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F. No. 6/13/2022-DGTR
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE (DIRECTORATE GENERAL OF TRADE
REMEDIES) JEEVAN TARA BUILDING, 4TH FLOOR
5, PARLIAMENT STREET, NEW DELHI-110001

Dated: 28th December 2023

NOTIFICATION

FINAL FINDINGS

AD (OI) Case No. - 13/2022

Subject: Anti-dumping investigations on the imports of “Self-Adhesive Vinyl (SAV)”
originating in or exported from China PR.

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F. No. 6/13/2022-DGTR: - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the Anti- Dumping Rules);

A. BACKGROUND OF THE CASE

1. Whereas, Pioneer Polyleathers Limited (hereinafter referred to as the “applicant” or “domestic industry”) has filed an application before the Authority in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of an anti-dumping investigation concerning imports of the Self-Adhesive Vinyl (SAV) (hereinafter also referred to as the product under consideration or the subject goods) from China PR (hereinafter also referred to as the subject country).
2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority in accordance with Section 9A of the Act read with Rule 5 of the Anti-Dumping

Rules, initiated the anti-dumping investigation vide File No. F.No.6/13/2022-DGTR dated 29th December, 2022, published in the Gazette of India, to determine the existence, degree and effect of any alleged dumping of the subject goods and to recommend the amount of anti- dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:
 - a. The Authority notified the embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
 - b. The Authority issued a public notice dated 29th December, 2022 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning import of the subject goods from the subject country.
 - c. The Authority sent a copy of the initiation notification dated 29th December, 2022, to the embassy of the subject country in India, the known producers and exporters from the subject country, known importers and other interested parties, as per the available information. The interested parties were requested to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
 - d. The Authority also provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject country in India in accordance with Rule 6(3) of the Anti-Dumping Rules.
 - e. The Embassy of the subject country in India was also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to it along with the names and addresses of the known producers/exporters from the subject country.
 - f. The Authority sent questionnaires to the following known producers/ exporters in the subject country in accordance with Rule 6(4) of the Rules:
 - i. Xusen HCR Digital Media Co. Ltd.
 - ii. Shanghai NAR Industrial Co., Ltd.
 - iii. Ningbo So -Fine Paper Products Co. Ltd.

- iv. Tongxiang Zhenxing Industrial Fabric Manufacturing Co., Ltd.
- v. Zhejiang Tianxing Technical Textiles Co., Ltd.
- vi. Shanghai DER New Material Co., Ltd.
- vii. Shanghai Hanker Plastics Co., Ltd.
- viii. Jutu Technologies Ltd.
- ix. Shanghai Unisign Industry Co., Ltd.
- x. Avery Dennison (China) Pvt Ltd.
- xi. Daoming Optics and Chemicals Co. Ltd.
- xii. Foshan KL Decorative Materials Co. Ltd.
- xiii. Guangzhou KY Advertisement Equipment Co. Ltd.
- xiv. Guangzhou Tome Advertisement Material Ltd.
- xv. Guangzhou YuQuan Composite Material Co. Ltd.
- xvi. Jiangsu Aoli AD Material Co. Ltd.
- xvii. Nantong Baina Digital New Material Co. Ltd.
- xviii. Sunglobal Industries and Trades Co. Ltd.
- xix. Tongxiang Zhanyi Trading Co. Ltd.
- xx. Zhaoqing Southern New Material Ltd.
- xxi. Zhejiang Yiya New Materials Co. Ltd.
- xxii. Zhejiang Ganglong New Material Co. Ltd.
- xxiii. Zhejiang So-Fine Self - Adhesive Products Co. Ltd.

g. In response to the above notification, following exporters / producers have responded or submitted exporter questionnaire responses:

- i. Foshan KL Decorative Materials Co., Ltd.
- ii. Zhejiang So-fine Self-Adhesive Products Co., Ltd. (So-Fine)
- iii. Guangzhou YuQuan Composite Material Co., Ltd.
- iv. Jiangsu Aoli New Materials Co., Ltd.
- v. Xusen HCR Digital Media Co., Ltd.
- vi. Guangdong Tome Ad Media Ltd.
- vii. Guangzhou KY Technology Ltd.
- viii. Zhaoqing Southern New Material Ltd.
- ix. Zhejiang Fulai New Materials Co. Ltd.
- x. Shanghai FLY International Trade Co. Ltd.
- xi. Shanghai NAR Industrial Co. Ltd.
- xii. Avery Dennison (China) Co., Ltd.
- xiii. Zhejiang Yiya New Materials Co. Ltd.
- xiv. Nantong Baina Digital New Material Co. Ltd.
- xv. 3M Innovation Singapore Pte. Ltd.
- xvi. Tongxiang City Yizhan Trading Co., Ltd.
- xvii. Guangzhou KK Advertisement Equipment Co. Limited.

h. The Authority sent questionnaires to the following known importers of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules:

- i. 3M India Limited
- ii. Aditya Digital Technologies Pvt Limited
- iii. ASM Marketing Pvt Limited
- iv. Gita & Company
- v. Konzept Polypro Pvt Ltd
- vi. Mars Polycotex India Pvt Limited
- vii. Maruti Flex Pvt Limited
- viii. Mohit Impex
- ix. Orris Overseas
- x. PV Media Vision Pvt Limited
- xi. Rextone Digital Limited
- xii. Sibco Overseas Pvt Limited
- xiii. Southern Agencies
- xiv. Sun Sign and Technologies
- xv. Tech Nova Imaging Systems (P) Limited
- xvi. Avery Dennison (India) Pvt Limited
- xvii. Flex Signs India Pvt Limited
- xviii. Rudram Sun World LLP
- xix. SignMax Exim Pvt Limited
- xx. Vision Trade Links
- xxi. Wonder Signs India Pvt. Ltd.
- xxii. ITMS India Pvt. Ltd.
- xxiii. Silver Sign Pvt. Ltd.
- xxiv. Shreeji Polyplast

i. In response to the above notification, following importers have responded or submitted exporter questionnaire responses:

- i. Aditya Digital Technologies Pvt Limited
- ii. Avery Dennison (India) Pvt Limited
- iii. Flex Signs India Pvt Limited
- iv. Gita & Company
- v. Sibco Overseas Pvt Limited
- vi. SignMax Exim Pvt Limited
- vii. Sun Sign and Technologies
- viii. TechNova Imaging Systems (P) Ltd
- ix. Silver Sign Pvt. Ltd
- x. Vision Trade Link
- xi. Maruti Flex Traders LLP

- xii. Southern Agencies.
- xiii. 3M India Ltd.
- xiv. Plasto India Pvt. Ltd.,
- xv. Maruthi Associates.
- xvi. Sirohia Corporation
- xvii. Shree Balaji Polymers
- xviii. Ajit Industries Pvt. Ltd.
- xix. TechNova Imaging Systems Pvt. Ltd

j. The Authority sent questionnaires to the following known users / association of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules:

- i. Aidas
- ii. Aimass Digital Printing
- iii. Akriti Print World
- iv. Ambica Traders
- v. Anupam Graphics
- vi. Aone Graphics
- vii. Chopra Signage
- viii. Codex Media
- ix. Creators
- x. Deepa Advertising
- xi. Deepa Public City
- xii. Dev Painter
- xiii. ForceAdvertisers
- xiv. Ganesh Enterprises
- xv. Global Flex Media
- xvi. Gopi Raju Arts
- xvii. Gravity
- xviii. xviii. Idea Xerox
- xix. JCW Flex
- xx. JJ Plastic
- xxi. Kolor Catalyst
- xxii. Krishna Signage Pvt Limited
- xxiii. Kushlam Urja Sansthan
- xxiv. M&K Creatives
- xxv. Metro Printing
- xxvi. Micro Graphics
- xxvii. Mukta Enterprise
- xxviii. Peacock Art
- xxix. Pooja Advertising Agency
- xxx. Rameshwaram Giridhar Plaza

- xxxi. Rampion Advertising
- xxxii. Redarrows
- xxxiii. Retail Impact
- xxxiv. Retail Junction
- xxxv. S K Uniprint Pvt Limited
- xxxvi. Sai Aid Agency
- xxxvii. Sapphire Media Service
- xxxviii. Setia Arts
- xxxix. Shiva Enterprises
 - xl. Shree Enterprises
 - xli. Shridhar Arts
 - xlii. Sign Solution
 - xliii. Ss Digital Point Pvt Limited
 - xliv. Status Graphics
 - xlv. Unique Advertising & Marketing
 - xlvi. Vimal Art
 - xlvii. Vishal Arts
 - xlviii. Yaagi Sign
 - xlix. Avery Dennison (India) Pvt. Ltd.
 - 1. Tamil Nadu Printers Association.
 - li. Tamilnadu Signage Material and Machinery Traders Association (TNSMMTA)
 - lii. Karnataka Association of Signage Industries
 - liii. Flex Banner Merchant Association
- k. Flex Banner Merchant Association, Tamilnadu Signage Material and Machinery Traders Association (TNSMMTA) have filed response / submissions.
- l. Largely similar views have been expressed by various interested parties, especially by the importers. All relevant submissions have been included and considered while issuing this final finding.
- m. The Authority made available non-confidential version of the evidence presented by various interested parties. Submissions made by all interested parties have been taken into account in this final finding.
- n. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of imports of the subject goods for the past three years, including the period of investigation, which has been received by the Authority. The Authority has relied upon the DGCI&S data for determination of volume and value of imports of product concerned in India.

- o. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in a public hearing held on 14th August, 2023. The parties, which presented their views in the oral hearing were requested to file written submissions of the views expressed orally, followed by rejoinders submissions.
- p. The non-injurious price (hereinafter referred to as 'NIP') based on the cost of production and reasonable profits of the subject goods in India, based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure - III to the Anti-Dumping Rules, 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.
- q. Verification of the information provided by the domestic industry and other interested parties was carried out by the Authority, to the extent necessary. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of this final finding.
- r. The period of investigation (POI) for the purpose of present investigation is 1 July 2021 to 30 June 2022 (12 Months). The injury period includes 2018-19, 2019-20, 2020-21, Apr 2021 to Jun 2022 and the POI.
- s. 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.
- t. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the present disclosure on the basis of the facts available.
- u. A disclosure statement containing the essential facts in this investigation which forms the basis of the present final finding was issued to the interested parties on 20th December 2023. The post disclosure statement submissions received from the domestic industry and other interested parties have been considered, to the extent found relevant, in this final finding notification.

- v. '***' in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- w. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs. 76.33.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C2. SUBMISSIONS BY OTHER INTERESTED PARTIES

- 4. The other interested parties have submitted as follows with regard to the product under consideration and like article:
 - a. That SAVs come in wide variety and grades and have different production methodology, different combination and grades of basic constituents (the vinyl film, adhesive and liner); different machinery and methods for its manufacture and most importantly different end use applications which makes them not commercially interchangeable.
 - b. That the applicant manufactures SAV by only laminating different bought out components and the small quantity of SAV produced by the petitioner mainly comprises of monomeric calendared vinyl with clear permanent adhesive and single PE coated paper liner for short term indoor digital printing purpose and limited applications. The petitioner does not manufacture various other types of SAV films that are the part of the product under consideration.
 - c. That a major factor which distinguishes the tapes imported by the applicant from the SAV produced by the applicant is that these tapes do not have a liner/release paper attached to them.
 - d. That ability to produce a product cannot be a ground for its inclusion within the scope of the product under consideration and therefore, the Authority should redefine the scope of the product under consideration by including only those types which are being manufactured by the petitioner at present and excluding those types which are not being produced by the petitioner.
 - e. The other interested parties submitted that in terms of the definition of the “manufacture” provided in the Excise Act and the definition of the domestic industry provided in the Anti-dumping Rules, it is amply clear that manufacture includes any process incidental or ancillary to the completion of the manufactured product.

Therefore, lamination may be considered as “manufacture”. However, in the present case, the products manufactured by the applicant by only laminating different bought out components of the subject goods i.e., not manufacturing the key components like PVC film, liner etc. shall not be included within the scope of the PUC and should be excluded.

- f. That the applicant by their own admission do not manufacture and sell reflective SAVs which reflects the vehicular lights and help in traffic movements. They also do not manufacture the glow in the dark SAVs or photoluminescent SAVs which absorbs light during the day and reflects it in the night or in dark.
- g. That the applicant also does not manufacture and supply the SAVs used in the automotive sector, for instance, the automotive SAVs used around the gasoline tanks which are fire retardant and for B&C pillars of passenger vehicles. These are specialty SAVs which are high end and carry features like anti-scratch, anti-dust and waterproof. They are used on vehicles by OEMs and last the life span of the vehicle. Therefore, the automotive SAVs should be excluded from the product scope since the petitioner themselves excluded all automotive based SAVs from the imports and does not manufacture and supply the same in the commercial market. These are also called paint protection SAVs.
- h. The applicant itself has repeatedly admitted that production of the subject goods without producing the substrate film (and carrying out only the laminating process) is not a financially viable business. We understand that this is the reason as to why the Authority has not considered “lamination” as a manufacturing process in the PCN notice issued on 30th June, 2023.
- i. The applicant has itself also excluded the following keywords while sorting the PUC:
 - i. Sticker
 - ii. Tape
 - iii. Label
 - iv. Pouch
 - v. PP
 - vi. TPU
 - vii. Inkjet media (less than 50 micron)
 - viii. Profile
 - ix. Cloth
 - x. Reflective
 - xi. Metalized
 - xii. Glow Vinyl
 - xiii. HDPE
 - xiv. Floor marking tape

- xv. Acrylic
 - xvi. BOPP
 - xvii. Automotive
- j. It is submitted that all the above products are made from materials other than PVC. All these products have different chemical formula, physical & chemical properties, usage, cost and prices etc. as compared to the self-adhesive films made with PVC. It is clearly mentioned in the initiation notice that the name of the PUC is Self-Adhesive Vinyl, self-adhesive polyvinyl chloride film or self-adhesive PVC film. Therefore, PET, PP, TPU, PE etc. films obviously do not meet the description of the PUC.
- k. It is submitted that cold lamination film and the PUC (SAV) are two different products as their physical properties, manufacturing process, cost, pricing etc. are different. The applicant has not produced and sold self-adhesive cold lamination film with thickness lower than 60 microns. Nor do they have the technical capability to produce it. Hence, this type of SAV with film thickness below 60 microns must be excluded from the scope of the PUC. This type of products below 60 microns thickness is not commercially substitutable to the microns provided by the applicant.
- l. That by excluding from the import data the items with description such as tapes and labels, sticker, pouch, reflective SAVs, etc., the petitioner has tacitly conceded that these products do not fall within the scope of the PUC. If the petitioner has excluded these products for the volume and price analysis of imports, the automatic conclusion is that they should be excluded from the scope of the subject investigation. The Authority should specifically exclude the following products from the scope of the PUC (i) Tapes, labels and floor marking tapes, (ii) reflective SAVs (iii) glow in the dark SAVs (iv) automotive SAV/paint protection SAVs (v) quick erase/white board films/dry erase SAVs.
- m. That the production process described by the petitioner is rather simplistic and does not reflect the technological capability required to manufacture all the different types of SAV. Petitioner does not have the following special technology/machinery for manufacturing different types of SAV:
- i. Special coating technology,
 - ii. Technology for top coating of vinyl/film,
 - iii. Separate machine for double-sided adhesive coating for
 - iv. Mounting vinyl,
 - v. Separate machine for adhesive coating of PET liners,
 - vi. Separate machine for coating release liners with different types of adhesive textured rollers required for manufacturing Bubble-free SAVs.

- n. That in order to produce various specialized SAVs such as quick erase/whiteboard films/ dry erase films, which are writable films, where one can write on the film with most white-board markers and erase them to reuse over and over, the SAV producer will require specialized technology to top-coat the vinyl/film with certain chemicals. Further, the chemicals that are used for such top-coating are the proprietary in nature to each SAV producer. The applicant does not have such type of top coating technology or the proprietary knowledge for the chemicals required for top coating and manufacture of quick erase/whiteboard films/ dry erase SAVs.
- o. That the applicant does not have separate machine for double-sided adhesive coating for mounting vinyl. In case of mounting SAV, a double-sided coating liner is required. Mounting films have PVC film with adhesive and liner on two sides (one side paper liner and other side PET Liner). This product requires a different and special coating line where adhesive coating can be done on both sides of the PVC film. The petitioner does not possess this technology. This is because the specialty of mounting SAV is that it has adhesive on two sides. For this, a double-headed coating machine is required, to simultaneously coat the adhesive on both the top side and the bottom side of the vinyl/film.
- p. That the applicant does not have does not have separate machine for adhesive coating of PET liners. The petitioner only has one line for coating of the adhesive onto the release paper liner. However, this line cannot be efficiently used for coating adhesive onto PET liners, for which a separate coating line / technology is required. It is used to give dimensional stability to the print after storing and pasting. The paper liner is replaced with plastic liner. The clarity of adhesive is also important to presence the image. Technology for preparing the same is very different than paper liner, which the domestic industry does not possess. Hence, SAVs with PET based liner must be excluded.
- q. That the applicant does not have textured rollers required for manufacturing Bubble-free SAVs. Bubble-free SAVs are special SAVs prepared for applications where direct manual pasting of SAVs are required on various surfaces like fleet graphics. In the case of bubble free SAVs, the liners ensure that air gaps are not trapped when applying them to a surface. This ensures that there is no damage to the paint of the surface when the SAV is removed. Manufacture of this particular liner requires air egress technology, which is not possessed by the petitioner. These are different from regular SAVs in their production process, usage and appearance of liner and can be easily distinguished.
- r. In case of SAV with one-way vision, punching machines/presses are required to punch holes into the SAV after its output from the laminating press. The petitioner does not have such a punching press. The applicant has not produced and sold one way vision films with thickness lower than 120 microns. Nor they have the technical capability to

produce it. Hence, this type of SAV with film thickness below 120 microns must be excluded from the scope of the PUC. This type of products below 120 microns thickness is not commercially substitutable to the microns provided by the applicant and thus the applicant has not supplied a like article to the imported SAV to India.

- s. That an inquiry at the local market in "Chuna Mandi" in Paharganj, New Delhi revealed that all the SAV dealers in this vicinity had conveyed that the petitioner's products were not available in the market and that they had not received any enquires for the SAV produced by the petitioner for a very long time. It was also conveyed by some of the dealers in this market that the feedback received from the users of the petitioner's SAV products in the past that there were severe qualitative issues with the petitioner's SAV products because of which demand for the petitioner's SAV products had declined. For this reason, the respondents highly doubts whether the above claimed products have been sold in the domestic market in India.
- t. Quoting certain Judgments of the Hon'ble CESTAT [**Anti-Dumping Appeal No. 51425 Of 2022 - Technova Imaging Systems Vs Union of India & Ors**], it has been argued that since the Manual of Standard Operating Practices of the Authority at para 3.10 provides that the product under consideration should preferably include those items, which are produced and commercially sold in the domestic market by the domestic industry, it shall be just and fair to limit the scope of the PUC to those products which have been produced and sold by the domestic industry and inclusion of imported products which were not competing with the products offered by the domestic industry in the scope of the PUC has no justification.
- u. That even if the applicant claims to produce different types of SAV, it must be established that the applicant has produced and sold the different types of the PUC in commercial quantities. It is a settled position of law that a product must be manufactured and sold in commercial quantities in the POI in order to include it within the scope of the PUC.
- v. That in the previous investigation the Authority had restricted the scope of the product under consideration to *"Monomeric SAV manufactured through Calendaring process of White/Coloured/Clear or Transparent in Gloss/Matt Finish of Thickness up to 120 Micron with Kraft Paper Liner of GSM below 140 with Permanent Glue in both ready to use and jumbo roll form"* and therefore, the Authority should redefine the scope of the product under consideration by including only those types which are being manufactured by the petitioner at present and excluding those types which are not being produced by the petitioner.
- w. That the PCN methodology proposed by the Authority is grossly inadequate and does not sufficiently reflect the relevant parameters on the basis of which the cost of the different types of the PUC will vary. It is a settled position of law and practice, that

where the PUC is not homogenous, and that there are various grades and types of the PUC with different physical characteristics and variation in prices, the Authority is required to ensure that a 'fair comparison' of prices of the like article produced by the domestic industry and the PUC imported from the subject country is made.

- x. It has also been submitted by certain interested parties that lower thickness products are not commercially substitutable for higher thickness products and the domestic industry has not produced and sold self-adhesive vinyl with thickness lower than 80 microns, nor do they have the technical capability to produce it. Hence, SAV with film thickness below 80 microns must be excluded from the scope of the PUC.
- y. It has been argued that perforated PVC film for one-way vision film cannot be considered as a PCN value.
- z. That type of film, i.e., the extent to the film allows the flow of light – white, transparent, clear, ultra-clear, translucent, opaque, coloured, printed should be included as separate PCN parameters/values.
- aa. That the “colours” as a PCN parameter should be expanded to include other shades such as black and grey, white-bluish, white-milky and super white, etc. as other values under this parameter.
- bb. That the Authority should also consider “removable glue” as another PCN parameter.
- cc. That the thickness of film and release liners to be included a parameter in the PCN.
- dd. That the type of coating on release liner should also be added a separate PCN parameters, such as - Paper with single side coating, paper with double side coating, paper with bubble free coating, PET Film and other.
- ee. That film surface features such as - concerning the surface of the SAV film - smooth or perforated, textured surface, grains-oriented surface, be embossed etc. should be included as a PCN parameter.

C3. SUBMISSIONS BY DOMESTIC INDUSTRY

- 5. The domestic industry has submitted as follows with regard to the product under consideration and like article:
 - a. That while it is true that SAVs come in wide variety and types, such difference depends upon different combination and types of basic constituents (the vinyl film, adhesive

and liner used), the production process of all types of SAV is essentially same involving, pre-lamination preparation, lamination, and curing. The surface finish and other properties of the vinyl sheets depend on the types of films and liners used and types of rollers used while rolling the films. It neither involves any rocket science nor any advanced technology or advanced machinery as has been argued by certain interested parties. The interested parties have not provided any details of any special technology, or machinery required for manufacturing such different types of SAV as alleged.

- b. The same lamination and curing and finishing lines are capable of using any types of PVC films and release liners, as well as adhesives. The applicant has the capacity and capability to produce all types of SAVs (excluding reflective SAV).
- c. That though the domestic industry is backwardly integrated to produce monomeric PVC films for SAV, all other materials including other types of PVC films, release liners and adhesive materials are being procured or can be procured from the market for production of different types of SAVs as and when demanded by the consumers depending upon the demand and price offered.
- d. That SAV production is not a complicated technology and involves certain very simple processes as explained in the production process chart submitted by the applicant. This basic production process has not been disputed by any of the interested parties. In fact, most of the exporters from the subject country adopt the same basic methods and manufacture various types of SAVs from bought out components. For example, M/s Zhejiang Yiya New Material Company Ltd., China PR declares its production process as follows:

“SAV is produced by bringing together a desired PVC film, release liner with a suitable adhesive in between the two, rolled and cured in an appropriate heat treatment line. The SAV is produced in jumbo rolls and then cut into desired length or width. The surface finish and other properties of the vinyl sheets depend on the types of films and liners used and types of rollers used while rolling the films.”

- e. That the above producer further declares that materials used in manufacturing include glue, release paper, PVC film and packing materials. It further states that Materials and utilities are purchased from domestic suppliers. Thus, it is absolutely clear that the production process adopted by the applicant domestic industry and the producers in China are identical.
- f. That it is absolutely clear that various types of SAVs depend upon the types of film used, and/or release liner used and/or adhesives used and with various permutation and combination of these three basic components all types of SAV can be laminated

in the same lamination line and cured and finished in same finishing line without any additional technology or equipment being used. Therefore, the arguments of the interested parties that production of certain types of SAVs requires additional technology or equipment are baseless, except certain product types such as one way vision SAV which requires a perforation line which the domestic industry already possesses.

- g. Despite the specific instructions from the Authority to the said interested parties to provide details of plants and machinery and technology required and production process involved for such specific product types, as argued during the oral hearing, the interested parties have failed to provide any details except very generic comments that certain product types require specific technology or machinery, whereas the production process provided by some of the same interested parties show the very identical production process adopted by them as that of the domestic industry. On the other hand, the domestic industry has already demonstrated, and is prepared to demonstrate to the Authority again, the production of various types of SAVs in the same line to refute the claims of the interested parties that various types of SAVs cannot be produced in the same line of the domestic industry.
- h. That as regards the reference made by the interested parties to para 3.10 of the Manual of Standard Operating Practices of the Authority the attention of the Authority is drawn to Para 3.15 of the same manual as quoted above which reads as follows:

“3.15. The different grades/form/types/strengths/sizes of product may not mean different products. They are subsets of one product that is proposed to be investigated and hence is alike as far as their essential physical & technical characteristics are concerned, at best they can constitute PCNs”.

- i. Thus, the operating procedure laid down at Para 3.10 cannot be or should not be read in isolation and must be read jointly with the provisions laid down in Para 3.15 of the said Manual. In this connection attention of the Authority is also drawn to the ***WTO Panels Ruling in In EC – Fasteners (China) case*** wherein the Panel concluded that Articles 2.1 and 2.6 did not require the investigating Authority to define the product under consideration to include only products that are "like". The Panel remarked that "the mere fact that a dumping determination is ultimately made with respect to "a product" says nothing about the scope of that product. There is certainly nothing in the text of Article 2.1 that can be understood to require any consideration of 'likeness' in the scope of the exported product investigated". The Panel concluded that "while Article 2.1 establishes that a dumping determination is to be made for a single 'product under consideration' there is no guidance for determining the parameters of that product, and certainly no requirement of internal homogeneity of that product, in that Article".

- j. Further, the *Panel in EC - Salmon (Norway)* considered Norway's claim that the "product under consideration" must consist of a single, internally homogeneous product or, alternatively, categories that are each individually "like" each other so as to constitute a single homogenous product. The Panel found that "there is simply nothing in the text of Article 2.1 that provides any guidance whatsoever as to what the parameters of that product should be. The mere fact that a dumping determination is ultimately made with respect to 'a product' says nothing about the scope of the relevant product. There is certainly nothing in the text of Article 2.1 that can be understood to require the type of internal consistency posited by Norway.
- k. That it is absolutely clear from the panels rulings as quoted above that there is no requirement of internal homogeneity or "inter se likeness" of various product types to be included in the scope of the product under consideration as has been argued by the other interested parties.
- l. That it may also be kept in mind that the domestic industry has been forced to operate at an abysmally low-capacity utilization of below ***% because of the dumped imports which occupy over ***% of the market share. While operating at such low-capacity utilization, the domestic industry is forced to focus only on the low hanging fruits and produce what it can reasonably sell in the market and minimize its losses rather than produce and sell all product types, majority of which are niche products with extremely low volumes. Therefore, it is a classical chicken and egg paradox, where the dumped imports do not allow the domestic industry to commercially establish its production of various product types in spite of having capacity and capability.
- m. That the PUC covers all types of SAV made of polyvinyl chloride (PVC) film and the domestic industry has the capacity and capability to produce and supply all types/varieties of SAV using various types of films, liners and adhesives using the same manufacturing line and in fact the domestic industry has manufactured and supplied various types of SAV depending upon their demand and price suitability. Therefore, the CESTAT judgment quoted has no relevance in the present case.
- n. That various types of SAV cannot be distinguished from each other visually unless the products are subjected to a destructive testing method. Therefore, any exclusion of any product type will lead only to circumvention of the duties as it would not be practicable to impose 100% testing condition for clearing the goods without duty.
- o. That scrutiny of the import data as available with the applicant for the entire injury period gives a very interesting insight. Out of a long list of some 31 product types demanded by the interested parties for exclusion, as per the analysis of the import data carried out by the applicant there is "Nil" import in respect of about 12 product types in the entire injury period, including the POI or they have been described in generic

terms and not identifiable as such. There are less than 10 transactions in respect of 9 product types in the entire injury period or they have been described in generic terms and not identifiable as such. Only in respect of the remaining 10 product types, there are sizeable imports during the injury period, which includes the POI, and all of them are either being produced by the domestic industry, or the domestic industry is capable of producing the same. The data also shows that the import prices are abysmally low, belying the claim of the interested parties that these are value-added products or special products requiring higher technology etc.

- p. As regards the demand for exclusion of SAV with films below certain thicknesses on the ground that these SAVs are not commercially substitutable to the SAV produced by the domestic industry, and are not being produced by the domestic industry as per their website information, it may be noted that the domestic industry can produce and is producing SAV with all film thicknesses, irrespective of what has been posted in the website a long time back, subject to local regulative restrictions on use of single use plastics, including PVC films, below 100 micron which are also prohibited for imports from 31st December 2021.
- q. Notwithstanding the fact that the domestic industry manufactures and supplies SAVs with PVC films of all thicknesses, within the regulatory framework, it may be noted that SAVs with various film thicknesses are having same chemical composition and physical properties and produced in the same production process and are technically and commercially substitutable, though certain thicknesses may be more suitable for certain usages. Therefore, the SAV of the thicknesses indicated by the interested party concerned are "like articles" to the SAV being produced by the domestic industry within the meaning of the term under above rules. Thus, the arguments of the interested party concerned are not tenable.
- r. All claims of the interested parties for exclusion of various product types from the scope of the investigation needs to be rejected and the PUC as notified needs to be confirmed for determination of the dumping and injury for the "product as a whole" and not on a truncated product.
- s. That the purpose of the PCN methodology is for the like-to-like comparison for the purpose of determination of dumping and injury margins keeping in view the factors which affect price comparability and not to define the PUC. Therefore, the PCN should be designed keeping in view this aspect alone and should not be made complicated and complex unnecessarily. The contentions of the other interested parties that PCN should be so designed as to define the PUC and to exclude the PCNs not manufactured by the domestic industry is totally misplaced and beyond the scope and purpose of the PCN methodology and therefore, must be rejected.

- t. That as far as the demand of the other interested parties for inclusion of thickness of the films and release liners as a factor for PCN is concerned, it may be noted that thickness becomes relevant when the unit of measurement for comparison purpose is in terms of area (square meters). In the current investigation the unit of measurement adopted is in weight term and the thickness of the material gets subsumed and the cost and price differences either completely vanish or become negligible. Therefore, there is no need to add thickness of the material as a separate criterion in the PCN.
- u. The PCN methodology notified by the Authority is just, fair and adequate and covers all broad parameters which capture the price comparability for various determinations and there is no need to further sub-categorize some of the parameters as demanded by the other interested parties.

C3. EXAMINATION BY THE AUTHORITY

6. In the initiation notification, the PUC was defined as follows:

3. The product under consideration is “Self- Adhesive Vinyl (SAV)” originating in or exported from China PR. Self-Adhesive Vinyl is popularly known in the market as “self-adhesive polyvinyl chloride film”, “adhesive vinyl”, “vinyl”, “vinyl film”, “self-adhesive PVC film” “One Way Vision Vinyl” or “cold lamination film”. The product is an adhesive backed vinyl that allows its application on various surfaces. Further the applicant claims that the product under consideration covers all types of SAV.

4. Self-adhesive vinyl is a flexible and versatile material, which is ideal for mounting on walls or rigid surfaces. It has three distinct layers or materials i.e., (i) Polyvinyl chloride (PVC) film; (ii) an adhesive layer; and (iii) release liner. The polyvinyl chloride (PVC) can be monomeric, polymeric and cast and its thickness may vary depending upon usage. This layer ultimately gets transferred to the intended surface as a lamination or an advertisement material etc. Adhesive layer is placed between the film and the release liner and ultimately gets transferred to the film to give it the self-adhesive property. Release liner could be a paper or a PET film or any other material which gets released and discarded.

5. SAV is produced by bringing together a desired PVC film, release liner with a suitable adhesive in between the two, rolled and cured in an appropriate heat treatment line. The SAV is produced in jumbo rolls and then cut into desired length or width. The surface finish and other properties of the vinyl sheets depend on the types of films and liners used and the types of rollers used while rolling the films.

6. The alleged dumped goods are classified under heading 3919 of Schedule I to the Customs Tariff Act, 1975. The petitioner submits that, it does not have a dedicated tariff code, and is generally classifiable under 3919 90 90. The petitioner claims that the product under consideration is also being imported under following customs classifications: 3919 90 90, 3919 10 00, 3919 90 10, 3919 90 20, 3920 99 19, 3920 99 59, 3920 99 99, 3920 69 29, 3921 90 99, 3926 90 99. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present petition.”

7. The Authority has carefully examined the comments and views of the other interested parties and the applicant domestic industry with regard to the scope of the product under consideration, PCNs and like article.
8. The Authority had granted an opportunity to all the interested parties to file their submissions on the scope of the PUC and PCNs. The Authority notes that the other interested parties have proposed several PCNs based on certain properties of the product which may only be noted at the time of usage. Such characteristics are subjective and intangible and may not be amenable to distinct identification. Certain products only differ on the basis of their application but may have no technical characteristics which differentiate it from the PUC’s technical characteristics. Further, sufficient evidence has also not been furnished by the parties to establish that they are not like products of the PUC.
9. Further, the interested parties were asked to provide the details of cost and selling price difference for different parameters and values as suggested in their proposed PCN methodology. However, the other interested parties failed to provide the required detail and substantiate their claim with evidence.
10. The Authority on the basis of the submission made by the domestic industry and various interested parties devised the following PCN matrix in consultation with them so as to assess PCN-wise dumping and injury on an apple-to-apple basis.

SN.	Parameters	Values	Code
1.	Manufacturing Process	Calendared PVC Film a. Monomeric b. Polymeric Cast PVC Film	M = Monomeric P = Polymeric C = Cast
2.	Type of SAV Film	Perforated (one way vision film) Non-perforated	O N

11. The Authority also carried out an on-spot verification of the production process of the domestic industry to understand the product and its various types and their production

methodology. The Authority has also examined the production methodology employed by exporters in China as provided in their questionnaire response. Examination of the production process shows that the production process of SAV is essentially a lamination process by bringing together (i) a desired type of PVC film of desired thickness and texture, etc., (ii) a desired release liner, (iii) a suitable adhesive in between the two, rolled and cured in an appropriate heat treatment line.

12. The examination of the production process and various components used for the production of SAV reveals that the polyvinyl chloride (PVC) film used in manufacturing the PUC, which ultimately gets transferred to the intended surface as a lamination or an advertisement material, etc., can be calendared film (monomeric or polymeric) or cast film, and its thickness, texture and other technical characteristics may vary depending upon the desired usage of the SAV. The adhesive layer is placed between the film and the release liner, and it ultimately gets transferred to the film to give it the self-adhesive property. The types of adhesives to be used may also vary depending upon the intended usage. The release liner could be paper or PET film or any other material which gets released and discarded while transferring the adhesive backed PVC film on to the intended surface. The type of release liner used also depends upon the intended use of the finished SAV.
13. The other interested parties have not disputed this production process. Further, none of the participating producers/exporters have claimed to be fully backward integrated for the production of the SAV. In fact, some of the responding exporters have confirmed the very same production process starting from bought out PVC Films, liners and adhesives. Thus, whether the applicant produces or not produces a particular type of PVC film or all types of PVC film to produce all kinds of SAV becomes immaterial. If a particular component of intermediate is a bought-out item or can be a bought-out to produce the finished goods it is immaterial whether a producer has backward integration for the same or not. Verification of the production line of the applicant reveals that it has the complete line for preparation of the films and liners, lamination process and curing process which is flexible enough to use any kind of the three basic components i.e., films, adhesives and liners.
14. As regards the arguments of the other interested parties that the domestic industry does not have the capability to handle different types of films, with various thicknesses, various types of release liners and adhesives, because the technology for producing such SAVs are different which the domestic industry does not have, despite specific request by the Authority to those interested parties to provide details of plants and equipment required as far as the production of SAV is concerned, the said parties have failed to provide the same. On the other hand, the applicant domestic industry has demonstrated during the verification that the same plant and equipment installed in its production facility is capable of handling various types of films, both calendared as well as cast, of various thicknesses, and produce various SAVs, subject to regulatory restrictions on thickness of films etc.

15. As regard the reference made by the interested parties to the scope of the PUC in the previous investigation, the Authority has verified the production process of the applicant domestic industry and flexibility of production of various product types using the same line has been demonstrated by the applicant. Therefore, there is no reason to restrict the scope of the PUC to the film produced by them through backward integration.
16. As regards, certain specialty SAVs for which specific exclusion has been sought by the other interested parties on the grounds that the domestic industry has not produced and commercially sold the same, the Authority notes that the domestic industry has submitted a detailed list and proof of product types produced and sold by them, though in small quantities, because of the lack of orders due to dumped imports, and also claimed that other products can be produced in the same set of plant and equipment as and when demanded as there is no material difference in the production process for producing these product types. Examination of the production process of some of the responding exporters also shows that the process is essentially the same. Further, the Authority notes that the ratio of the case decided by the Hon'ble CESTAT ***Technova Imaging Systems Vs Union of India & Ors.***, is not applicable to this case as it has been demonstrated that the plant and equipment available with the applicant has the capability and flexibility to produce and supply all types of SAV, except the ones specifically excluded by the applicant.
17. It is to be noted that the expression “*Domestic Industry*”, as defined under Rule 2(b) of AD Rules, means the domestic producers engaged in the manufacture of like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of total domestic production of that article. Further, the expression “*Like Article*”, as defined under Rule 2(d) of the AD Rules, means an article, which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such an article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation.
18. It is submitted that nowhere in the Act or under Rule 2(b) or 2(d) of the AD Rules, it has been provided that the domestic industry has to satisfy the criteria of production or sale of like articles in commercial volumes. Even Articles 2 and 4 of the WTO Agreement on the Implementation of Article VI of GATT, does not prescribe the requirement of “*commercial volumes*” while defining the scope of the domestic industry or like article.
19. If the criteria of “*commercial volumes*” is accepted it would impose a presumptive bar on the initiation of anti-dumping investigations on all such domestic industry that are not able to produce or sell the like article in commercial volumes, which was never envisaged in the statutory framework of anti-dumping investigations.
20. The basic idea behind imposing anti-dumping duty is to safeguard the domestic industry from the onslaught of cheap imports that may cause injury to them, in terms of decrease in sales, price undercutting, etc. If the contention is accepted, it would create a precarious situation,

where the domestic industry that is unable to produce and sell its goods in “commercial volumes” due to dumping, would be prohibited from seeking remedy against such dumping because it is not able to produce and sell its goods in “commercial volumes”.

21. As regards the reference to para 3.10 of the Manual of Standard Operating Practices attention of the Authority has been drawn to para 3.15 of the same Manual and various WTO decisions which essentially states that there is no requirement for internal homogeneity or inter se likeness of various product types to be included in the scope of the product under consideration. Various types of SAVs produced using various types of films, adhesives and release liners might have certain specific uses, but they are essentially different ‘sub-types’ produced through the same production process and are not separate ‘products’. Therefore, the argument of the other interested parties to exclude certain product types from the scope of the product under consideration is not tenable.
22. The Authority notes that in its application and submissions, the domestic industry has clarified that its application is with regard to self-adhesives made out of PVC alone and all other self-adhesives produced using any other film, other than PVC, are outside the scope of the PUC. It has also been clarified by the applicant domestic industry that their application is with regard to the SAVs imported in Roll form only and certain marking tapes etc. imported in smaller width and certain types of SAVs not being imported in roll form are outside the scope of the PUC.
23. The Authority has also excluded certain products which the domestic industry has specifically removed in the petition either explicitly in their submission or in the PUC while segregating the import data. The domestic industry has admitted that the following kinds of films are not SAV films and therefore excluded from the scope of the PUC:
 - a. Reflective films,
 - b. Sun control films or
 - c. Glass safety films
24. The Authority notes that the domestic industry has excluded the following products from the scope of the PUC in its application. The Authority, therefore clarifies that self-adhesive films like sticker, tape, label, pouch, PP, PET, TPU, inkjet media (less than 50 micron), profile, cloth, reflective, metalized, glow vinyl, HDPE, floor marking tape, acrylic, BOPP, automotive are not covered within the scope of the PUC. All other self-adhesive films made using other than PVC films, are outside the scope of the PUC.
25. Accordingly, the Authority proposes to confirm the scope of the product under consideration as follows:

“The product under consideration (PUC) in the present investigation is “self-adhesive vinyl” (SAV), popularly known in the market as “self-adhesive polyvinyl chloride film”,

“adhesive vinyl”, “vinyl”, “vinyl film”, “self-adhesive PVC film” “One Way Vision Vinyl” or “cold lamination film”. The product is an adhesive-backed vinyl with release paper/ liner that allows its application on various surfaces. The product under consideration covers all types of SAV, with PVC film thickness above 100 microns, made by using Polyvinyl Chloride Films and imported in roll form only.

Self-adhesive vinyl is a flexible and versatile material, which is ideal for mounting on walls or rigid surfaces. It has three distinct layers or materials i.e., (i) Polyvinyl chloride (PVC) film; (ii) an adhesive layer; and (iii) release liner. The polyvinyl chloride (PVC) can be monomeric, polymeric and cast and its thickness may vary depending upon usage. This layer ultimately gets transferred to the intended surface as a lamination or an advertisement material etc. Adhesive layer is placed between the film and the release liner and ultimately gets transferred to the film to give it the self-adhesive property. Release liner could be a paper or a PET film or any other material which gets released and discarded.

Self-adhesive films like sticker, tape, label, pouch, PP, PET, TPU, inkjet media (less than 50 micron), profile, cloth, reflective, metalized, glow vinyl, HDPE, floor marking tape, acrylic, BOPP, automotive are not covered within the scope of PUC. Further, reflective films, sun control films and glass safety films and self-adhesive products made using other than PVC films such as PET, PU, BOPP, etc. outside the scope of the product under consideration.”

26. The product under consideration is classified under heading 3919 of Schedule I to the Customs Tariff Act, 1975. The product under consideration is being imported under following customs classifications: 3919 90 90, 3919 10 00, 3919 90 10, 3919 90 20, 3920 99 19, 3920 69 29, 3921 90 99. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present petition.

D. DOMESTIC INDUSTRY AND STANDING

D1. SUBMISSIONS BY OTHER INTERESTED PARTIES

27. No comments received by the interested parties on the standing.

D2. SUBMISSIONS BY DOMESTIC INDUSTRY

28. Following submissions have been made by the domestic industry with regard to the domestic industry and standing:
- a. The applicant, namely Pioneer Polyleathers Limited is a sole producer of the subject goods constituting 100% of the domestic production in India.
 - b. Petitioner has not imported the subject goods from the subject country during the POI.
 - c. The applicant is not related to the exporter or importer of the subject goods in India.

D3. EXAMINATION BY THE AUTHORITY

29. Rule 2(b) of the Anti-Dumping Rules defines 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”.

30. The application has been filed by Pioneer Polyleathers Limited as the domestic industry. The applicant is the sole producer of the subject goods in India.
31. As the sole producer, the production of the applicant accounts for 100% of the total domestic production. Hence, the applicant constitutes the domestic industry under Rule 2 (b) of the Anti-Dumping Rules and the application has been made by the domestic industry, satisfying the requirements of Rule 5(3).

E. CONFIDENTIALITY

E1. SUBMISSIONS BY OTHER INTERESTED PARTIES

32. The applicant has claimed confidentiality in gross violation of Trade Notice No. 10/2018 dated 07 September, 2018 (hereinafter referred to as “Trade Notice”) and Rule 7 of the Anti-

dumping Rules since they have not provided the basic information like non-injurious price in actual figure range- $\pm 10\%$ etc.

33. Each and every information submitted by a party on a confidential basis cannot be regarded as confidential unless the same is supported by reasons and is so accepted by the Authority. In other words, Rule 7 does not in any manner mean that the applicant can get away with minimal information; rather it casts a responsibility on the applicant to furnish summaries in sufficient details so as to permit a reasonable understanding of the substance of the information submitted on confidential basis. The purpose of this clause is to facilitate all interested parties to have the meaningful non-confidential summary of the information submitted to the Authority on confidential basis to enable them to give their submission and to assist the Authority in arriving at the correct determinations.
34. The decision of the Hon'ble Supreme Court of India with respect to confidentiality in anti-dumping duty cases in *Sterlite Industries (India) Ltd. v. Designated Authority 2003 (158) E.L.T. 673 (S.C.)* is directly applicable in the present case. In the said case, on the issue of treatment of confidential information, the Hon'ble Supreme Court held that confidentiality was not to be granted automatically and should be based on thorough scrutiny.

E2. SUBMISSIONS BY THE DOMESTIC INDUSTRY

35. Following submissions have been made by the domestic industry regarding confidentiality:
 - a. Interested parties have claimed excessive confidentiality.
 - b. Incomplete response filed by the producers/exporters as responses not filed of the complete value chain.
 - c. Questionnaire Responses filed by the producers/exporters are liable for rejection because of breach of non-confidential disclosure requirements and incomplete responses and value chains.

E3. EXAMINATION BY THE AUTHORITY

36. With regard to confidentiality of information, Rule 7 of the Rules provide as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and 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 authorise its disclosure in a generalized or summary form, it may disregard such information.”

37. The Authority considers that any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by the parties to an investigation shall, upon good cause shown, should be treated as such by the Authority. Such information cannot be disclosed without the specific permission of the party submitting it.
38. The Authority has considered the claims of confidentiality made by the applicant and the other interested parties and on being satisfied about the same, the Authority has allowed the claims on confidentiality. The Authority made available to all the interested parties the nonconfidential version of evidence submitted by various interested parties for inspection.

F. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F1. SUBMISSIONS BY OTHER INTERESTED PARTIES

39. When the export price is between an exporter and its associated importer, the net export price for anti-dumping duty purposes is to be constructed on the basis of the price at which the PUC is first resold to an independent buyer. The DGTR's Manual under the chapter "Determination of Net Export Price" provides that "Export Price" is generally based on the price to the first unaffiliated purchaser in India. In the present case, since 3M Singapore and 3M India are part of 3M group of companies which are associated to each other, the net export price must be constructed considering the profits earned by the 3M group as a whole.
40. The pricing between 3M Singapore and 3M India are [***] which cannot be relied upon for pricing and dumping / injury analysis. It is also the practice of the Authority to not rely on the prices between producer/exporter and importer when they are associated entities unless otherwise proved by the foreign producer/exporter. This approach has been taken by the Authority in the Final Findings in the Anti-dumping Investigation (Material-Retardation) concerning imports of "Vinyl Tiles other than in roll or sheet form" originating in or exported from China PR, Taiwan and Vietnam [Case No.-AD (OI)-16/2021].
41. In the present case, 3M Singapore transfer the PUC to 3M India at [***]. Hence, for computing the profitability of the PUC purchased and sold by 3M group, the gross margins and total expenses of both 3M Singapore and 3M India must be considered. It would be seen that 3M Singapore purchases the PUC from Nar and resells it through its related entity 3M India to unrelated customers in the India market.
42. However, the comparison of same NIP with LV for exports made through the 3M Group (exporter /importer traders) should be made at a comparable level of trade to yield a fair comparison. The price of the domestic industry in India competes with the price at which 3M India re-sells in the domestic market and not with the [***] at which the PUC is sold by 3M Singapore to 3M India. Therefore, in order ensure principle of fair comparison, the NIP of the domestic industry should be compared with the resell price of the PUC by 3M India.

F2. SUBMISSIONS BY THE DOMESTIC INDUSTRY

43. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:

- a. None of the producers and exporters in China has claimed MET, but some of them have claimed their normal values based on their domestic sales, which needs to be rejected.
- b. The Authority has treated China as a non-market economy in all past investigations and all exporters in the previous investigation were also treated as non-market economy - the same should be extended to the present investigation and all responding exporters and producers may be treated as operating under non-market economy conditions.
- c. The applicant has already submitted necessary information for construction of normal value in China on a reasonable basis as per the rules and requests the Authority to determine the normal values in China based on this verifiable information i.e., to construct the normal value for China PR on the basis of the price payable in India, calculated as cost of production in India, duly adjusted, and after adding selling, general & administrative expenses with reasonable profit.
- d. In the previous investigation the Authority had determined a dumping margin of upto 50% though the investigation had to be terminated as withdrawn after issuance of disclosure statement. The dumping has intensified thereafter as can be seen from the estimates of dumping margin made by the applicant as given in the application.
- e. Subject to compliance to the above and verification and acceptance of the information filed by the producers / exporters, keeping in view the obligations under Rules, the Authority may examine the compensatory arrangements between the parties (Producers and Exporters, Exporters and Importers) and construct the export prices as per the relevant Rules. Further, various adjustments towards various expenses to arrive at the ex-works prices need to be carefully examined.

F3. EXAMINATION BY THE AUTHORITY

44. 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 destined 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):

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 transhipped 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.

45. Article 15 of the China's Accession Protocol with the WTO provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

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

i. If the producers under investigation can clearly show that my conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

ii. The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers

under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

46. It is noted that while the provisions contained in Article 15(a)(ii) have expired on 11.12.2016. However, the provisions under Article 2.2.1.1 of the WTO read with obligation under 15 (a) (i) of the Accession protocol require the criterion stipulated in para 8 of Annexure I of India's AD Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming the market economy status.

47. At the stage of initiation, the Authority proceeded as per the information given by the applicant. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to the determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting the presumption of non- market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information. The Authority also requested the Government of China PR to advise the producers/ exporters in China PR to provide the relevant information.
48. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses:
- i. Foshan KL Decorative Materials Co., Ltd.
 - ii. Zhejiang So-fine Self-Adhesive Products Co., Ltd. (So-Fine)
 - iii. Guangzhou YuQuan Composite Material Co., Ltd.
 - iv. Jiangsu Aoli New Materials Co., Ltd.
 - v. Xusen HCR Digital Media Co., Ltd.
 - vi. Guangdong Tome Ad Media Ltd.
 - vii. Guangzhou KY Technology Ltd.
 - viii. Zhaoqing Southern New Material Ltd.
 - ix. Zhejiang Fulai New Materials Co. Ltd.
 - x. Shanghai FLY International Trade Co. Ltd.
 - xi. Shanghai NAR Industrial Co. Ltd.
 - xii. Avery Dennison (China) Co., Ltd.
 - xiii. Zhejiang Yiya New Materials Co. Ltd.
 - xiv. Nantong Baina Digital New Material Co. Ltd.
 - xv. 3M Innovation Singapore Pte. Ltd.
 - xvi. Tongxiang City Yizhan Trading Co., Ltd.
49. None of the exporters/producers contested the non-market economy status of China. Thus, in view of the above position and in the absence of rebuttal of the non-market economy presumption by any Chinese exporting company, the Authority, consider it appropriate to treat China PR as a non-market economy country in the present investigation and proceeds with para 7 of Annexure-I to the Rules for determination of normal value in case of China PR.

F3.1. DETERMINATION OF NORMAL VALUE FOR ALL PRODUCERS/EXPORTERS FROM CHINA PR

50. Para 7 of Annexure I of the Rules reads as under:

“In case of imports from non-market economy countries, normal value shall be determined on the basis of 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.”

51. The Authority notes that the prices or constructed value of the product in an appropriate market economy third country or the price from such a third country to other countries, including India have neither been made available by the applicant or an interested party. It is also noted that the interested parties have not provided any verifiable information which could have been adopted by the Authority. The Authority has relied on the determination of normal value for China on the basis of the constructed cost in India with reasonable profit. The normal value considered is given below in the dumping margin table.

F3.2 DETERMINATION OF EXPORT PRICE

F3.2.1. DETERMINATION OF EXPORT PRICE FOR PRODUCERS/EXPORTERS FROM CHINA PR

52. The Authority notes that export price for co-operating producers/exporters has been considered based on the information submitted by such producers/ exporters in their questionnaire responses. The following producers/exporters have filed the prescribed questionnaire response:

- i. Shanghai NAR Industrial Co. Ltd.
- ii. 3M Innovation Singapore Pte. Ltd.
- iii. Zhejiang So-fine Self-Adhesive Products Co., Ltd. (So-Fine)
- iv. Avery Dennison (China) Co., Ltd.

- v. Xusen HCR Digital Media Co., Ltd.
- vi. Foshan KL Decorative Materials Co., Ltd.
- vii. Guangzhou YuQuan Composite Material Co., Ltd.
- viii. Jiangsu Aoli New Materials Co., Ltd.
- ix. Zhaoqing Southern New Material Ltd.
- x. Guangzhou KY Technology Ltd.
- xi. Guangdong Tome Ad Media Ltd.
- xii. Nantong Baina Digital New Material Co. Ltd.
- xiii. Zhejiang Fulai New Materials Co. Ltd.
- xiv. Shanghai FLY International Trade Co. Ltd.
- xv. Zhejiang Yiya New Materials Co. Ltd.
- xvi. Tongxiang City Yizhan Trading Co., Ltd.

A. Shanghai NAR Industrial Co. Limited

53. Shanghai NAR Industrial Co. Ltd has exported the subject goods to an extent of *** MT. Out of which *** MT at ex-factory terms is exported directly to unrelated customer in India and *** MT is exported through 3M Innovation Singapore to related Indian customer namely 3M India.
54. The exporter has submitted that the export price between 3M Innovation Singapore and 3M India should not be accepted as both are associated entities. Accordingly, the net export price for anti-dumping duty purposed is to be constructed on the basis of the price at which the PUC is first resold to an independent buyer. In this context, the Authority notes that in terms of Explanation (b) to Section 9(A)(1) of the Act which defines the export price, the export price may be constructed on the basis of the price at which the imported articles are first resold to an independent buyer where the export price is unreliable because of association or a compensatory arrangement between the exporter and the importer.
55. It is noted that there is no reason to believe that the export price between 3M Innovation Singapore and 3M India is unreliable. The Authority had provided them an opportunity to explain as to why they are requesting to consider price at which the PUC is first resold to an independent buyer along with relevant provisions. However, the producer / exporter has not filed any reply. Further, it is the discretion of the Authority and not the interested parties to consider the price at which the PUC is first resold to an independent buyer in case the prices are found to be unreliable. Therefore, the Authority has considered the export price of 3M Innovation Singapore for the determination of the dumping and injury margin.
56. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

57. M/s Nantong Baina Digital New Material Co., Ltd, China PR is the subsidiary of Shanghai NAR Industrial Co. Limited. Accordingly, weighted average margins are granted to Shanghai NAR Industrial Co. Limited and M/s Nantong Baina Digital New Material Co., Ltd, China PR as per the consistent practice of the Authority.

B. Nantong Baina Digital New Material Co. Limited (producer) and Shanghai NAR Industrial Co. Limited (exporter)

58. Nantong Baina Digital New Material Co. Ltd. has exported the subject goods to an extent of *** MT during the POI including PCNs produced by the domestic industry during POI. It is to be noted that Nantong Baina did not export directly to India but exported some quantities solely through its parent entity, Shanghai NAR. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.
59. Shanghai NAR Industrial Co. Limited. is the holding company of M/s Nantong Baina Digital New Material Co., Ltd, China PR. Accordingly, weighted average margins are granted to M/s Nantong Baina Digital New Material Co., Ltd, China PR and Shanghai NAR Industrial Co. Limited as per the consistent practice of the Authority.

C. Zhejiang So-Fine Self-Adhesive Products Co. Limited

60. Zhejiang So-Fine Self-Adhesive Products Co., Ltd. has exported the subject goods to an extent of *** MT on FOB & CIF terms during the POI including PCNs produced by the domestic industry during POI. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCNs which have been produced by the domestic industry during POI comes to *** US\$ / MT and *** US\$ / MT respectively.

D. Avery Dennison (China) Pvt. Ltd.

61. Avery Dennison (China) Pvt. Ltd. has exported the subject goods to an extent of *** MT on ex-factory terms during the POI including PCNs produced by the domestic industry during POI. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

E. Xusen HCR Digital Media Co. Ltd., China PR

62. Xusen HCR Digital Media Co. Ltd. has exported the subject goods i.e. self-adhesive polyvinyl chloride totaling *** MT on FOB ex-factory terms during the POI including PCNs produced by the domestic industry during POI. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

F. Foshan KL Decorative Materials Co. Limited (producer/exporter) and Guangzhou YuQuan Composite Material Co. Limited (exporter)

63. Foshan KL Decorative Materials Co., Ltd. (Foshan) has exported the subject goods during the POI directly as well as through a related company i.e., Guangzhou YuQuan Composite Material Co., Ltd (YuQuan). Foshan has directly exported the subject goods to an extent of *** MT on FOB terms and YuQuan has exported the subject goods to an extent of *** MT on EXW terms during the POI including PCNs produced by the domestic industry during POI. Guangzhou YuQuan Composite Material Co. Ltd. has filed the Exporter Questionnaire Response. After allowing the adjustment on account of inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$ / MT and *** US\$ / MT respectively.

G. Jiangsu Aoli AD Material Co. Ltd., China PR

64. Jiangsu Aoli AD Material Co. Ltd. has exported the subject goods to an extent of *** MT on CIF ex-factory terms during the POI including PCNs produced by the domestic industry during POI. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average Ex-factory export price and weighted average landed value for the PCNs which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

H. Zhaoqing Southern New Material Limited, China PR (producer); Guangzhou KY Advertisement Equipment Co. Ltd. and Guangzhou Tome Advertisement Material Ltd. (exporters)

65. Zhaoqing Southern New Material Limited has exported the subject goods i.e. self-adhesive polyvinyl chloride (*** MT) through two entities, Guangdong Tome Ad Media Ltd (*** MT) on ex-factory terms and Guangzhou KY Technology Ltd (*** MT) on ex-factory terms. Guangdong Tome Ad Media Ltd, in turn, exported *** MT on ex-factory terms directly to India and *** MT on ex-factory terms through Guangzhou KY Technology Ltd. Guangzhou KY Technology Ltd exported *** MT on ex-factory terms directly to India and

*** MT on ex-factory terms through Guangzhou KK Advertisement Equipment Co., Ltd. Guangzhou KK Advertisement Equipment Co. exported the entire *** MT directly to India.

66. After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

I. Zhejiang Fulai New Material Co., Ltd., China PR (producer) and Shanghai FLY International Trade Co., Ltd., China PR (exporter)

67. Zhejiang Fulai New Material Co., Ltd has exported the subject goods i.e. Self- Adhesive Polyvinyl Chloride (*** MT) through Shanghai FLY International Trade Co., Ltd. on ex-factory terms.

68. After allowing the adjustment on account of inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

J. Zhejian Yiya New Materials Co. Ltd. (producer/ exporter) and Tongxiang Zhanyi Trading Co. Ltd. (trader)

69. Zhejiang Yiya New Materials Co., Ltd. is a producer of the subject goods in China PR and has exported the product to India directly and through related trading company, Tongxiang Zhanyi Trading Co., Ltd, (Exporter). It is noted that during the POI, Zhejiang Yiya New Materials Co., Ltd., China PR has exported *** MT of subject goods directly and *** MT through related company i.e. Tongxiang Zhanyi Trading Co., Ltd, (Exporter). After allowing the adjustment on account of ocean freight, insurance, inland transportation, port and other related expenses, credit cost etc., the weighted average ex-factory export price and weighted average landed value for the PCN's which have been produced by the domestic industry during POI comes to *** US\$/MT and *** US\$/MT respectively.

F3.2.2. DETERMINATION OF EXPORT PRICE FOR NON-COOPERATIVE PRODUCERS

70. The Authority has considered the export price for non-cooperative producers / exporters as per 'facts available' in terms of Rule 6(8) of the Anti-Dumping Rules.

F4. DETERMINATION OF DUMPING MARGIN

71. Considering the normal value and export price as above, the dumping margins for cooperative producers/exporters of the subject goods from the subject country is given below. It is seen that the dumping margin is significant.

SN	Producer	Weighted Normal Value (\$/MT)	Weighted Average Export Price (\$/MT)	Weighted Dumping Margin (\$/MT)	Weighted Average Dumping Margin (%)	Weighted Average Dumping Margin (Range %)
1	Foshan KL Decorative Materials Co., Ltd.	***	***	***	***	(30-40)
2	Zhejiang So-fine Self Adhesive Products Co., Ltd.	***	***	***	***	10-20
3	Xusen HCR Digital Media Co., Ltd., China PR	***	***	***	***	20-30
4	Zhaoqing Southern New Material Limited, China PR	***	***	***	***	90-100
5.	Jiangsu Aoli New Materials Co., Ltd., China PR	***	***	***	***	90-100
6.	Avery Dennison (China) Co., Ltd	***	***	***	***	(40-50)
7.	Shanghai NAR Industrial Co. Ltd, China PR	***	***	***	***	10-20
8.	Nantong Baina Digital New Material Co., Ltd, China PR	***	***	***	***	10-20
9.	Zhejiang Yiya New Materials Co. Ltd., China PR	***	***	***	***	20-30
10.	Zhejiang Fulai New Materials Co., Ltd., China PR	***	***	***	***	0-10
11.	Others	***	***	***	***	90-100

G. EXAMINATION OF INJURY AND CAUSAL LINK

G1. SUBMISSIONS BY OTHER INTERESTED PARTIES

72. The applicant claimed “material injury” and not “material retardation” in the earlier investigation. In other words, the applicant claimed in the earlier investigation that it is an established industry, which is in operation since 2012. In such a case, it cannot claim that it is not an established industry in this investigation.
73. Without prejudice to the above, it is submitted that the Authority initiated this investigation to assess the “material injury” and not “material retardation”. Accordingly, it is not permissible to modify the scope of the investigation at this stage of the investigation i.e., to include material retardation under any circumstances.
74. The applicant had also claimed material retardation in its application. However, the applicant accepted during the oral hearing dated 14 August, 2023 that since the initiation is done only for material injury, they are giving up on their claim for material retardation. Without prejudice to the same, kind attention of the Authority is invited to the fact that the concept of material retardation is invoked to provide protection to the domestic industry, which is not yet established and which has not yet performed for a reasonable period of time i.e., is in a nascent (just started) or embryonic stages (in process of starting).
75. The injury information provided by the applicant is incorrect and misleading as information relating to the products which are merely laminated by the applicant must also be removed from the injury information.
76. The applicant has claimed dumping margin to the tune of 50-60% which appears extremely exaggerated and not based on proper facts. We request the Authority to consider the net export price as per the responses filed by the responding exporters and not based on the information supplied by the applicant. It is also apparent that the applicant has resorted to making unsubstantiated adjustments to show a lower net export price and adjustments may be worked out based on the responses by cooperating exporters only.
77. The applicant has revised their injury information post initiation since there has been a change in the POI at the time of initiation viz. what has been proposed by the applicant. An updated injury information has been submitted on 1st August, 2023 in view of the PCN eventually determined and it was apparent that the submission had many indexation errors and a corrected version was circulated on 4th August, 2023. However, the indexation for the period April 21 to June 21 still appears incorrect and proper annualization for such period is apparently not done to ensure proper comparisons. The injury information as such creates serious doubts on its correctness.

78. The applicant claimed constant capacity throughout the period of injury while NFA significantly increased from 100 (indexed) in the base year to 160 (indexed) in the FY 19-20. It seems that the applicant provided misleading information to prove a non-existent case of dumping, injury and causal link.
79. It has been submitted that such losses have not been caused because of the subject imports but because of extremely high costs of production. Other interested parties refuted the applicant's claim that the applicant was backward integrated to produce monomeric and polymeric PVC films by calendaring process and procures other types of PVC films such as cast PVC films, as and when required or demanded, to produce the desired SAV as per customers' requirement.
80. Only the injury information of the products which were manufactured and sold by the applicant in commercial quantities during the POI can be included in the injury information. However, as per our understanding, the applicant also included information of the products so-called manufactured (merely laminated) and sold by it in the POI even in miniscule quantities in the injury information. The respondents request the Authority to not accept the injury information filed by the applicant as the same is misleading and terminate the investigation outright.
81. Without prejudice to the above, there is no substance in the applicant's claims that it has suffered injury on account of imports of the subject goods from China PR as evidenced from the following facts.
- a. Significant increase in the import price from China PR: The prices from China PR increased significantly from 100 (Index) in the base year to 125 (Index) in the POI. Therefore, it is clear that the applicant has not suffered any injury on account of the imports of the subject goods from China.
 - b. Significant decline in the closing inventory: The opening inventory of the POI was 422 (Index) which declined significantly to 52 (Index) in the POI. Therefore, it is clear that the applicant has not suffered any injury on account of the imports of the subject goods from China PR.
 - c. No price suppression and depression: The prices from China PR increased significantly from 100 (Index) in the base year to 125 (Index) in the POI. The domestic sales realization per unit also increased significantly from 100 (Index) in the base year to 134 (Index) in the POI. Therefore, it is clear that there is no price suppression and depression. Accordingly, it can be clearly seen that the imports from China PR had not injured the performance of the applicant.

82. The applicant industry has suffered the injury, if any, not because of the imports of the subject goods from China PR but on account of their internal inefficiencies and decline in the prices of the subject goods globally. Any potential injury is attributable to factors unrelated to subject imports, such as high production costs and an inability to compete globally. Certain costs should not be included in calculating prices. The applicant's claim of price undercutting is challenged due to the absence of supporting data, and the other interested parties believe that this suggests that the subject imports may actually have higher landed values, weakening the injury claim.
83. Focus on export markets: The exports sales of the applicant increased significantly from 100 (Index) in the base year to 155 (Index) in the POI. Therefore, it is clear that the primary market of the applicant is the exports market and not domestic market.

G2. SUBMISSIONS BY THE DOMESTIC INDUSTRY

84. Following submissions have been made by the domestic industry with regard to injury and causal link:
- a. Though the petitioner began commercial production in December, 2016 from its integrated plant, it has not been able to find its place in the market and utilize the production facility to produce all ranges of the subject goods due to intensive dumping. Further, the petitioner is suffering extremely poor utilization of capacity, increasingly higher losses and its ability to continue operations itself is under a threat. Therefore, the petitioner requests the Authority to examine the case from the perspective of material retardation as well, along with the material injury being suffered by the petitioner.
 - b. Because of the dumped imports from China, and injury being suffered by the domestic producer, the applicant approached the Authority again in 2020 and an investigation was initiated 7th February 2020. Though the Authority came out with a positive finding on dumping, injury and causal links in its disclosure statements issued on 21.01.2021 and again on 20.07.2021, the Authority came out with a truncated product scope which would have led to blatant circumvention of the duty thereby completely nullifying the effect of the proposed duty. Therefore, the applicant was forced to withdraw the application under Rule 14(a) of the anti-dumping rules with the liberty to file a fresh application and the investigation was accordingly terminated on 03.08.2021.
 - c. In the previous investigation, the Authority had concluded that the applicant domestic industry had suffered material injury and also found significant injury margins.

- d. After withdrawal and termination of the investigation, the condition of the domestic industry has further deteriorated in all physical and financial parameters as can be seen from the data presented in the application.
- e. The applicant's SAV plant is operating at an abysmally low-capacity utilization of less than ***% at present down from ***% during the POI (down from about ***% in the previous investigation period), while the dumping has intensified.
- f. The imports from the subject country have increased significantly by almost 50% over the base year to about 13,000 MTs in the POI.
- g. The production and domestic sales of the domestic industry have become almost half in the POI compared to the base year, which itself was abysmally low due to the presence of dumped imports, showing serious injury.
- h. The market share of the domestic industry has fallen to a level as low as **%, whereas the dumped imports corner almost ***% of the market share despite the fact that the domestic industry is capable of meeting almost ***% of the market demand.
- i. There is a significant price undercutting and underselling of the domestic prices by the dumped imports and the domestic process are seriously suppressed and depressed due to the price effects of the dumped imports.
- j. All these factors have contributed to a significant loss for the domestic industry and the losses have alarmingly increased and almost doubled after the last investigation was terminated.

G3. EXAMINATION BY THE AUTHORITY

- 85. The Authority has taken note of various submissions of the domestic industry and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority here under *ipso facto* addresses the various submissions made by the interested parties.
- 86. The applicant had submitted that the dumped imports have clearly retarded its establishment all along since 2016-17 and the applicant requested the Authority to include material retardation along with material injury in the investigation.
- 87. The applicant had earlier filed an application requesting for initiation of anti-dumping investigation concerning imports of the subject goods originating in or exported from China

PR, which was withdrawn after issuance of the disclosure statements. The applicant had claimed in its application that it was manufacturing the PUC since 2012. Further, the applicant had claimed “material injury” and not “material retardation” in the previous investigation.

88. The Authority notes that the applicant is in production of the subject goods for a long period of time. The applicant did not even claim material retardation in the previous investigation. The Authority notes that material retardation is applicable in the case of new units, where data / information is not available for the injury period. The concept of material retardation is invoked to provide protection to the domestic industry, which is not yet established and which has not yet performed for a reasonable period of time i.e., is in a nascent (just started) or embryonic stages (in process of starting). In the present case, since the applicant is an established industry, the claim that the imports from China PR are materially retarding its establishment in India cannot be accepted.
89. 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. 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, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the anti-dumping rules.
90. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any. The Authority has taken note of the various submissions made by the domestic industry and the other interested parties during the course of investigations with regard to injury and causal link and has examined the injury to the domestic industry in accordance with the rules.
91. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some may not. The Authority considers all injury parameters and, thereafter, concludes whether the domestic industry has suffered injury or not.

G3.1. VOLUME EFFECT OF DUMPED IMPORTS ON DOMESTIC INDUSTRY**A. ASSESSMENT OF DEMAND / APPARENT CONSUMPTION**

92. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources. With regard to the 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. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S.

Particular	Unit	2018-19	2019-20	April 2020 – June 2021 (Annualised)	POI (Jul 21 – Jun 22)
Domestic Sales	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	74	36	47
Subject Imports from China	MT	12,638	13,080	8,098.24	10,519
<i>Trend</i>	<i>Indexed</i>	100	103.5	64	83
Imports from other countries	MT	3,263	2,925	2,729.02	1,310
<i>Trend</i>	<i>Indexed</i>	100	89	83	40
Total Demand	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	98	65	72

93. It is seen that the demand for the subject goods has decreased through the injury period but increased marginally in the period of investigation.

B. IMPORT VOLUME FROM THE SUBJECT COUNTRY

Particulars	Unit	2018-19	2019-20	April 2020 – June 2021 (Annualised)	POI (Jul 21 – Jun 22)
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Subject Country – China	MT	12,638	13,080	8,098.24	10,519
<i>Trend</i>	<i>Indexed</i>	100	103	64	83
Other Countries	MT	3,263	2,925	2,729.02	1,310
<i>Trend</i>	<i>Indexed</i>	100	89	83	40
Total Imports	MT	15,901	16,005	10,827.26	11,829
	<i>Indexed</i>	100	100	68	74
<i>Imports in relation to</i>		2018-19	2019-20	April 2020 – June 2021 (Annualised)	POI (Jul 21 – Jun 22)
Total Import into India	%	79	82	75	89
Indian Demand	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	105	99	116
Indian Production	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	146	1281	177

94. It is seen that:

- a. From the base year 2018-19, subject imports have increased in 2019-20, declined in 2020-21 but increased during the period of investigation.
- b. Similarly, the subject imports in relation to domestic production and demand have also considerably increased in the injury period but reduced in the POI.
- c. The share of the subject imports in total imports has increased when compared to the previous year and base year during the period of investigation.

G3.2. PRICE EFFECT OF DUMPED IMPORTS ON DOMESTIC INDUSTRY

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

A. PRICE UNDERCUTTING

96. To determine the price undercutting, 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.

Particulars	Unit	POI
Sales Realisation	₹/MT	***
Landed Price	₹/MT	1,88,975
Price Undercutting	₹/MT	***
	%	***%
	Range	0-10

97. It is seen that the landed price of imports has been below the net sales realization of the domestic industry, showing positive price undercutting.

B. PRICE SUPPRESSION AND DEPRESSION

98. 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 in normal course, the changes in the costs and prices over the injury period, were compared as below:

Particulars	Unit	2018-19	2019-20	April 2020 – Jun 2021 (Annualised)	POI (Jul 21 – Jun 22)
Cost of Sales (ex-factory)	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	94	109	143
Net Sales Realisation	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	102	110	133
Landed Price	₹/MT	1,67,542	1,59,028	1,71,602	1,88,975

<i>Trend</i>	<i>Indexed</i>	100	95	102	113
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99. It is observed that the landed prices decreased in 2019-20 when compared to 2018-19 (base year) but proceeded to increase in 2020-21 and the POI. The domestic industry has not been able to sell the product above its cost of production throughout the injury period. Therefore, it is noted that the subject imports are suppressing and depressing the prices of the domestic industry.

G3.3. ECONOMIC PARAMETERS OF THE DOMESTIC INDUSTRY

100. Annexure II to the anti-dumping rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the anti-dumping 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.
101. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions.

A. PRODUCTION, CAPACITY, CAPACITY UTILIZATION AND SALE

102. Capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the following table:

Particulars	Unit	2018-19	2019-20	April 2020 – Jun 2021 (Annualised)	POI (Jul 21 – Jun 22)
Installed Capacity (PUC)	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	100	100	100
Production Qty	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	71	36	47

Capacity Utilization	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	70	36	46
Domestic Sales	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	74	36	47

103. The Authority notes that the production and capacity utilization has decreased throughout the injury period but increased marginally in the POI. Domestic sales had increased in the POI when compared to the previous year but deduced when compared to the previous year.

B. MARKET SHARE

104. Market share of the domestic industry and imports over the period was as below:

Particular	Unit	2018-19	2019-20	April 2020 – Jun 2021 (Annualised)	POI (Jul 21 – Jun 22)
Domestic Industry	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	76	55	66
Imports from Subject country - China	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	105	98	115
Imports from other countries	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	91	127	55

105. It is seen that the market share of the subject imports from China increased in 2019-20 when compared to 2018-19 (base year) but reduced in 2020-21. Market share of the subject imports from China thereafter substantially increased in the POI when compared to the base year. It is noted that the market share of the domestic industry has declined throughout the injury period but remained constant in the POI when compared to the previous year.

C. INVENTORIES

106. Inventory position with the domestic industry over the injury period is given in the table below:

Particular	Unit	2018-19	2019-20	April 2020 – Jun 2021 (Annualised)	POI (Jul 21 – Jun 22)
Average Inventory	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	172	192	136

107. It is seen that the average inventories with the domestic industry increased throughout the injury period but reduced in the POI when compared to the previous year.

D. PROFITABILITY, RETURN ON INVESTMENT AND CASH PROFITS

108. Profitability, return on investment and cash profits of the domestic industry over the injury period is given in the table below:

Particular	Unit	2018-19	2019-20	April 2020 – Jun 2021 (Annualised)	POI (Jul 21 – Jun 22)
Cost of Sales	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	94	109	143
NSR / Unit	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	102	110	134
PBT	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	(100)	(43)	(102)	(214)
PBIT	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	(100)	(31)	(96)	(226)
Cash Profit	₹/MT	***	***	***	***

<i>Trend</i>	<i>Indexed</i>	(100)	0	(31)	(202)
ROCE	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	(100)	(605.99)	(624.41)	(126.64)

109. The Authority notes that the domestic industry incurred losses throughout the injury period. The domestic industry has also suffered cash losses and its return on capital employed is negative throughout the injury period.

E. EMPLOYMENT, WAGES AND PRODUCTIVITY

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

Particular	Unit	2018-19	2019-20	April 2020 – Jun 2021 (Annualised)	POI (Jul 21 – Jun 22)
No of employees	Nos.	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	76	51	43
Salaries & Wages	₹ Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	76	47	51
Productivity per day	MT/Day	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	71	36	47
Productivity per employee	MT/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	94	70	109

111. It is seen that the number of employees and wages of the domestic industry has decreased throughout the injury period. Productivity per day of the domestic industry has also decreased throughout the injury period but increased in the POI.

F. ABILITY TO RAISE CAPITAL INVESTMENT

112. The Authority notes that the domestic industry has made significant investments in plant and machinery and set up capacity for the product under consideration. However, the performance of the domestic industry has suffered considerably as it has incurred significant losses and negative returns. This indicates that the imports have adversely impacted the ability of the domestic industry to raise further investment.

G3.4. MAGNITUDE OF INJURY AND INJURY MARGIN

113. The Authority has considered the non-injurious price for the domestic industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been considered by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price of the domestic industry has been worked out and it has been compared with the landed price from each of the producers/exporters from the subject country for calculating injury margin as tabulated below. The injury margin for the non-cooperative exporters has been considered based on the facts available.

SN	Producer / Exporter	Weighted Average NIP (\$/MT)	Weighted Average Landed Value (\$/MT)	Weighted Average Injury Margin (\$ /MT)	Weighted Average Injury Margin (%)	Weighted Average Injury Margin (Range %)
1	Foshan KL Decorative Materials Co., Ltd.	***	***	***	***	(40-50)
2	Zhejiang So-fine Self Adhesive Products Co., Ltd.	***	***	***	***	0-10
3	Xusen HCR Digital Media Co., Ltd., China PR	***	***	***	***	0-10
4	Zhaoqing Southern New Material Limited, China PR	***	***	***	***	50-60

5.	Jiangsu Aoli New Materials Co., Ltd., China PR	***	***	***	***	70-80
6.	Avery Dennison (China) Co., Ltd	***	***	***	***	(50-60)
7.	Shanghai NAR Industrial Co. Ltd, China PR	***	***	***	***	0-10
8.	Nantong Baina Digital New Material Co., Ltd, China PR	***	***	***	***	0-10
9.	Zhejiang Yiya New Materials Co. Ltd., China PR	***	***	***	***	0-10
10.	Zhejiang Fulai New Materials Co., Ltd., China PR	***	***	***	***	(0-10)
11.	Others	***	***	***	***	80-90

H. NON-ATTRIBUTION ANALYSIS

114. As per the anti-dumping Rules, the Authority, *inter alia*, is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, *inter alia*, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It has been examined below whether factors other than dumped imports could have contributed to the injury to the domestic industry.

H1. VOLUME AND PRICES OF IMPORTS FROM THIRD COUNTRIES

115. It is seen that other than imports from the subject country, the volume of imports from Korea RP are significant. However, the imports from Korea RP are priced much higher than the price of imports from subject country, as well as the cost of production and selling price of the domestic industry. Therefore, the imports from these countries are not causing injury to the domestic industry. The volume of imports from countries, other than the aforesaid country, is not insignificant. Thus, the injury to the domestic industry cannot be attributed to imports from other countries.

H2. CONTRACTION IN DEMAND

116. The demand for the subject goods has increased over the period except FY 2020-21, and thus, contraction in demand has not caused injury to the domestic industry. Since the demand for the subject goods has increased over the period, the domestic industry has not suffered on account of this factor.

H3. CHANGES IN THE PATTERN OF CONSUMPTION

117. No material changes in the pattern of consumption of the product under consideration have been adduced by the domestic industry or other interested parties. Hence, changes in the pattern of consumption have not caused injury to the domestic industry.

H4. TRADE RESTRICTIVE PRACTICES

118. The Authority notes that there is no trade restrictive practice, which could have caused injury to the domestic industry.

H5. CHANGE IN TECHNOLOGY

119. The Authority notes that there has been no known material change in the technology for the production of the product under consideration.

H6. EXPORT PERFORMANCE

120. The information provided has been considered only for domestic operations of the domestic industry.

H7. PERFORMANCE OF OTHER PRODUCTS

121. The Authority has only considered data relating only to the performance of the subject goods. Therefore, performance of other products produced and sold by the applicant is not a possible cause of the injury to the domestic industry.

I. INDIAN INDUSTRY'S INTERESTS AND OTHER ISSUES

II. SUBMISSIONS BY OTHER INTERESTED PARTIES

122. The following submissions have been made by the other interested parties during the course of the investigation:

- a. Imposition of anti-dumping duties would severely affect downstream users. There exists a strong public interest element that should guide the determination of recommending anti-dumping duty. The other interested parties submit that if antidumping duties are imposed, the costs of SAV for users who are SMEs and MSMEs would go up immediately as the importers who are trading in the SAV will be constrained to pass on the resulting price hike to the users. This would squeeze the profit margins of the users, many of whom are small scale industries, impact cash flows and greatly lower profitability or result in losses to them. Indirectly, this would force the users to reduce capital expenses, labour costs and other overheads to stay afloat or decide to close their manufacturing units, resulting in loss of jobs.
- b. The applicant has calculated the impact on the downstream user of the PUC. As per the applicant, if 20% anti- dumping duty is imposed on imports of the PUC from China PR, then it will lead to only 4% increase in the INR/ Sq. Mtr. cost to the end user. Similar, the petitioner has also claimed that if 20% anti- dumping duty is imposed on imports of the PUC from China PR, then it will lead to only 6% increase in the INR/ Sq. Mtr. cost to the end user.
- c. It is submitted that the calculations made by the petitioner are grossly incorrect and misleading and do not present the whole picture. The respondents submit that there are three scenarios under which the impact of the anti-dumping duty, if imposed, can be analysed. The three scenarios are:
 - i. Scenario A: Scenario where anti-dumping duty on imports of SAV is not passed on to a user/convertor
 - ii. Scenario B: Scenario where anti-dumping duty on imports is passed on by an importer to the user/convertor
 - iii. Scenario C: Scenario where anti-dumping duty on imports of SAV passed on to a convertor/user is further passed on to the final consumer.
- d. Since the revised petition claims both dumping and injury margins in the range of 30-40%, respondents have considered anti-dumping duty of 30% and 40% for assessing the impact of anti-dumping duty on the importers and the users/convertors. Further,

we have considered average CIF price of Rs. 45 per square meter as mentioned in the revised petition for this analysis.

- e. When anti-dumping duty in the range of 30% and 40% are imposed and the importer is forced to absorb the impact of the same to maintain the market, the importers' profits of 10% turn into losses of 13% and 19% respectively. When the importer passes the anti-dumping duty onto the end users/convertors/processors but they absorb the impact of the anti-dumping duty, the net profits of 5% turn into net losses of 8% and 13% respectively. When these end users/convertors/processors pass on the impact of the anti-dumping duty onto the final consumers, there is an increase in selling price by 14% and 19%.
- f. From the above analysis, it is clear that when there is such high contribution of the cost of the PUC in the finished product, then any anti-dumping duty imposed on the subject imports will consequently have a higher impact on the total cost thereby making the business unviable. This will pose a grave threat to the survival of the small printers / convertors in the MSME sector. The user industry will not be in a position to pass on the impact of anti-dumping duty on its customers.
- g. The respondents further submit that the user industry works on slim margins and imposition of anti-dumping duty will push the user industry into loss-making situation. Hence, any imposition of anti-dumping duty will be a death knell to the entire user industry in India. Further, given that there is shortage of supply of domestically manufactured the PUC in the market, the imposition of anti-dumping duty will only worsen the demand-supply gap in India.
- h. The respondents also submit that even if anti-dumping duty is imposed, the quality issues with the SAV produced by the petitioner are so severe that the importers/users will not switch to the petitioner's products. The respondents also submit that if the impact of the anti-dumping duty becomes unviable, they will be forced to shut shop. This will have severe ramifications for the advertising industry in India.
- i. The facts as emerged from the discussions above shows that any anti-dumping duty as requested by the applicant shall have serious repercussions on the users and public interest in general. As stated in the initiation itself, self-adhesive vinyl is a flexible and versatile material, which is ideal for mounting on walls or rigid surfaces and the subject goods are widely used in various applications across the country. By the admission of the applicant, any anti-dumping duty to the tune of 20% will have an impact of about 4% effect on the cost of the end user which is a significant impact.

I2. SUBMISSIONS BY THE DOMESTIC INDUSTRY

123. The following submissions have been made by the domestic industry during the course of the investigation:

- a. The imposition of the duty will have a very minimal impact on the end - users. The advertising industry is the largest consumer/user of the product and this industry operates on a very high margin and has the capacity to absorb marginal increase in the cost of the advertising material due to increase in the cost of the SAV.
- b. A sample/indication of the impact of the increase in the price of SAV on the advertisers or users of the SAV is given below:

Impact analysis (Keeping SAV at 250 GSM)	Rs./Sq. Mtr.	Remarks
Average Price CIF of SAV per Sq. Mtr.	40.75	
Average Landed Value per Sq. Mtr.	45.25	
Average Landed Value per Sq. Mtr - cost to the end user	49.76	with inland freight and trading margins @10%
Average price paid by the end user of a printed SAV material / advertiser per Sq. Mtr.	100	
Percentage of the cost of SAV in the final price to the end user	50%	
Cost of SAV per Sq. Mtr. with 20% anti-dumping duty	58.72	
Impact on end user	4%	Negligible
Cost of SAV per Sq. Mtr. with 30% anti-dumping duty	63.20	
Impact on end user	6%	Negligible

I3. EXAMINATION BY THE AUTHORITY

124. The Authority issued Gazette Notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the consumers to provide relevant information with regard to the present investigation, including possible effect of anti-dumping duty on their operations. The

Authority sought information on, *inter-alia*, interchangeability of the product supplied by various suppliers from different countries, ability of the consumers to switch sources, effect of anti-dumping duty on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by imposition of antidumping duty.

125. It is noted that anti-dumping duty does not restrict imports, but only ensures that the imports enter the market at fair prices. Thus, the users will continue to have the broader choice and liberty to import the subject goods at fair prices, which will ensure better competition in the market. Further as stated in earlier paras the Authority has proposed to apply the measures to the product varieties produced in POI which faced material injury.
126. Similarly, with regard to quality and demand-supply gap, it is noted that the imposition of anti-dumping duty does not act as a ban on imports. The purpose of imposition of anti-dumping duty, in general, is to address the issue of trade distortion caused by the unfair trade practices in order to re-establish the situation of open and fair competition. In any case, the Authority notes that if there is a demand supply gap in the country, the foreign producers can certainly fill the gap in the country by bringing the product at a fair price. However, existence of demand supply gap does not justify dumping of the product.
127. With regard to impact on user industry, only the domestic industry has quantified the impact of impact of anti-dumping duty on the end user and that is in the range of 4-6%. The other interested parties have not quantified the impact of the anti-dumping duty on the end user and instead have quantified impact for the importers. Further, the Authority notes the submission of the domestic industry that advertisement is consumed by the advertisers and not the advertisement material suppliers and the advertisement materials, to which the PUC goes, constitutes a miniscule portion of the value of the underlying goods and services advertised. Therefore, a cost increase of say 6% on the advertisement material will have an insignificant impact on the advertiser who uses the advertisement.

J. POST DISCLOSURE COMMENTS

J1. SUBMISSIONS BY OTHER INTERESTED PARTIES

128. The following submissions have been made by the other interested parties:
 - a. Production process noted by the Authority is rather simplistic and does not reflect the technological capability required to manufacture all the different types of SAVs.

- b. The petitioner does not have separate machines for manufacturing different types of SAV such as mounting vinyl, adhesive coating of PET liners, textured rollers for bubble-free SAVs, coating release liners with different types of adhesives.
- c. There is an ambiguity in the definition of the PUC since it is not clear whether the specification of 100 microns applies to PVC film or for the SAV product as a whole or for the film + adhesive. The Authority is requested to modify the definition of the PUC and clarify that it pertains to thickness of the PVC film. The Authority may clarify whether the micron covers the thickness of film only or is it the total thickness considering the film, glue and the liner or any other basis.
- d. The PUC definition does not include reference to release paper/liner. The Authority is requested to revise the scope of the PUC and make it wholesome by including a reference to the release paper/liner.
- e. While confirming the scope of the product under consideration, the Authority has not covered the exclusion of self-adhesive films like sticker, tape, label, pouch, PP, TPU, inkjet media (less than 50 micron), profile, cloth, reflective, metalized, glow vinyl, HDPE, floor marking tape, acrylic, automotive, reflexive films, sun control films, or glass safety films in Para 25 of the disclosure statement. It is further submitted that the domestic industry does not manufacture SAV through cold lamination process and hence the same should also be excluded from the scope of PUC.
- f. The Authority is requested to kindly specify the PUC exclusions in the definition of the scope of the PUC in the final findings and the duty table forming part of the final findings to avoid confusion in the minds of the customs authorities, at the time of implementation.
- g. Dumping margin of 90-100% and injury margin of 80-90% determined by the Authority for the all-others category is very high and there is wide variation in the dumping margin and injury margin calculations for the participating producers/exporters. Producers/exporters have argued that this disparity is due to the wrong PCN methodology adopted by the Authority.
- h. The other interested parties submitted that data filed by the applicant is unreliable as they have changed data time and time again. The domestic industry filed updated petitions and updated injury information on multiple occasions during the course of the investigation. Further, some of the injury information for the previous years were also different in the revised injury information as compared to the information provided in the application.

- i. Increase in subject imports is because of increase in demand for the PUC in India, which the domestic industry is unable to cater to. The domestic industry has not taken any steps towards increasing its production in spite of high demand for the PUC in India.
- j. Volume of subject imports in relation to total imports is not a relevant parameter under the anti-dumping rules for examining volume effect.
- k. Price undercutting of 0-10% in the POI is not significant. Price undercutting data for the injury period as a whole is required and not just the POI.
- l. Zhejiang Fulai New Materials Co., Ltd submitted that they fully agree to the conclusions drawn by the Authority in the disclosure statement that they are not causing injury to the domestic industry. The interested party requested that NIL duty may be granted to Zhejiang Fulai New Materials Co., Ltd in the final findings based on the injury margin determined in the disclosure statement.
- m. Foshan KL Decorative Materials Co. Limited (producer/exporter) submitted that the Authority's request for clarification and justification on variation in the export quantity and price provided in its EQR and the imports as per Indian imports data is at the fag end of the investigation and is thus unwarranted.
- n. Foshan KL Decorative Materials Co. Limited further submitted that the data filed by them in the EQR is correct and requires no changes. No discrepancy has been found or questions raised about data kept by the exporter at the time of verification. Invoices set including proforma invoice, commercial invoice, packing list, bill of lading, freight & port expenses invoice, export declaration form and bank advice matched.
- o. Foshan KL Decorative Materials Co. Limited further submitted that similar issues raised earlier were also rejected by the Authority as no such mismatch was found in the records of the export which alone can be the basis for determinations in terms of the Act and the Rules. In fact, the applicant industry has raised the same issue in the earlier investigation on the same subject goods, wherein two disclosure statements were issued.
- p. Foshan KL submitted that in certain investigations, where the Authority found that the Indian customs data did not capture the complete data accurately and did not match with the data / information submitted by exporters, the Authority proceeded to rely on the verified data of the exporters.
- q. Foshan KL submitted that data captured by DG systems data (Indian customs data) is incorrect and cannot be relied on. The Authority, normally, does not

consider DG System data as it does not capture the accurate information, which is a known fact. Kind attention of the Authority is invited to the anti-dumping investigation against imports of Viscose Rayon Filament Yarn originating in or exported from China PR [F. No 06/06/2022-DGTR dated 29.02.2023], wherein the Authority had procured the import data from both DGCI&S and DG System but relied on the DGCI&S data for the purpose of the investigation. The direct exports to India details of the exporter as per the Indian Customs / DG System data shows only *** entries while the exporter exported *** invoices directly to India during the POI. The exporter exported much more quantity than the one reported in the Indian Customs / DG System data.

- r. Foshan KL humbly submitted that the difference, if any, between the information filed by the exporter in its response and Indian customs data is on account of the misdeclaration by the unrelated importers. Accordingly, the exporter shall not be held responsible for any misdeclaration by the unrelated importers. The related trader of the exporter, namely Guangzhou YuQuan Composite Material Co., Ltd. is trading the subject goods to India which it procures from the exporter as well as other sources. In such a situation, it is not possible to identify the entries related to the exporter and other producers from the information provided in the data of Indian Customs / DG System. The information relating to bill of entry is available only with the importers and not the exporter. It may kindly be noted that none of the importers are related to the exporter.
- s. The domestic industry has been able to increase its selling price in accordance with increase in cost of sales. Decline in landed value has not caused the domestic industry to decrease or present an increase in selling price.
- t. Operational parameters have increased in the POI. Hence, there is no injury.
- u. Market share of the subject imports has been at the same level throughout the injury period. Decline in petitioner's market share in April 2020 to June 2021 (annualized) from 2019-20 can be attributed to the steep increase in the market share of imports from other countries.
- v. Inventory has increased over injury period in spite of alleged decrease in production over the injury period. The claim of the domestic industry seems suspicious.
- w. Wages and productivity are not major factors for determining existence of injury to the domestic industry.
- x. The profit before interest and tax (PBIT) declined sharply between POI and immediate previous year and the drop was about 130 basis points. However, the

return on capital employed (ROCE) shows a massive improvement of about 498 points during the POI viz. the immediate previous year.

- y. Unless the domestic industry expresses interest and commitment to meet the qualitative requirements of the user industry and the varieties of SAV required by the user industry, the domestic industry would not take any decision to make such capital investments.
- z. Injury, if any, to the domestic industry is due to poor quality of SAV produced by the domestic industry. Some of the common quality issues faced by users/traders of the SAV produced by the petitioner are gumming issues, ink transference, poor holding capacity, inconsistent thickness of SAV.
- aa. When the volume of subject imports decreased by over 5000 MT from 2019-20 to April 2020-June 21 (annualized), instead of improving, the petitioner's economic parameters further declined during this period.
- bb. When the volume of subject imports increased from April 2020-June 21 (annualized) to the POI, the petitioner's operational parameters improved.
- cc. There is no correlation between movement in volume of subject imports and petitioner's economic performance. Hence, there is no causal link between subject imports and petitioner's alleged injury.
- dd. There is only one domestic producer of the like article in India, who also is not able to match the quantitative, qualitative, and variety-related requirements of the user industry in India. The user industry is entirely dependent on subject imports from China PR for meeting its requirements. Levy of the anti-dumping duty will establish monopoly of the petitioner.
- ee. It is denied that the impact of anti-dumping duty on the end-user will be only 4-6%, as calculated by the domestic industry.
- ff. When anti-dumping duties in the range of 80% and 90% are imposed and the importer is forced to absorb the impact of the same to maintain the market, the importers' profits of 10% turn into losses of 36% and 39% respectively.
- gg. When the importer passes the anti-dumping duty onto the end users/convertors/processors but they absorb the impact of the anti-dumping duty, the net profits of 5% turn into net losses of 34% and 39% respectively.
- hh. There are lakhs of people in small scale printing machine units all over India who are dependent on affordable availability of SAV as a raw material for their

livelihood purposes. If anti-dumping duty is imposed, this will severely affect such printing units.

J2. SUBMISSIONS BY THE DOMESTIC INDUSTRY

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

- a. Domestic industry submitted that the minimum thickness criteria of 100 microns in the product under consideration be removed.
- b. It was submitted by that glow vinyl and automotive vinyl not be removed from the scope of the PUC as submitted by the domestic industry in the rejoinder submission.
- c. It was submitted that the producers/exporters have claimed excessive confidentiality are in violation of Rule 7. Most of the producers/exporters have kept their product descriptions and description of products being exported to India confidential while all of them are arguing for exclusion of various product types without disclosing to the domestic industry what actually they are exporting to India and what their characteristics are.
- d. The domestic industry has further submitted that the Authority accepted the questionnaire responses of the producers/exporters without verification of the data and other information despite several deficiencies and inaccuracies. The dumping / injury margins determined for the producer/exporters appears to be impracticable.
- e. The domestic industry further submitted that even though a certain producer/exporter themselves raised the question about the reliability of the transactions between its related exporter and importer, warranting a rejection of the export price between them, the Authority has not resorted to construction of the export price to determine margin.
- f. The domestic industry submitted that for Foshan KL Decorative Materials Co. Limited (producer/exporter), as per the transaction-wise data relied upon by the applicant, the average CIF price of the exporter is much less compared to the other exporters from the subject country and therefore, a negative dumping and injury margin determination for this exporter is a surprise for the applicant domestic industry.

- g. The domestic industry submitted that it is aggrieved with the drastic reduction of the non-injurious price (NIP) by over 30% from ₹ ***/- per MT as claimed by the DI to ₹ ***/- per MT without any clear justification in the NIP disclosure given to the domestic industry. Certain elements of costs, such as raw material costs, packing costs, consumables, utilities, salaries and wages, selling and distribution expenses and NFA/ROCE, have been first reduced significantly.

J3. EXAMINATION OF THE AUTHORITY

130. The Authority notes the submissions of the interested parties regarding the thickness criteria of 100 microns. In this regard, relevant changes have been made to the definition of the product under consideration.
131. The domestic industry, in their petition, had specifically excluded the words “glow vinyl” and “automotive” in the methodology of sorting import data. The Authority notes that the domestic industry’s submission at the rejoinder stage regarding non-exclusion of glow vinyl and automotive vinyl cannot be accepted.
132. The domestic industry, in their post-disclosure comments, has submitted that their argument regarding excessive confidentiality, which they made in their rejoinder, was not addressed by the Authority. The Authority notes that as given in para 31 of the initiation notification, any submissions about excessive confidentiality have to be made within seven days of receiving the non-confidential version of the document. Further the comments on confidentiality were made in rejoinder and not circulated to other interested parties. Therefore, the Authority is of the view that submissions pertaining to excessive confidentiality are precluded from being introduced or entertained during the rejoinder stage.
133. It was also submitted by the domestic industry that certain responding producers/exporters have suppressed vital information and the Authority has not conducted proper verification of the same. Verification of the information provided by the interested parties was carried out by the Authority, to the extent necessary. The Authority further notes that domestic industry, in its rejoinder, rested its submission on web-based information which lacked any substantive depth relevant for establishing the authenticity of the argument presented. It is pertinent to note that the domestic industry has not even mentioned the domain name of the website(s) they have relied on. No evidence has been brought on record by the domestic industry to prove that the export price of the participating producers/exporters is unreliable. In the absence of any evidence to this effect, the Authority is not in a position to make any determination to this effect.

134. As far as the domestic industry's argument regarding reliability and construction of export price of producers/exporters is concerned, The Authority in such cases, examines the reliability of export prices where there is an association or compensatory arrangement between the exporter and importer and the Authority may find it unreliable. It falls outside the purview of the producer/exporter to argue that its own export price is unreliable and to request the Authority to construct the export price, as it remains within the Authority's discretion to determine the credibility and reliability of the same.

K. CONCLUSION AND RECOMMENDATION

135. Based on the submissions made, substantiated information provided by the interested parties and the facts available before the Authority as recorded and examined in the aforementioned paragraphs and on the basis of determination of dumping and consequent injury to the domestic industry in the form of material retardation of the establishment of the domestic industry, the Authority concludes the following:

- i) The product under consideration (PUC) in the present investigation is "self-adhesive vinyl" (SAV), popularly known in the market as "self-adhesive polyvinyl chloride film", "adhesive vinyl", "vinyl", "vinyl film", "self-adhesive PVC film" "One Way Vision Vinyl" or "cold lamination film". The product is an adhesive-backed vinyl with release paper/liner that allows its application on various surfaces. The product under consideration covers all types of SAV, with PVC film thickness above 100 microns, made by using Polyvinyl Chloride Films and imported in roll form only.
- ii) The subject goods exported from the subject countries and the article manufactured by the domestic industry are 'like article' to each other in terms of Rule 2 (d) of the AD Rules, 1995.
- iii) The petitioner is the sole producer of the product and accounts for 100% of the Indian production. The petitioner satisfies the requirements stipulated under Rule 2 (b) of the AD Rules, 1995 and the petition satisfies the standing requirements under Rule 5(3) of the AD Rules, 1995.
- iv) The dumping margin of the subject goods from the subject countries and by 7 of the 10 responding producers/exporters is positive and significant.
- v) The volume of the import from the subject country has declined in the POI but it is still significant compared to production and demand in India
- vi) The market share of the domestic industry during the POI has decreased significantly and in the POI the market share of the DI is 4.97% only.
- vii) The landed price of imports is below the net sales realisation of the domestic industry in the POI and is therefore undercutting the prices of the domestic

industry. Further, the selling price is even below the level of cost of sales throughout the injury period.

- viii) As regards the effect of such dumped on the economic parameters of the domestic industry, the following conclusions were reached:
 - a. Production and capacity utilization has decreased throughout the injury period but increased marginally in the POI. The capacity utilization is notably low and the domestic industry is operating at 13% capacity utilization in the POI.
 - b. The average inventories with the domestic industry increased throughout the injury period but reduced in the POI when compared to the previous year.
 - c. The domestic industry incurred losses throughout the injury period. The domestic industry has also suffered cash losses and its return on capital employed is negative throughout the injury period.
 - d. The number of employees and wages of the domestic industry has decreased throughout the injury period. Productivity per day of the domestic industry has also decreased throughout the injury period but increased in the POI.
- ix) The domestic has suffered injury as a result of the dumped imports. The injury margin is significant.
- x) The Authority has examined the submissions made by other parties on any other factors which could have caused injury to the domestic industry. No other factor appears to have caused injury to the domestic industry. The Authority concludes that the injury to the domestic industry has been caused by the dumped imports from the subject countries.
- xi) The antidumping duty is in the public interest. Anti-dumping duty does not restrict imports, but only ensures that the imports enter the market at fair prices. users will continue to have the broader choice and liberty to import the subject goods at fair prices, which will ensure better competition in the market.
- xii) With regard to impact on user industry, the impact of the anti-dumping duty on the end user is in the range of 4-6%. The Authority has examined the increase in cost of around 6%, which will have an impact of 0.006% on the advertiser who is the eventual user of the PUC.

136. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, embassies of the subject countries, exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal link. Having initiated and conducted an investigation into dumping, injury and causal link in terms of Rules and having established

positive dumping margin caused by such imports, the Authority is of the view that imposition of antidumping duty is necessary.

137. Having regards to the lesser duty rule followed, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of the anti-dumping duty on the imports of subject goods originating in or exported from the subject countries, for a period of 3 years, from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Column 7 of the duty table appended below.

DUTY TABLE

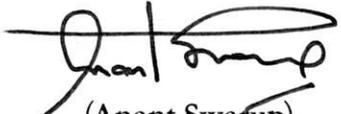
Sl. No.	Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	39199090, 39191000, 39199010, 39199020, 39209919, 39206929, 39219099	All types of SAV, with PVC film thickness above 100 microns, made by using Polyvinyl Chloride Films and imported in roll form only*	China PR	Any country, including China PR	Foshan KL Decorative Materials Co., Ltd.	NIL	MT	USD
2.	-do-	-do-	-do-	-do-	Zhejiang So-fine Self Adhesive Products Co., Ltd.	4	-do-	-do-
3.	-do-	-do-	-do-	-do-	Xusen HCR Digital Media Co., Ltd., China PR	112	-do-	-do-

4.	-do-	-do-	-do-	-do-	Zhaoqing Southern New Material Limited, China PR	942	-do-	-do-
5.	-do-	-do-	-do-	-do-	Jiangsu Aoli New Materials Co., Ltd., China PR	1824	-do-	-do-
6.	-do-	-do-	-do-	-do-	Avery Dennison (China) Co., Ltd	NIL	-do-	-do-
7.	-do-	-do-	-do-	-do-	Shanghai NAR Industrial Co. Ltd, China PR	119	-do-	-do-
8.	-do-	-do-	-do-	-do-	Nantong Baina Digital New Material Co., Ltd, China PR	119	-do-	-do-
9.	-do-	-do-	-do-	-do-	Zhejiang Yiya New Materials Co. Ltd., China PR	201	-do-	-do-
10.	-do-	-do-	-do-	-do-	Zhejiang Fulai New Materials Co., Ltd., China PR	NIL	-do-	-do-
11.	-do-	-do-	-do-	-do-	Any other	1865	-do-	-do-
12.	-do-	-do-	-do-	Any country other than China PR	China PR	1865	-do-	-do-

**Self-adhesive films like sticker, tape, label, pouch, PP, PET, TPU, inkjet media (less than 50 micron), profile, cloth, reflective, metalized, glow vinyl, HDPE, floor marking tape, acrylic, BOPP, automotive are not covered within the scope of PUC. Further, reflective films, sun control films and glass safety films and self-adhesive products made using other than PVC films such as PET, PU, BOPP, etc. outside the scope of the product under consideration.*

L. FURTHER PROCEDURE

138. An appeal against the determination of the Designated Authority in this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.



(Anant Swarup)

Designated Authority