66.53 as per customs data.
- u. In this notification, *** represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

B. Product under Consideration and Like Article

4. The submissions have been filed by DI and importers regarding the scope of PUC are summarized as below:

Submissions made by the Domestic Industry

5. Submissions made by the Domestic Industry are as follows:
 - a. The product under consideration (PUC) in the present investigation is "*Playing Cards*". Playing cards are a pack of 52 rectangular thin cards made of paper or PVC, generally used for playing a variety of games. Playing cards have a sequence of numbers and symbols such as diamonds, hearts, clubs, or spades on the face, but an identical design on the reverse. A complete set of 52 playing cards may be called a pack or a deck or a set.
 - b. The PUC is used in playing various games of chance and skill. They are also used for illusions, cardistry, building card structures, cartomancy and memory sport.

- c. The PUC is classified under tariff item 9504 40 00 of the Customs Tariff Act, 1975. However, the imports have also been observed in certain other ITC HS Codes viz. 3923 90 90, 3926 10 19, 3926 40 49, 3926 90 99, 4818 90 00, 4821 90 90, 4901 10 10, 4901 10 90, 8523 21 00, 9403 89 00, 9404 90 99, 9503 00 30, 9503 00 90, 9504 90 10, 9504 90 90, 9505 90 90, 9506 91 90, 9506 99 90 and 98049000. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.
- d. Zen Impex, Velocity and Sun Seas Trading, Metro Cards and Printers, San International, Jainico traders and AJ Impax have not filed the questionnaire response. Further, they have not suggested any parameter / criterion for classification of PUC into different categories / grades. The interested parties have made their submission only to derail the investigation.
- e. There are no standard parameters / criteria available to classify the Playing Cards into different categories / grades. Even the product description given in the import statistics also does not provide any reasonable parameter / criterion to classify the PUC into different categories / grades. This has affected the category wise / grade wise comparison of landed value with domestic selling price and non injurious price of the Domestic Industry.

Submissions made by other interested parties

6. Submissions made by the other interested parties are as follows:

- a. The petition defines PUC as Playing cards- as one product. Nothing is more misleading than that. The product under consideration has wide varieties and all types of playing cards cannot be treated as one. Analysis of price list of the supporters and petitioners show that there are at least 62 types of price for playing cards. Also the price range between the minimum to maximum price of cards are upto 1983%. Logically there cannot be so many types of price for one type of playing cards.
- b. Petitioners have sought to underplay the fact that there are numerous kinds of products within the definition of product under consideration. The petitioners must explain reasons for holding so many different prices if the product is only two types. Evidently, the product is not of two types. The product is of several types.
- c. The petitioners sought to justify non identification of PCN by stating that the same would have served no useful purpose, had the petitioners identified a PCN. In other words, the petitioners agree that the quality and quantity of import information available was not sufficient to identify the import types involved.
- d. If that is the case, the authority will have to conclude existence of insufficient evidence and not application of principles of best available information. WTO Appellate body report of Guatemala Cement II and Bed linen is referred and relied upon where it was held that the Authority is required to examine adequacy and accuracy of the evidences as well as the sufficiency of the evidences before initiating the investigation and sufficiency of evidences is required to justify the initiation of investigation. Based on the accuracy and adequacy of the information the present investigations need to be terminated
- e. There are investigations like Aluminium foil, Elastomeric yarn, Radiators, Alloy wheels, nonwoven fabric, Electrical insulators where the authority directed the

domestic industry to form PCN and issued clarification the scope of product under consideration and also sought comments of the interested parties after that.

- f. In the present case petitioners had sufficient time to form PCN, despite having so many qualities and types of the product under consideration the petitioners failed to form PCN and there is no apple to apple comparison.
- g. The petitioners failed to segregate the import data properly. Several item which is non PUC but are marked as PUC in the import data filed by the them. Items like children playing cards, games, playing cards toys, cardboard children playing game, game poker box etc. have been treated as PUC.
- h. Imports are coming under various unit of measurements such as Boxes, Dozens, Grams, Kgs, numbers, packets, set, unit etc. the petitioners have taken the unit of measurement as dozen. It is nowhere explained in the petition the methodology for converting other unit of measurements into dozen.

Examination by the Authority

7. The product under consideration (PUC) in the present investigation is “*Playing Cards*”.
8. Playing cards are a pack of 52 rectangular thin cards made of paper or PVC, generally used for playing a variety of games. Playing cards have a sequence of numbers and symbols such as diamonds, hearts, clubs, or spades on the face, but an identical design on the reverse. A complete set of 52 playing cards may be called a pack or a deck or a set. The PUC is used in playing various games of chance and skill. They are also used for illusions, cardistry, building card structures, cartomancy and memory sport.
9. The PUC is classified under tariff item 9504 40 00 of the Customs Tariff Act, 1975. However, the imports have also been observed in certain other ITC HS Codes viz. 3923 90 90, 3926 10 19, 3926 40 49, 3926 90 99, 4818 90 00, 4821 90 90, 4901 10 10, 4901 10 90, 8523 21 00, 9403 89 00, 9404 90 99, 9503 00 30, 9503 00 90, 9504 90 10, 9504 90 90, 9505 90 90, 9506 91 90, 9506 99 90 and 98049000. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.
10. With regard to the issue of significant price difference in different types of playing cards as appearing in the pricelist issued by the petitioners, Authority notes that neither domestic industry nor importers have suggested any parameter / criterion for classification of PUC into different categories / grades.
11. There are no standard parameters / criteria available to classify the Playing Cards into different categories / grades. Even the product description given in the import statistics does not provide any reasonable parameter / criterion to classify the PUC into different categories / grades.
12. Interested parties contended that the petitioner has combined all the types of products into one category. Hence, there is no proper comparison of products done. In other words there was no apple to apple comparison. Had there been proper comparison, such huge dumping margin and price undercutting was not possible.

13. The Authority notes that it is undisputed that the product is produced in a number of different product types and which could be categorized further. The parameters for product classification proposed by interested parties were not disputed by the Domestic Industry. The Domestic Industry instead contended that the same is unnecessary. Since there is no information on record with regard to separate costs and price of different types of product involved, the Authority is constrained to determine dumping margin on the basis of weighted averages of the import price.

D. Domestic Industry and Standing

Submissions made by the Domestic Industry

14. Submissions made by the Domestic Industry are as follows:

- a. The Petitioners share in total Indian production of product under consideration is 59% during the proposed POI. Further, the share of Petitioners along with supporters is 91% of the total Indian production of Playing Cards. Accordingly, the petitioners clearly satisfy the requirement of standing and thus constitute ‘domestic industry’ in India for the product concerned in terms of Rule 2(b) read with Rule 5(3) of the AD Rules and that they are fully competent to bring this petition for imposition of anti-dumping duty on subject goods.

Submissions made by other interested parties

15. Submissions made by the other interested parties are as follows:

- a. The petition has been filed on behalf of the Indian Playing Cards Manufacturers’ Association Limited which has 23 members, out of that 3 members are the petitioners and 7 of the other members have supported the petition. The petitioners have cherry picked the domestic industry.
- b. There are various manufacturers of the product concerned in other parts of India who are not members of this association. There are almost 50-80 producers of the playing cards in Delhi, none of them are part of the petition. The petitioners do not have the adequate standing as “major proportion” of the total India production without adding these manufacturers.
- c. No efforts were made by the petitioners to get information about the other manufacturers of the subject goods. The petition has been filed on the basis of best available information with the industry.
- d. The authority never had an occasion to consider all the manufacturers of the subject goods at the stage of initiation. Thus the authority did not have complete data with regard to Indian production at the stage of initiation, the entire investigation is required to be terminated holding that the information at the time of initiation with regard to standing was not only excessively incomplete, but also excessively false and excessively misleading.
- e. Rule 5 of the AD Rules imposes some obligation of the DA at the time of initiation with regard to definition of product under consideration, standing and scope of domestic industry, evidence of dumping, evidence of injury, evidence of causal link.

While a prima-facie satisfaction may be sufficient with regard to essential parameters such as evidence of dumping, evidence of injury, evidence of causal link, final determination is required to be made with regard to standing aspect.

- f. Since the authority is required to determine that the application has been made by or on behalf of the domestic industry and no investigation shall be initiated unless the threshold laid down under the Rules is met and the application shall be deemed to have been made if the threshold under the law is met, it is evident that a determination is required to be made by the authority at the stage of initiation and such determination attains finality upon initiation. If it is subsequently found that the information in the petition was grossly incomplete, insufficient, false & misleading, the standing made at the time of initiation is vitiated, flawed and bad in law. The investigation is needs to be terminated on this ground itself
- g. Several High Court orders have held that standing is required to be finally determined at the stage of initiation and is not open to the determination at the stage of findings. Even otherwise, the petitioners candidly and rightly accepted at the time of hearing that the information was provided on the basis of knowledge and belief. The petitioners presumed that they form the major proportion of the domestic industry without including the other producers of the subject goods.
- h. The petitioners have sought justification of their standing on the basis of the information of The Indian Playing Cards Manufacturer's Associations Limited. To quite surprise to the interested parties there is no website of the Association and there are no details about the members of the Association. This creates a serious doubt on the credentials of the Association and its members.
- i. None of the member of the Association is Delhi-based, despite the fact that Delhi has a large number of Playing cards manufactures.

Examination of the Authority

16. Rule 2 (b) of the AD rules defines the domestic industry as under:

“(b) “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”

17. The application has been filed M/s Parksons Graphics Private Limited, M/s Parksons Cartamundi Private Limited and M/s T M Printers Private Limited. The Petition is also supported by the followings:

- 1) JMK Enterprises
- 2) Kagalwala Packaging Private Limited
- 3) LKM Enterprises
- 4) Nandi Printers Private Limited
- 5) Ajanta Print Arts
- 6) Bathija Enterprises
- 7) T.M. Enterprises Private Limited (Formerly T M Enterprises)

18. The petitioners have claimed that they command (55% to 59 %) of Indian production, as per data made available in Injury period. The interested parties disputed the claim of the petitioner and contended that there are 75-80 producers

of the PUC. The interested parties also contended that there are large number of producers of the PUC, details of which is completely suppressed by the petitioners. Post issuance of the disclosure statement, M/s Delhi Playing Cards Association, bearing address 5740, 1st Floor, Gandhi Market, Sadar Bazar, Delhi has written to the Authority stating that the number of producers used to be in the region of 10-14 earlier in the past, but, owing to unyielding imports, most of the producers had to shutdown. However, no verifiable information, nor names of producers in the past, or producers who have closed down production due to imports has been provided by this Association. Even name of the producers of the product have not been mentioned by this Association in its letter.

19. The Authority notes that the association has provided no information either with regard to its existence, or details of the producers in North who are its members or details of the producers in North who are manufacturers of playing cards. The Authority has found no details either, with regard to its existence of being a registered/recognized body.
20. The petitioner contended that many manufacturers of playing cards have now become importers of the PUC and submitted that M/s Metro Cards and Prints was earlier manufacturing playing cards and now has become importer. However, barring name of M/s Metro Cards and Prints, no other producer has been identified by the petitioner who has become importer now. M/s Metro Cards and Printers submitted a letter stating that the company had stopped production in 2006, i.e. more than a decade back. The company has also stated that the plant was shut down due to reasons other than dumped imports (due to inability of the management to continue to handle manufacturing operations with increase age and family members pursuing different career). In particular, the company submitted that the dumping of the product was not the reason for shutting down production and in fact, there were hardly any imports of the product when the company had shutdown the production.
21. The Authority notes arguments of various interested parties and holds that the Authority has determined standing on the basis of information on record.
22. The petitioners accounts for a major proportion of the total domestic production of the product under consideration.

C. Confidentiality

Submissions made by the Domestic Industry

23. Submissions made by the domestic industry are as follows
 - a. All requirements under Rule 7 are fulfilled and there is no instance pointed out when the Petitioner has not provided data where it was not entitled to.
 - b. Confidentiality claimed is as per the practice permitted by the Designated Authority. Costing information Needs confidentiality as it constitutes highly business proprietary information of the petitioner.
 - c. The interested parties have not submitted the importers questionnaires even.

Submissions made by other interested parties

24. There are no submissions made by the other interested parties on confidentiality claims.

Examination of the Authority

25. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides as follows:-

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

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized or summary form, it may disregard such information.

26. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority notes that any information which is available in the public domain cannot be treated as confidential. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file.

D. Market Economy Treatment (MET), Normal Value, Export Price and Dumping Margin

NORMAL VALUE

27. Under Section 9A(1)(c), 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 or 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):*

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

Submissions made by other interested parties

28. Submissions made by the other interested parties are as follows:

- a. The interested parties have submitted that in view of significant price difference in different types of playing cards as appearing in the pricelist issued by the petitioners and other domestic producers for the product under consideration, determination of the single dumping margin, price undercutting and injury margin is inappropriate.

Examination by the Authority

29. It is noted that none of the producer/exporter of subject goods in China PR has responded to the Authority in the present investigation. Therefore, the Authority the Authority determined normal value as per facts available in terms of section 9A(6A) and Rule 6(8) of the AD Rules.

Determination of Normal Value for producers and exporters in China PR

30. In the absence of any reliable price and cost details for the subject goods in subject country and any other market economy third country, the Designated Authority has constructed the normal value for China PR on the basis of best available information for the like product, with a reasonable profit margin. Accordingly, the Normal Value for all the producer/exporters of the subject goods from China PR has been constructed and the same is shown in the Dumping Margin Table below.

E. EXPORT PRICE

31. The Authority notes that none of the producer/exporter from China PR has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in China PR, the Authority has determined the weighted average export price for subject goods on the basis of facts available and the same is shown in the Dumping Margin Table below.

DUMPING MARGIN

32. The export price to India has been compared with the normal value to determine the dumping margin. The dumping margin during the POI for all the exporters/producers from the subject country has been determined as shown in the Dumping Margin Table below.

Dumping Margin Table

Particulars	Unit	Based on DGCIS Import Data
Normal Value	USD per Doz.	***
Ex-factory export price	USD per Doz.	***
Dumping Margin	USD per Doz.	***
	%	***
	Range	330-340

33. It is seen that the dumping margins are quite significant and more than the de-minimis limits prescribed under the Rules in respect of the exports made by all the producers-exporters of the product under consideration from the subject country.

F. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

34. 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.

35. 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 AD Rules.

Views of the domestic industry

36. The following are the submissions with regard to injury related issues made by the domestic industry and considered relevant by the Authority:
- a. Imports of the subject goods have increased in absolute terms over the entire period of investigation. Imports of the PUC from the subject country have increased in absolute terms.

- b. Imports of the subject goods have increased relative to production and also relative to consumption in India.
- c. Market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. This is due to the reason that imports have aggressively captured the increase in demand and the market share of imports from subject country sharply increased from 2012-13 to POI (A).
- d. The Domestic Industry has not been able to increase its production and sales commensurate with the increase in demand.
- e. Inventories of the Domestic Industry have been on the rise as the Domestic Industry has not been able to increase its sales despite increase in demand. Imports have been aggressively capturing the demand in India.
- f. There is significant price undercutting and price underselling due to low priced dumped imports coming into India.
- g. The Domestic Industry's profitability and return on capital employed have been drastically affected. The profitability has been negative throughout the injury investigation period because throughout the injury investigation period, imports have been coming at very low prices.
- h. Performance of the Domestic Industry was quite adverse in terms of profits, return on investments and cash flow. The Domestic Industry is not able to realize non injurious price for the product.
- i. The analysis overwhelmingly indicates that the Domestic Industry is suffering material injury due to increasing dumped imports of PUC into India. There exists a strong nexus between the increase in dumped imports of the subject goods and the material injury being suffered by the Domestic Industry.

Views of importers and other Interested Parties regarding the injury claims of domestic industry

37. Submissions made by the other interested parties are as follows:
- a. There are various grades of product under consideration and in order to ensure fair comparison, the petitioners should have done type wise comparison. The petitioners' brochure itself shows various types of product with huge price range. Therefore, price undercutting on aggregated basis is misleading and cannot be formed as a basis for determination of injury to the domestic industry.
 - b. With different types of product concern, any aggregate comparison is misleading. Assuming not admitting, that the landed price of imports is lower than the cost domestic industry, the domestic industry is able to increase its profitability.

- c. It is interesting to see that selling price of the domestic industry has increased more than the cost of sales. In fact the cost of sales remains unchanged in the Period of investigation and the selling price has increased by significantly. Thereby showing that the imports have not caused any suppression or depression to the prices of the domestic industry
- d. Such huge dumping margin calculated by the petitioners is highly misleading. There are different grades of the product under consideration and there should be grade-wise comparison. The petitioners have compared the lowest price of imports with their highest quality product. Also, the petitioners have arrived at wrong import price calculation.
- e. Evidently, in the facts of present case, the information available in the application was not sufficient to come to even a prima facie conclusion with regard to the import price.
- f. In a situation where import data is insufficient to adequately establish the export price, the authority should rely upon other publicly available information and evidences such as resale price of the product. Such resale price of the product can readily be established by considering the price list of imported product resold by the importers.
- g. Existence of a variety of products further establishes inappropriateness of weighted average analysis that the petitioners contend is sufficient to determine the export price. Evidently, the petitioners grossly misled the authority in believing that there was lack of available information for determining import price.
- h. Considering the fact that import prices are woefully inadequate to determine grade wise prices, minimum that the petitioners is required to do is to determine export price on alternate basis.
- i. Export price definition will show that if the import price appears unreliable for any reason including the existence of different product types which cannot be identified in the import data, the authority is required to consider alternate means.
- j. Petitioners had a malafide intention in not presenting grade wise analysis at the stage of petition. It would be relevant to refer to the anti-dumping investigation concerning imports of hot and cold rolled carbon steel wherein the petitioners had identified a PCN methodology in the application; but, ignored the same for the purpose of determination of dumping margin and injury margin. At the stage of final finding also, the authority was constrained in ignoring the PCN proposed by the petitioners at the stage of petition!
- k. It is, thus, evident that the petitioners in the present case has also adopted similar strategy of (a) not identifying the PCN, (b) seeking initiation (c) waiting for interested parties to raise the issue and (d) thereafter contend that the exporters have not cooperated! The fact that exporters have not cooperated does not mean anything with regard to the need for identification

of PCN. Exporters also could not cooperate only because this anomaly that the petitioners has allowed to peep into this case.

- l. The authority should prevent the petitioners from adopting a strategy/tactics similar to steel case wherein despite identification of a PCN by the petitioners itself, the Designated Authority was constrained to ignore the same at the stage of determination even when the interested parties had cooperated in that investigation.
- m. In a situation where authority comes to a conclusion that there was inadequate information/evidence in the petition, the principles of best available information cannot be invoked at the stage of petition and it must instead be concluded that the petition lacked sufficient evidence to justify initiation.
- n. The petitioners seems to have projected to the authority that in case of injury/losses it follows that it will include evaluation of all economic factors and indices to have bearing on the state of the industry, including natural and potential decline in all the volume and price parameters of the domestic industry and it is not necessary to independently establish injury. It is however evident that the placement of word “and” between the dumped imports and injury that both the conditions must exist at the same time and mere establishment of either of these is insufficient before the authority can conclude that dumped imports of the product are causing injury to the domestic injury.
- o. With regard to consequent impact of dumped imports on domestic producers of such products, the authority is required to consider whether any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injury caused by these other factors must not be attributed to the dumped imports. In the facts of the present case, however, this condition is completely absent.
- p. The petitioners are required to consider the performance of the domestic industry in POI and establish whether the same shows that the performance of the domestic industry in the POI was “injurious”, having regard to performance over the preceding years.
- q. Performance of the domestic industry by considering – (a) performance of domestic industry in POI with reference to base year, (b) performance of domestic industry in POI with reference to next to base year (subsequent year) and (c) performance of domestic industry in POI with reference to previous year (just preceding year) .Regardless of whether performance of the domestic industry in the present POI is compared with base year, subsequent year or just preceding year, performance of the domestic industry does not show any deterioration.
- r. Trend from base year to POI, previous year to POI and subsequent year to the POI, with regard to production, sales, capacity utilization, stocks and capacities don’t show any deterioration.

- s. Trends with regard to profit, cash profit and ROI of the domestic industry does not show any deterioration whether compared with base year to POI, previous year to POI or subsequent year to the Period of investigation.
- t. Regardless of the period for which performance is compared, there is no deterioration in performance of the domestic industry barring except (a) capacity utilization, (b) market share and (c) inventory. These parameters are however addressed below and it would be seen that the domestic industry cannot claim injury even on these accounts.
- u. Trends in capacity, capacity utilization and demand. It would be seen that the domestic industry has reported increase in capacity. This increase in capacities is despite existing capacities remaining grossly unutilized. Thus, when existing capacities were so grossly unutilized, the domestic industry had no justification for enhancement of capacities. But, the domestic industry did the same.
- v. The decline in capacity utilization is despite increase in production and therefore is a result of increase in capacities. If capacity is enhanced, its adverse effect will naturally fall on capacity utilization, particularly when existing capacities were grossly underutilized.
- w. Increase in capacity is due to one of the petitioners has added capacity. There is a slight decline in the capacity utilization because the petitioners added capacities despite having underutilized existing capacities.
- x. The Petitioners claims decline in market share as a parameter of injury. there is no way domestic industry can claim that they have lost market share so materially that this per se should be sufficient to hold “material injury”, when the above is trend in decline in market share. A mere 2% decline in market share is grossly insufficient and could even be a result of how far imports were adequately identified.
- y. There should be a significant decline in market share in order to conclude on the basis of this parameter alone that the domestic industry has suffered injury, particularly when the entire case of domestic industry is based on this decline.
- z. Increase in inventories could be due to other new products added by the petitioners. It is not a case of increase in inventories. It is quite natural that the domestic industry is required to hold reasonable volume of inventory and for different product types in order to offer full profile of the product to the buyers. Thus, increase in inventory is not a result of dumping of the product. The increase in inventory is a consequent impact of increase in capacities and addition of new product types.
- aa. Pattern of imports is on the basis of price bends. It would be seen that the imports have been reported in a very significant price bends. Different product types are involved which have been cumulated by the petitioners. In fact, petitioners and these imports are present in different market segment. This gets further established by a comparison of price list of petitioner’s product with product supplied by other parties and Delhi based producers.

- bb. The significant difference in price list clearly shows existence of different products. The imported product from China actually competes with the product produced and supplied by Delhi based producers. It does not compete with petitioners' product. Petitioners are in fact operating on a different segment and their product is not sold in the market segment where the imported product is being sold and where the Delhi based producers are producing and selling the product.
- cc. Petitioners sought to underplay the difference in product by stating that the import description does not show the product type. Even if it is assumed that it is not possible to identify the product type in the import data, we submit that it is possible to identify the product types involved in the product produced and supplied by the petitioners and Delhi based producers. The sheer difference in the prices of Delhi based producers with the petitioners' product shows that the two are not the same
- dd. Parameters like paper or Plastic or PVC, gramage, laminated or not laminated, recycled paper or virgin paper govern the cost and price of the product and therefore should be considered for development of PCNs.
- ee. The price list of different manufacturers shows that these manufacturers are fiercely competing with each other and it is not a case where petitioners are competing with imports. In fact, the sheer price difference between the imported product and domestic industry product shows that the product produced and sold by various domestic producers is fiercely competing leading to the continued financial losses being suffered by the petitioners
- ff. The Annual report of the petitioners show that they are performing exceptionally good and same can be seen with their improving revenue, PBT,PBIT and cash profit.
- gg. Imported Chinese products are basically competing with the product manufactured by the Delhi based manufacturers' product which is a low quality paper playing cards. The playing cards made by the petitioners are high quality and cater to different segment of the market. Imported goods and petitioner's product are not like article and not even in direct competition with each other.
- hh. Import duty on playing cards, in the recent budget 2018-19 has been increased from 10 to 20%. Now since the import duty is doubled; the antidumping duty will act as a double protection for the domestic industry. Increased import duty is automatically going to result in less import and this is how the domestic industry is left with no cause and should withdraw the present investigation.
- ii. Mere increase in imports cannot be a ground for imposition of anti-dumping duty. The imports have increased due to increase in demand. However, the domestic industry has not suffered injury due to increase in imports.

Examination of the issues by the Authority

38. The submissions made by the domestic industry and other interested parties during the course of investigations with regard to injury and causal link and considered relevant by the Authority are examined and addressed as under:
- a. The Authority notes that landed value of imports of the subject goods from the subject country has declined.
 - b. With regard to the export performance of the domestic industry, the Authority notes that entire injury analysis is based only on the domestic performance of the petitioners.
 - c. The injury analysis has been done in the succeeding paragraphs.

Effect of Dumped Imports

Volume Effect of Dumped Imports and Impact on Domestic Industry

Assessment of Demand

39. The demand of subject goods has been determined by adding the domestic sales of Indian producers of like product with the imports of the subject goods from all country. For the purpose of present injury analysis, the Authority has relied on the import data procured from DGCI&S. The Authority notes that demand of subject goods increased over the injury period as can be shown in the table below:

Particulars	Unit	2012-13	2013-14	2014-15	POI (Annualized)
Imports from China PR	Dozen	***	***	***	***
	Indexed	100	135	134	149
Imports from other countries	Dozen	***	***	***	***
	Indexed	100	99	425	564
Domestic Sales of Petitioners	Dozen	***	***	***	***
	Indexed	100	108	108	113
Domestic Sales of Supporters	Dozen	***	***	***	***
	Indexed	100	112	115	126
Domestic Sales of	Dozen	***	***	***	***

other producers					
	Indexed	100	91	87	83
Total demand	Dozen	***	***	***	***
	Indexed	100	113	114	122

40. The domestic sales of petitioners, supporters and other producers of the PUC have consistently increased.

Import Volumes and Share of Subject country

41. With regard to the volume of the dumped imports, the Authority has considered whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. The volume of imports of the subject good from the subject country has been analyzed as under:

Particulars	Unit	2012-13	2013-14	2014-15	POI (Annualized)
Imports from China PR	Dozen	***	***	***	***
	Indexed	100	135	134	149
Imports from other countries	Dozen	***	***	***	***
	Indexed	100	99	425	564
Total Imports	Dozen	***	***	***	***
	Indexed	100	135	136	152
Total demand	Dozen	***	***	***	***
	Indexed	100	113	114	122
Imports from China PR relative to consumption in India	%	***	***	***	***
	Range	10-20	20-30	20-30	20-30
Production of Petitioners	Dozen	***	***	***	***
	Indexed	100	107	106	113
Imports from China PR relative to production	%	***	***	***	***
	Range	40-50	50-60	50-60	50-60

42. The Authority notes as under from the above table:

- a. Imports of subject goods from subject country have increased in absolute terms Imports from China PR in relation to domestic production have been consistently increasing and have reached a level of 58% during POI.
- b. Imports from China PR in relation to consumption and production by domestic industry have consistently increased.

Price Effect of the Dumped Imports on the Domestic Industry

43. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

"With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree."

44. It has been examined whether there has been a significant price undercutting by the dumped imports of the price of the like product 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. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any.

Price Undercutting

45. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. In this regard, a comparison has been made between the landed value of the product and the 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. The domestic prices and margin of undercutting is shown as per the table below:

Particulars	Unit	April 2015 - September 2016 (POI)
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Landed price of Imports	Rs. per doz.	***
Domestic Selling Price	Rs. per doz.	***
Price Undercutting	Rs. per doz.	***
	%	***
	% Range	350-360

46. The Authority notes from the aforesaid table that significant price undercutting exists. However, it is seen from table at serial no. 39 above, that despite such significant price undercutting, sales of the domestic industry have increased in absolute terms showing that domestic industry has been able to increase its sales despite such significant dumping margin and price undercutting.

Price Underselling

47. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from subject countries. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports.

Particulars	Unit	Based on DGCIS Import Data
Price of imports	Rs. Per Doz.	***
NIP	Rs. Per Doz.	***
Price underselling	Rs. Per Doz.	***
	%	***
	% Range	360-370

48. It is seen that the landed price of the subject goods from subject country were significantly lower than the NIP determined for the domestic industry.

Price Suppression/Depression

49. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown as per the table below:

Particulars	Unit	April 2015 - September 2016 (POI)			
		2012-13	2013-14	2014-15	2016 (POI)
Cost to make & sell	Rs. per doz.	***	***	***	***

Particulars	Unit	2012-13	2013-14	2014-15	April 2015 - September 2016 (POI)
	Indexed	100	109	118	119
Domestic Selling Price	Rs. per doz.	***	***	***	***
	Indexed	100	109	114	121
Landed Value	Rs. per doz.	***	***	***	***
	Indexed	100	105	120	134

50. It is noted that the cost to make and sell the like articles have increased and the selling price of the same has increased proportionately. The landed price of imports have also increased.

51. The domestic industry contended that the data shows that the Authority's observations that there is no suppression or depression is baseless. It is however seen that whereas landed prices of imports have increased on an average by 33%, domestic industry increased its prices by 21% and the cost of sales increased by 19%. Thus, the domestic industry was able to increase its price more than the cost of sales and simultaneously, it did not increase its prices to the extent of increase in landed price of imports. Thus, the imports were not suppressing/depressing the domestic industry prices.

Economic parameters of the domestic industry

52. Annexure II to the Anti-dumping Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

i. Production, Capacity, Capacity Utilization and Sales

53. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization was as follows:

Particulars	Unit	2012-13	2013-14	2014-15	Annualized
-------------	------	---------	---------	---------	------------

Total Installed Capacity	Dozen	***	***	***	***
	Indexed	100	114	115	114
Parkson Graphics	Dozen	***	***	***	***
	Indexed	100	109	109	114
Parkson Cartamundi	Dozen	***	***	***	***
	Indexed	100	100	100	100
TM printers	Dozen	***	***	***	***
	Indexed	100	130	134	129
Total Production	Dozen	***	***	***	***
	Indexed	100	104	102	110
Capacity Utilization	%	58	53	51	56

54. The assessment of the installed capacity and capacity utilization of the product under consideration for the three petitioners show that these parameters have remained more or less same throughout the injury period.

55. The domestic industry has raised concerns about range of capacity utilization being given instead of actual percentage. The same has been incorporated above.

56. It has been observed that the petitioners have enhanced capacities despite their admitted claims of underutilized capacities. Despite increase in capacity by 14% and existing unutilized capacities before capacity expansion, the capacity utilization of the domestic industry decreased only marginally in POI when compared to base year.

ii. **Profitability**

Particulars	Unit	2012-13	2013-14	2014-15	April 2015 - September 2016 (POI)	Annualized
Parkson Graphics	Rs. in Lakhs	***	***	***	***	***
	Indexed	(100)	48	(379)	(1318)	879
Parkson Cartamundi	Rs. in Lakhs	***	***	***	***	***
	Indexed	(100)	(135)	(182)	(65)	(44)
TM Printers	Rs. in Lakhs	***	***	***	***	***
	Indexed	100	155	79	98	66
Total Profits	Rs.	***	***	***	***	***
	Indexed	(100)	(46)	(556)	136	136

Profit per dozen	INR	***	***	***	***	***
	Indexed	(100)	(43)	(513)	120	120

57. The Authority notes the following from the above table:

- a. The domestic industry's profitability has not been affected. The domestic industry has been suffering losses during 2013-14 but made significant profits thereafter during the POI. On examination, this pattern of profit could not be directly correlated with import prices. Therefore, the causal link of dumped imports with profitability is not clearly established.

iii. Return on capital employed

Particulars	Unit	2012-13	2013-14	2014-15	April 2015 - September 2016 (POI) Annualised
PBIT	Rs. lakhs	***	***	***	***
	Indexed	100	170	56	177
Capital Employed	Rs. lakhs	***	***	***	***
	Indexed	100	138	139	147
ROCE	%	***	***	***	***
	Range	5-15%	5-15%	0-10%	5-15%

58. The Authority notes that the domestic industry has been able to earn an adequate return on capital employed throughout the injury investigation period.

59. Further, both profit before interest and capital employed has been significantly high during the period of investigation.

iv. Market Share

60. The effects of the dumped imports on the market share of the domestic industry have been examined as below:

Particulars	Unit	2012-13	2013-14	2014-15	POI (Annualized)
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Total demand	Dozen	***	***	***	***
	Indexed	100	113	114	122
Market Share of					
- Petitioners	%	***	***	***	***
	Range	40-50	40-50	40-50	40-50
- Supporters	%	***	***	***	***
	Range	20-30	20-30	20-30	20-30
- Other Producers	%	***	***	***	***
	Range	0-10	0-10	0-10	0-10
Share of imports from China PR	%	***	***	***	***
	Range	20-30	20-30	20-30	20-30
Share of imports from other countries	%	***	***	***	***
	Range	0-10	0-10	0-10	0-10

61. The Authority observes that the market share of the Domestic Industry has decreased minimally even though demand for the subject goods has been rising in India.

62. The sales of the PUC of the domestic industry has not increased commensurate with the increase in demand.

63. It is noted that market share of domestic industry declined marginally by 3% whereas market share of supporters increased by 1%. Decline of market share of domestic industry is not significant. Further, the argument that huge imports have killed market share of domestic industry is not tenable considering supporters have increased market share.

v. Inventories

Particulars	Unit	2012-13	2013-14	2014-15	April 2015 - September 2016 (POI)
Production	Dozen	7,582,777	7,851,7774	7,708,030	8,370,569
	Indexed	100	104	102	110
Average Inventory	Dozen	***	***	***	***
Inventory as no.of days of production		10	15	19	17
Average Inventory	Indexed	100	151	182	179

64. The Authority notes that the Domestic Industry has accumulated inventories. The levels of inventories have increased throughout the injury period. However, the average no. of days for which the domestic industry was holding production in stock was calculated. It is found that the holding number of days production in stock is not very high.

vi. Productivity of the domestic industry

65. The Authority notes that employment level of the domestic industry does not show any adverse effect during the POI. Further, productivity per employee has remained healthy as observed from the table below.

Particulars	2012-13	2013-14	2014-15	POI
No. of Employees	***	***	***	***
Indexed	100	115	137	114
Productivity per employee	***	***	***	***
Indexed	100	90	74	145

Ability to raise capital investments

66. The Authority notes that given the rising demand of the product in the country, the domestic industry has made significant investments in plant and machinery. Further, the possibility of injury to the domestic industry caused by the increased investments in plant and machinery instead of dumped imports cannot be ruled out given the best available information on record.

Level of dumping & dumping margin

67. It is noted that imports from the subject country are entering into the country at dumped prices and that the margins of dumping are significant.

Factors Affecting Domestic Prices

68. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc., market share of the domestic industry, supporting producers and imports, change in cost of production and selling price of the domestic industry, level of price undercutting, dumping margin and injury

margin does not clearly establish that the landed value of imported goods from the subject country is caused significant depressing or suppressing effects on the prices in the Indian market. While imports increased over the injury period, sales of petitioners and supporters also increased and the domestic industry was able to increase its prices more than increase in cost of production.

G. OVERALL ANALYSIS ON INJURY

69. Having regard to the information on record and after examination of the performance of the Domestic Industry, the Authority notes that the dumped imports of the subject goods from subject countries have increased in absolute terms as well as in relation to production and consumption of the subject goods in India. Import prices of the product are lower than the non-injurious price of the subject goods. The demand for the product has increased significantly and imports from China PR has a major share in the increase in demand. However, the Domestic Industry's profitability and return on capital have increased substantially during the period of investigation. Inventories increased but number of employees has also increased along with their productivity.

H. CAUSAL LINK AND OTHER FACTORS

70. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry. The examination of causal link between dumping and material injury to the domestic industry has been done as follows:

Imports from third country

71. The imports from country other than subject country are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry. Moreover, the price at which goods are coming from other country is much higher than the price at which goods are coming from subject country.

Contraction in demand

72. The demand for the subject goods has shown an increasing trend. Accordingly, fall in demand cannot be the reason for injury to the domestic industry. In fact, the domestic industry has not been able to increase its sale and market share commensurate to increase in demand.

Trade restrictive practices of and competition between the foreign and domestic producers

73. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

Developments in technology

74. The technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor of causing injury to the domestic injury.

Changes in pattern of consumption

75. The domestic industry is producing the type of goods that have been imported into India. Possible changes in pattern of consumption are not a factor that could have caused claimed injury to the domestic industry.

Export performance

76. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In fact, exports by the domestic industry have not materially declined.

Performance of the domestic industry with respect to other products

77. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

Productivity of the domestic industry

78. The Authority notes that the major economic parameters of injury assessed in preceding analysis have shown substantial improvement of the performance of the domestic industry in the period of investigation.

Indian industry's interest & other issues

79. 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 country in any way, and, therefore, would not affect the availability of the products to the consumers.

Magnitude of Injury Margin

80. The Authority has determined the non-injurious price for the domestic industry and compared with the landed values of the subject imports from the subject country to determine the injury margin. The injury margins have been determined as follows:

Injury Margin

Particulars	Unit	Based on DGCIS Import Data
Landed value	Rs per Doz.	***
NIP	Rs per Doz.	***
Injury Margin	Rs. per Doz.	***
	USD per Doz.	***
	%	***
	% range	360-370

81. The level of dumping margins and injury margins as determined are significant.

I. POST DISCLOSURE STATEMENT

82. The issues raised at post disclosure stage have already been raised earlier during the investigation and also addressed appropriately. However, for the sake of clarity the submissions by the interested parties have been summarized and again addressed as below. Further, issues have been addressed at respective paras in the present Final Finding:

Submissions made by the Domestic Industry

83. The comments submitted by domestic industry are summarized as below:

- i. The product being imported and manufactured by the petitioners are comparable and are like articles.
- ii. Making PCN in the present case would not have served any objective because of no cooperation of the exporters in the present case it was not possible for the authority to compare data at PCN classification basis.
- iii. Import data does not provide for any basis for segregation.
- iv. The weighted average determination of dumping margin, price undercutting and injury margin, as suggested by the petitioners is the best course of action in the given situation.
- v. The Authority has rightly examined the standing of the domestic industry. In case of unorganized and fragmented sector the Authority has always examined the base of domestic industry on the basis of credible and reliable information.
- vi. The dumping margin in the disclosure statement is significant. If the Authority undergoes a change or revival the examination, the domestic industry should be given an opportunity to address it properly.
- vii. The Authority failed to examine that the demand increased by 22% but sales of the domestic industry as increased only by 13% in fact sales of the other producers, apart from the supporters, have declined by 17%.

- viii. The Authority needs to write that imports have increased in absolute as well as in relation to production and consumption showing a clear intent to take over the domestic market at the risk of local manufacturers and supply.
- ix. Authority's observation that there's no suppression or depression is baseless.
- x. The disclosure statement has given range of capacity utilization which is not a usual practice. In actual figure the capacity utilization has declined in the Period of investigation and 40-50% capacity remains unutilized.
- xi. 25% of the demand has been taken over by Chinese imports. Petitioner is suffering volume injury due to keeping the price at remunerative level.
- xii. The authority has wrongly held that domestic industry earned significant profit in Period of investigation. So there cannot be a causal link between profitability and dumped imports. The domestic industry earned profit of Rs. 1-2 per dozen where the total cost of the product is 175-180 per dozen.
- xiii. The Authority needs to examine actual as well as potential situations of economic parameters.
- xiv. Rs. 1-2 per dozen profits cannot tarnish the causal link.
- xv. Domestic industry fails to understand how the Authority has called 7-10% ROCE as "adequate". Why the Authority is not agreeing to its consistent practice of agreeing to 22% ROCE.
- xvi. Domestic industry is not capital intensive one and therefore even the standard 22% ROCE is not sufficient for their survival leave alone 7-10% earned by them.
- xvii. Inventories increased due to excessive dumping
- xviii. The Authority has given range of market share against the usual general practice. The market share of the domestic industry has declined despite increase in demand.

Submissions made by the Exporters/producers and other interested parties

84. The comments submitted by other interested parties are as below:

- i. Different kinds of playing cards, in terms of cost and price, cannot be treated as one product. The interested parties are not supposed to file information regarding PCN.
- ii. The petitioners should have brought all the information before the authority while filing the petition. The approach followed by the petitioners was mala fide in not providing information and now shifting the blame onto the interested parties for not suggesting relevant criteria.
- iii. Information on PCN always first comes in from the petitioners, as it is the petitioners who is in possession of relevant information not only with regard to imports but also with regard to their own data.
- iv. The fact that the description contained in the import data is entirely irrelevant. The petitioners could adopt any of the approach suggested to suggest PCN and thereafter determine dumping margin and injury margin.
- v. Is it the case of petitioners that they have been irrationally fixing price of different product types and the difference in prices charged by them bear no

- standard parameter/criteria and the petitioners have been taking the consumers for a ride?
- vi. At present, the petitioners have not even suggested a PCN methodology and instead have taken an approach that there are no standard parameter / criteria available to classify the product in to different categorizes / grades. This is clearly untenable.
 - vii. The present investigations are required to be terminated, instead of resorting to Rule 6(8). If, the petitioner themselves agree that there is no criteria, it follow that the authority cannot make an appropriate determination in the present case.
 - viii. The interested parties had written to the Authority, soon after initiation, where the price list of the petitioners was enclosed and the price range of the petitioners were analyzed. The Authority had placed those letters in public file for inspection of the petitioners.
 - ix. On careful examination of the imports data it can be seen that in various line item it is mentioned in the description of product “playing cards made of paper”, “100% plastic playing cards”, “low quality paper playing cards”. Sample of the import listing (T/T) is enclosed with the submission for your kind reference. The petitioners made no efforts in analyzing the import data for segregating it in various types.
 - x. Based on the accuracy and adequacy of the information the present investigations need to be terminated.
 - xi. The imported products are made of low quality paper and recycled paper. It targets different segment of consumers whereas the product manufactured by the petitioners are high quality paper or plastic playing cards. Significant proportion of the product manufactured by petitioners is of plastic.
 - xii. It can be prima facie seen that the petition is filed by Mumbai based manufacturers. Even the members of Indian Playing Cards Associations are Mumbai based. The petitioners have made no efforts to include Delhi based manufacturers in the scope of domestic industry.
 - xiii. With such huge dumping margin, injury margin and price undercutting, the imports have not accelerated at an alarming rate.
 - xiv. Given this kind of price difference between the domestic and imported product, the petitioners are unable to explain how the petitioners were able to increase their production and sales.
 - xv. Despite more than 300% price difference between domestic and imported product, it is amazing that the production & domestic sales of the petitioners improved and the petitioners have contended that they have been adversely affected by the dumped imports.
 - xvi. This clearly shows that like articles are not being compared. Imports are of different variety/category of playing cards as compared to the domestic. The two are being sold in two different market segments. The two are not competing with each other.

- xvii. The interested parties had analyzed the alleged injury being suffered by the domestic industry. The interested parties had compared all the injury parameters of the domestic industry from all the years to the Period of investigation.
- xxviii. Apart of subject imports, imports from other countries, sales of petitioners and other producers also have increased significantly.
- xix. The demand figures only include sales of Mumbai based producers and does not include sales of Delhi based producers and producers of other parts of India. If the sales of other Indian producers are included, it would be seen that petitioners have lost their market share to other Indian producers.
- xx. Production of each of the petitioner companies have increased. The capacity utilization of the domestic industry has remained constant throughout the injury period.
- xxi. The production has increased over the injury period. Further, the capacity utilization change is so insignificant that the same falls within the same range over the injury period, thus leading to no change in indexed capacity utilization.
- xxii. Capacity was expanded by the petitioner despite huge unutilized capacities.
- xxiii. The price undercutting and price underselling determined is not based on fair comparison and therefore cannot form basis for imposition of duties.
- xxiv. The Authority has rightly held that profitability has not been affected, the petitioners were suffering losses during 2013-14 but made significant profits thereafter during the Period of investigation.
- xxv. Sales, production, capacity and capacity utilisation, all of these trends have shown improvement throughout the injury period. The sales of not only the petitioners but the supporters and other producers have also increased.
- xxvi. It can be seen that ROCE, ROI and profitability of the domestic industry has shown tremendous growth.
- xxvii. The change in the market share is so insignificant that the same have remained in same range over the injury period. This clearly shows that none of the interested parties have suffered on account of market share.
- xxviii. Inventories with the petitioners have increased. The same is however due to rising production and wide range of product that any supplier must offer in the market.
- xxix. There is huge demand-supply gap.
- xxx. The Authority is requested to examine other known factors such as inter-se competition amongst domestic producers. The price list of different manufacturers shows that (a) these manufacturers must be fiercely competing with each other, (b) price difference between the domestic and imported product is so significant that there can be no competition between the domestic and imported product, (c) the imported product competes with the product produced and sold by low-end producers such as Delhi based producers.

Examination by Authority

85. Some of the issues raised at post disclosure stage have been examined in above relevant paragraphs.

86. The petitioner contended that the Authority needs to examine actual as well as potential situations relating to economic parameters. It is, however, noted that petitioner has submitted no claim with regard to potential situations relating to injury to the domestic industry and economic parameters. When, the petitioner has not even claimed injury on account of potential effects of dumped imports on the domestic industry, the Authority could not examine potential effects of the dumped imports on the domestic industry.

J. CONCLUSION

87. The conclusion is summarized below:

- a. The Authority notes that the volume of imports of the product under consideration have increased over the injury period in absolute terms and in relation to production and consumption in India. The dumping margin, price undercutting and injury margin are positive and significantly high. However, despite such high degree of dumping margin, price undercutting and injury margin, the domestic industry has been able to enhance its capacity and its production. Further, sales improved over the injury period.
- b. While market share of domestic industry declined, it is noted that the market share of supporting producers increased over the injury period.
- c. Even when the level of inventories increased, the absolute level of inventories with the domestic industry were not so significant considering the rate of production and wide range of playing cards produced and sold by the domestic industry.
- d. Despite such significant dumping margin and price undercutting, the imports did not suppress or depress the domestic industry prices and the domestic industry was able to improve its profitability, cash profits and return on investment.
- e. Dumped imports of the product were not a factor affecting the domestic prices, considering that the domestic industry did not face suppressing or depressing effect as a result of huge price undercutting.
- f. The consequent impact of dumped imports on the domestic industry performance is therefore absent. It could not be conclusively established that the domestic industry suffered injury as a result of dumped imports.

K. RECOMMENDATION

88. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal links. Having initiated and conducted the investigation into dumping, injury and causal links in terms of the provisions laid down under the Anti-Dumping Rules. The authority notes that there is no causal link between the dumped imports material injury to the domestic industry due to reasons give above. Therefore, in terms of Rule 14 (b), (e) and Rule 17(1)(iii) read with Rule 11(2) and para v of Annexure II of the Anti-

Dumping Rules, the Designated Authority decides to terminate the present investigation which was initiated vide Notification No. NO. 14/43/2016 – DGAD dated 30th March, 2017

(Sunil Kumar)
Additional Secretary & Designated Authority