

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

NOTIFICATION

New Delhi, the 26th October 2004.

FINAL FINDINGS
(Mid-term Review)

Subject: Anti-Dumping (Mid-Term Review) investigations concerning imports of Lead Acid Batteries originating in or exported from Bangladesh, China PR, Korea RP and Japan.

No. 15/8/2003- DGAD - Having regard to the Customs Tariff Act, 1975, as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof:

A. PROCEDURE:

1. The procedure described below has been followed:
 - i. The Designated Authority (hereinafter referred to as the Authority) notified Final Findings vide Notification No. 67/1/2000- DGAD dated 7/12/2001 recommending imposition of anti-dumping duties on all imports of lead-acid batteries originating in or exported from Bangladesh, China PR, Korea RP and Japan.
 - ii. The Customs Tariff Act, 1975, as amended in 1995 and the Rules made thereunder require the Authority to review from time to time, the need for the continued imposition of definitive anti dumping duty imposed by the Central Government. One of the importers of lead-acid batteries M/s. Dansa International vide their letter dated 15th March, 2004 had requested for the initiation of a review of the recommendation made by the Authority vide Notification No. 67/1/2000- DGAD dated 7/12/2001, due to changed circumstances.

- iii. Having decided to review these Final Findings, the Authority initiated the present investigations vide Notification No. 15/8/2003-DGAD dated 18th March 2004 to review the need for continued imposition of anti dumping duty on lead-acid batteries from the subject countries in accordance with the Customs Tariff Act, 1975, as amended in 1995, and the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995(hereinafter referred to as AD Rules). This review covers all aspects of Notification No. 67/1/2000-DGAD dated 7/12/2001.
- iv. The Designated Authority sent a copy of the Initiation Notification to the embassies of the subject countries, the exporters, importers and the domestic industry as per the list available in the original anti-dumping investigation and requested them to make their views known in writing within 40 days of the initiation of this review investigation. On the basis of request from some of the interested parties extension was granted till 7/05/2004 to all the interested parties to file their submission within the extended time period.
- v. A request was made to the DGCI&S to make available details of imports of subject goods.
- vi. Copies of the initiation notification were also sent to FICCI, CII and ASSOCHAM for wider circulation.
- vii. The Authority made available the public file to all interested parties containing non-confidential version of all evidence submitted by various interested parties for inspection, upon request;
- viii. The Authority conducted verification of the information submitted by the domestic industry in order to work out the optimum cost of production and the cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP).
- ix. The Authority conducted verification of information submitted by the responding exporters relating to the investigation. Exporter verification reports were sent to all the responding exporters but none of the exporters made any comment either on the methodology or the reporting of the Authority.
- x. The Authority provided an opportunity to all interested parties to present their views verbally in the public hearing held on 8th July 2004. All parties presenting their views verbally were requested to file written submissions of the views expressed verbally. The parties were also advised to collect copies of the views expressed by the opposing parties and offer rejoinders, if any.
- xi. The views expressed by various interested parties in response to the initiation notification and subsequent to the public hearing are discussed in the relevant paragraphs herein below to the extent these are relevant as per rules and have a bearing upon the case. The arguments raised by the interested parties have

been examined, considered and, wherever appropriate, dealt in relevant paragraphs.

- xii. In accordance with Rule 16 supra, the essential facts/basis considered for these findings were disclosed to known interested parties and comments received have been duly considered in these findings.
- xiii. **** in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the AD Rules.
- xiv. Investigations were carried out for the period of investigation(POI) from 1st April 2003 to 31st December 2003 (9 months). However injury analysis have been carried out for the years April 2000 – March 2001, April 2001 – March 2002, April 2002 – March 2003 and the period of investigation.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE:

2. The product under consideration is “Lead Acid Batteries” falling under Chapter 85, Sub Heading 8507 of the Customs Tariff Acts as in the original investigation.

3. The Authority notes that the basic manufacturing process, the applications and overall use of the imported product and that manufactured by the domestic industry are similar. There is a high degree of interchangeability and competition between the imported product and the product manufactured by the domestic industry . There are similarities in physical characteristics, production process, end use of the subject goods imported from the subject countries and those produced by the domestic industry.

4. In this mid term review investigation weight of the batteries is considered for assessing various parameters as considered in the original investigation.

5. The exporters have argued that in the original investigation the product under consideration has been categorized under automotive, industrial and motorcycle batteries and in this investigation, the Authority has considered and provided a single dumping margin for all types of batteries. With reference to the argument of the exporters, it is noted that the product under consideration is lead acid batteries, therefore, dumping margin has been determined for the same. The Authority notes that lead acid batteries produced by the domestic industry has been considered as Like Article to the product exported from subject countries within the meaning of Rule 2(d).

C. DOMESTIC INDUSTRY:

6. In the original investigation the application for anti dumping investigation was filed by M/s Exide Industries Ltd and M/s Amara Raja Batteries Ltd., on behalf of domestic industry. Subsequent to initiation, M/s Amco Batteries supported the application and provided the relevant information. In this mid-term review M/s. Exide Industries Ltd, and M/s. Amco Batteries Ltd. filed the costing and injury information. M/s. Amara Raja Battery filed the costing and injury information after the extended time. Exporters have submitted that M/s Amara Raja has not submitted any data till 7th May 2004 and therefore, their data should not have been accepted and considered in this analysis. However, instead of disregarding the delayed submission, in the present case it is found to be appropriate to consider the information/data filed by M/s. Amara Raja Battery.

7. M/s. Amco Battery has collaboration with M/s. Yuasa Corporation, Japan and the Japanese counterpart holds 15% of the equity and share capital in the company. Since M/s. Amco Batteries is the related company with the exporter and is also the importer of subject goods during the period of investigation, the Authority did not find it appropriate to consider it a part of domestic industry. In this mid-term review investigation M/s. Exide Industry Ltd., and M/s. Amara Raja Batteries Ltd., have been considered as the domestic industry in terms of AD Rules.

8. M/s. Exide Industry Ltd. and M/s. Amara Raja Batteries Ltd. account for a major proportion of the domestic industry and have the standing in terms of the provisions of the AD Rules.

D. OTHER ISSUES:

9. It has been argued by the domestic industry that the applicant has not brought sufficient grounds for initiation of this review. This review was initiated merely on a representation made by an importer of lead acid batteries from Bangladesh. The applicant had not given any positive information substantiating the need for review. The domestic industry further argued that as per Rule 23, the Designated Authority shall, from time to time, review the need for continued imposition of the anti dumping duty. The Rule requires that the Designated Authority shall recommend withdrawal of the anti dumping duty if it is satisfied that on the basis of information received that there is no justification for continued imposition of said duty.

10. The applicant M/s. Dansa International and M/s. Rahimafrooz Batteries Ltd., an exporter from Bangladesh submitted that the satisfaction referred to Rule 23 (1) does not apply for initiation a review. The Authority has correctly initiated the review under the AD Rule.

Rule 23(1) states, “The designated authority shall, from time to time, review the need for the continued imposition of the anti-dumping duty and shall, if it is satisfied on the basis of information received by it that there is no justification for the continued imposition of such duty recommend to the Central Government for its withdrawal.

11. The arguments raised by the interested parties have been examined and notes that rule 23(1) contains two operative parts. The first part provides that the Designated Authority shall, from time to time, review the need for continued imposition of the anti-dumping duty. The second part provides that the Designated Authority shall, if it is satisfied on the basis of information received by it that there is no justification for the continued imposition of such duty recommend to the Central Government for its withdrawal. Since sufficient time has lapsed from the date of imposition of duties and information provided by the applicant regarding the cessation of imports from Bangladesh, the Authority finds it appropriate to initiate this mid-term review.

12. The domestic industry has also argued that evidence regarding changed circumstances has not been provided. The Authority notes that the applicant has stated that the imports from Bangladesh has ceased and prices of lead has increased; the same was examined and considered sufficient reason for initiating the mid term review.

13. The domestic industry has argued that importer does not have the locus-standi to file the review application. The Authority notes an importer is an interested party as per Rule 2(c)(i) and therefore is entitled to make a request for initiation of the mid term review.

14. The domestic industry argued that the initiation notice published by the Authority is defective as it did not contain necessary information as required to provide under rule 6(1) (i), (iii) and (iv) of the Anti-Dumping Rules, 1995. The applicant and the exporter from Bangladesh argued that there is no infirmity in the initiation notice published by the Authority as the initiation notification covers the review of anti dumping duty of the original findings.

15. It is noted that the reading of first paragraph with fourth paragraph of the initiation notice clearly indicate that this mid-term review was issued pursuant to the final findings of the Authority in the anti-dumping investigation concerning import of lead acid batteries originating in or exported from Bangladesh, China PR, Korea RP and Japan. There is no ambiguity in the initiation notice with regard to whether investigation covers only Bangladesh or all the four countries, as raised by domestic industry.

Rule 6(1)(iii) requires the Authority to provide information on the basis of which dumping is alleged in the application. The domestic industry argues that there is no allegation of dumping by the importer (applicant). The present request is only to review the need for continued imposition of the said duties in the original investigation. The Authority notes Rule 6(1)(iii) is not relevant in this investigation.

16. The Domestic Industry has argued that Rule 6(1)(iv) requires that the initiation notice shall contain a summary of allegation of injury. The Authority notes that the request by the applicant is only to review the existing duties, which may involve a review of the injury suffered by the domestic industry, therefore, Rule 6(1)(iv) is not relevant in this investigation.

17. The domestic industry in response to the disclosure statement has submitted that the finding of Hon'ble CESTAT in the original investigation has neither been stayed nor set aside by Hon'ble Supreme Court of India in a Special Leave Petition filed by M/s. Shenyang Matshushita Storage Battery Company Ltd., and the same is pending before the Hon'ble Supreme Court of India. In view of the above, the Designated Authority should calculate the dumping for the above mentioned exporter on the judgment of Hon'ble CESTAT's Order and treat these exporters or other manufacturers located in China PR because any deviation would result in derogation of law. In this regard it is noted that neither the Hon'ble Supreme Court nor any other Tribunal /Court has put any bar on conducting mid term review by the Designated Authority as per the provisions of the AD Rules

E. METHODOLOGY FOR CALCULATION OF DUMPING MARGIN CHINA PR:

18. The Designated Authority, as per para 8(2) of Annexure I of the AD Rules for the purpose of assessing the Normal Value, proceeds with a presumption that any country that has been determined to be or has been treated as, a non-market economy country for purposes of an anti dumping investigation by the Designated Authority or by the competent authority of any WTO member country during the three years period preceding the investigation is a non-market economic country. In the past three years China PR has been treated as a non-market economy country in the anti- dumping investigations by WTO members such as EU and USA. In the instance case, China PR is proposed to be investigated as a non-market economy Country.

19. The Authority sent a market economy treatment (MET) questionnaire and exporters questionnaire to all the known exporters (whose details were made available by the petitioners in the original investigations) for the purpose of determination of

normal value in accordance with Section 9A (1)(c). Responses have been received from the following producer/exporters from China PR:

- i. M/s Shenyang Matsushita Storage Battery Co. Ltd, China,PR
- ii. M/s Shenzhen Senry Battery Company Ltd, China,PR

20. The determination of normal value in respect of China PR is to be carried out in accordance with the rules relating to non-market economies as contained in Para 7 & 8 of Annexure-1 of AD Rules as amended. The Authority notes that para 7 of Annexure 1 of AD Rules provides that:

“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.”

21. Further Para 8 of Annexure 1 of the AD Rules (as amended) provides that:

“8 (1) The term “non-market economy country” means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in sub-paragraph(3)

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an anti dumping investigation by the Designated Authority or by the competent authority of any WTO member country during the three year period preceding the investigation is a non-market economic country;

Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3).”

22. Two of the Chinese exporters M/s Shenyang Matsushita Storage Battery Co. Ltd, China PR and M/s Shenzhen Senry Battery Company Ltd, China PR filed their response to the market economy questionnaire to rebut the presumption as per criteria laid down in para 8 (3) of Annexure1 of AD Rules.

- i. M/s. Shenzhen Senry Battery Company Ltd, China PR is a joint venture company between M/s. Shenzhen Centre Power Technology and a Hong Kong based company. The investigation team did not find any interference or control of the state authorities from the records made available before the team. During the time of verification, the company was asked to explain and get the information/data verified from the books of accounts and Profit and Loss accounts for the period of investigation. The cost information/data submitted to the Authority did not reconcile with the information/data presented by the company during the verification. Electricity and water were procured from the state owned companies which were verified from their original records made available by the company during the verification. The export sales invoices were verified from the records maintained by the company. It was found that the exchange rate as prevailed during the period of investigation on a monthly basis have been considered for converting the foreign exchange earnings into Chinese currency. Regarding the bankruptcy laws the representative of the company explained that the laws available regulate the Chinese companies in this regard which guarantee legal certainty and stability for the operation.
- ii. M/s. Shenyang Matsushita Storage Battery Co. Ltd, China,PR was incorporated under the laws of China PR. It is a joint venture company between Matsushita Electric Industrial Company Ltd., Japan and the Chinese company Dongbei Storage Battery Co., Ltd. The investigation team did not find any interference or control of the state authorities from the records made available before the team. During the verification it was observed that the company has assessed the cost of production in respect of all models exported to India based on a hypothetical basis. The company has allocated/appORTioned all expenses including raw materials, utilities, direct labour, manufacturing overheads, administration overheads in proportion to sales value of different models. As per the Exporter Questionnaire the company is required to provide information in respect of the subject goods based on actual cost which was not provided by the company. Actual cost of different models/ types of lead acid batteries could not be verified from information submitted by the company. Electricity and water were procured from the state owned companies, which were verified from their original records available with the company. The export sales invoices were verified from the records maintained by the company. It was found that the exchange rate as prevailed during the period of investigation on a monthly basis have been considered for converting the foreign exchange earnings into Chinese currency. Regarding the bankruptcy laws the representative of the company explained that the laws available regulate the Chinese companies in this regard which guarantee legal certainty and stability for the operation.

- iii. Exporters from China PR in response to the disclosure statement have submitted that rejection of cost of production cannot alone be a factor in determining the non market status to the company. In this regard it is noted that the examination of MET is based on all individual factors as laid down at para 8(3) in Annexure 1 of AD Rules.
- iv. It is noted that the Chinese exporters did not furnish complete information/evidence as mentioned in sub para 3 of the para 8 of Annexure 1 of AD Rules to enable the Designated Authority to consider the following criteria as to whether
 - a. the decision of concerned firms in such country regarding prices, costs and inputs, including raw materials cost of technology and labour, output sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
 - b. the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
 - c. such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and
 - d. the exchange rate conversions are carried out at the market rate;

23. It is noted that the above mentioned Chinese exporters did not furnish the complete information/evidence to rebut the presumption of non market economy as mentioned above. In absence of complete information the Authority did not consider the claim of market economy status to the concerned individual companies.

24. The normal value in respect of all exporters/producers from China PR is determined as per rules relating to non-market economies as contained in Para 7 of Annexure-1 of AD Rules.

M/s. SHENYANG MATSUSHITA STORAGE BATTERY CO. LTD CHINA PR.

NORMAL VALUE

25. The company has provided invoice-wise details of domestic sales transaction in respect of all models exported to India during the period of investigation. It was observed that the company has assessed the cost of production in respect of all models exported to India based on a hypothetical basis. The company has allocated/appportioned all expenses including raw materials, utilities, direct labour,

manufacturing overheads, administration overheads in proportion to sales value of different models. As per the Exporter Questionnaire the company is required to provide information in respect of different models based on actual cost which was not provided by the company. The actual cost of different models/ types of lead acid batteries could not be verified from information submitted by the company. In absence of actual cost of production the Authority could not ascertain whether the domestic sales price in respect of models/types of batteries exported to India was above the cost of production or not. In view of above normal value is constructed as per para 7 of Annexure-I of AD Rules. The normal value is, therefore, assessed as US\$****/Kg.

EXPORT PRICE:

26. The company has provided invoice wise details of exports of different models / types of lead acid batteries made to India during the period of investigation. In order to arrive at the ex factory export price the company has claimed adjustments in respect on inland freight, insurance, shipping charges, overseas freight and overseas insurance. The adjustments with regard to their claim have been verified from their records to arrive at ex-factory export price for the models/types exported to India during the period of investigation. The same have been adopted to arrive at ex-factory export price. The Authority has determined the weighted average ex-factory export price as US\$ ****/Kg.

M/S SHENZHEN SENRY BATTERY COMPANY LTD,CHINA PR:

NORMAL VALUE:

27. The company has submitted information in combined form with regard to the cost of production for both M/s. Shenzhen Center Power Technology and M/s. Shenzhen Senry Battery Ltd. in appendices 5,6,7,8 and 9. At the time of verification, the company was asked to explain and get the information/data verified from the books of accounts and Profit and Loss accounts for the period of investigation. The information/data submitted to the Authority did not reconcile with the information/data presented by the company during the verification. Subsequent to the verification the company provided another set of information in Appendices 5,6,7,8 and 9. It is noted that the information submitted after the verification was substantially different with the information submitted prior to the verification. In view of the above, the cost of production claimed by the company for establishing whether the domestic sales is above the cost of production or not, has not been considered. Accordingly, normal value has been constructed as per para 7 of Annexure-I of AD Rules. The normal value is, therefore, assessed as US\$****/Kg.

EXPORT PRICE:

28. Invoice-wise details regarding exports to India has been furnished in Appendix 2 for different models/types for the period of investigation. Adjustments have been claimed with regard to inland trade, overseas freight, overseas insurance and clearance and handling charges. The adjustments with regard to their claim have been verified from their records to arrive at ex-factory export price for the models/types exported to India during the period of investigation. The same have been adopted to arrive at ex-factory export price. The weighted average ex-factory export price has been determined as US\$ ***/Kg.

OTHER EXPORTERS/PRODUCERS FROM CHINA PR:

NORMAL VALUE:

29. None of the other exporters from China PR, except above mentioned exporters, have responded. Since there were no other responding exporters/producers from in China PR, the normal value has been constructed as per para 7 of Annexure-I of AD Rules for all other exporters/producers from China, PR. The normal value is, therefore, assessed as US\$***/Kg.

EXPORT PRICE:

30. The export price is determined on the basis of lowest export price of the cooperative exporter from China PR. To arrive at ex-factory export price, adjustments have been considered as adopted for the cooperative exporters from China PR. The ex-factory export price is determined as US\$***/Kg. for other exporters/producers.

KOREA, RP:

M/S GLOBAL BATTERY CO, LTD, KOREA, RP:

NORMAL VALUE:

31. The company has provided details of domestic sales of the subject goods for the period of investigation. The exporter claimed that the normal value in respect of models/types exported to India should be assessed based on the domestic sales of the lead acid batteries to a particular buyer and not for the company as a whole. However during the course of verification the claim of the exporter could not establish representativeness of the comparable customers. In view of the above, the Authority adopted the domestic sales realisation in respect of models/types exported to India. The company furnished cost details of different models of lead acid batteries produced

and exported to India during the period of investigation. The company has furnished the Profit & Loss account for the period of investigation as the same was different from their accounting year. Accordingly, un-audited but reconciled Profit & Loss account for the period of investigation formed the basis for calculating actual cost of production of different models/types of lead acid batteries produced during the period of investigation. The company has provided details of cost of production of different models of batteries sold in the domestic market and the same was considered for assessing whether the domestic sales is above the cost of production or not. In view of above, normal value has been determined on the basis of domestic selling price of the exporter. The normal value is therefore assessed as US\$****/Kg.

EXPORT PRICE:

32. The company has provided invoice wise details of exports of different models / types of lead acid batteries made to India during the period of investigation. In order to arrive at the ex factory export price the company has claimed adjustments in respect on inland freight, packing cost, shipping charges, overseas freight and insurance. The adjustments with regard to their claim have been verified from their record to arrive at ex-factory export price to India during the period of investigation. The same have been adopted to arrive at ex-factory export price. Weighted average ex-factory export price has been determined as US\$ ****/Kg.

M/S. N.B. CORPORATION,KOREA,RP:

NORMAL VALUE:

33. The company has submitted details of domestic sales for the period of investigation in Appendix-1. The company has provided the cost of production of the corresponding models sold to India in Appendix 8 . During the course of verification the company was asked to provide the basis of allocation of different expenses to specific models/types exported to India. It was observed that material cost including lead, separator, acid and others were shown as a uniform percentage of sale realisation of the sale price. The company could not provide sufficient justification for allocation of material and overheads as a fixed percentage of sales realisation. It was found that the company has assessed the cost of production in respect of all models exported to India based on a hypothetical basis which did not reconcile from their books of accounts. The company has allocated all expenses including raw materials, utilities, direct labour, manufacturing overheads, administration overheads in proportion to sales value of different models. It is noted that the actual cost of different models/ types of lead acid batteries could not be verified from the information/data submitted by the company. In view of the above, the cost of production claimed by the company for establishing whether the

domestic sales is above the cost of production or not has not been considered. Therefore, the normal value has been constructed based on facts available as per Rule 6(8) of AD Rules. The normal value is therefore assessed as US\$****/Kg.

EXPORT PRICE:

34. The company has provided invoice-wise details of exports of different models/types of lead acid batteries made to India during the period of investigation. In order to arrive at the ex-factory export price the company has claimed adjustments in respect on inland freight, packing cost, shipping charges, overseas freight and insurance. The adjustments with regard to their claim have been verified from their records to arrive at ex-factory export price for the models/types exported to India during the period of investigation. The same have been adopted to arrive at ex-factory export price. The weighted average ex-factory export price has been determined as US\$ ****/Kg.

OTHER EXPORTERS/PRODUCERS FROM KOREA,RP:

NORMAL VALUE:

35. It is noted that none of the other exporters from Korea RP, except above mentioned exporters, has responded. Since there were no other responding exporters/producers from Korea RP, the normal value for all other exporters/producers has been constructed based on facts available as per Rule 6(8) of AD Rules. The normal value is therefore assessed as US\$****/Kg. for all other exporters/producers.

EXPORT PRICE:

36. The export price is determined on the basis of lowest import price of the cooperative exporters from Korea RP. To arrive at ex-factory export price, adjustments have been considered as adopted for the cooperative exporters. The ex-factory export price is determined as US\$****/Kg. for other exporters/producers.

JAPAN

37. It is noted that none of the exporters from Japan has responded to the exporters questionnaire. Letters were sent to all the known exporters and their embassy at the time of initiation. Further, all the exporters and the representatives of their embassy were invited during the public hearing which was held on 8/7/2004. In view of the non-cooperation, the Authority had no option but to proceed on the basis of best information available. Under these circumstances, normal value has been constructed

on the basis of facts available as per rule 6(8) of AD Rules. The normal value is, therefore, assessed as US\$****/Kg. for all exporters/producers.

38. The export price has been determined on the basis of import statistics made available by DGCI&S. To arrive at ex-factory export price, adjustments have been considered on facts available. The ex-factory export price is determined as US\$****/Kg. for all exporters/producers.

BANGLADESH

39. M/s. Rahimafrooz Batteries Ltd has submitted its response to the exporters’ questionnaire. They have not exported the subject goods to India during the period of investigation and the same has been verified from the DGCI&S import statistics. DGCI&S statistics indicates that during the period of investigation there were no exports of the subject goods from Bangladesh.

40. In the absence of export price or constructed export price, dumping margin has not been determined.

DUMPING- MARGIN

41. In response to the disclosure statement, exporters from China PR and Korea RP have submitted that methodology for calculation for normal value has not been provided to them. In this regard it is noted that the verification reports sent to them contained all details and no comments on the same have been received.

Based on the normal value and export price as determined above, the Authority assessed the dumping margin as under:

Country	Exporters/Producers	Ex-factory normal value	Ex-factory export price	Dumping Margin(%)
China PR	Shenzhen Senry	****	****	12.03%
	Shenyang Matsushita	****	****	-ve
	Other Producers/Exporters	****	****	40.04%
Korea RP	Global Battery	****	****	17.42%
	N. B. Corporation	****	****	38.41%
	Other Producers/Exporters	****	****	38.41%
Japan	All Producers/Exporters	****	****	-ve
Bangladesh	All Producers/Exporters	****	****	-----

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

F.1 INJURY AND CAUSAL LINK:

42. The views of domestic industry are summarized below:-

- i. Imports from the subject countries have declined as a result of imposition of anti dumping duty. Significant decline in import volumes implies that there is no way the foreign producers can export except by resorting to dumping practices. This implies that revocation of anti dumping duty would result in recurrence of injury to the domestic industry.
- ii. Production and sales of the domestic industry have increased. The increase in production is due to (a) imposition of anti dumping duty on dumped imports in the Country, and (b) significant increase in demand of the product in the Country.
- iii. Domestic industry has enhanced its capacities in anticipation of boom in the automobile sector and significant increase in industrial segment.
- iv. Stocks have increased due to higher increase in production than sales volumes. Sales volumes of the domestic industry were lower than production volumes due to continued availability of dumped imports.
- v. The domestic industry has trimmed its manpower and increased its productivity. Even though total wages paid by the domestic industry increased, wage per battery or wage per kg. of battery production declined. Thus, the domestic industry has been able to curtail the effect of wage increase through increase in production.
- vi. The landed price of imports from the subject countries continues to be lower than net sales realization of the domestic industry. The landed price of imports is significantly below the selling prices of the domestic industry. Thus, imports continue to undercut the prices of the domestic industry in the market.
- vii. Imposition of anti dumping duty has helped the industry in improving its profits. At the same time, the domestic industry undertook financial restructuring, supported with the anti dumping duty imposed by the Govt. of India. Resultantly, the profits of the domestic industry have increased. The increase in profitability is largely due to financial restructuring and due to imposition of anti dumping duty.
- viii. Cash flow of the domestic industry has remained more or less static. Cash profits of the domestic industry has increased. This helped the domestic industry in improving its profits further. The domestic industry has been able to improve its profits due to imposition of anti dumping duty, return on investments earned by them have remained sub-optimal.
- ix. The foreign producers are holding significant capacities. The relevant information is already on record in view of original investigations. It is thus

imminent that there would be significant increase in imports should the present duties be withdrawn at this stage.

- x. Domestic Industry submits that the imports are already undercutting the prices of the domestic industry to a very significant extent. If the present duties be revoked, the extent of price undercutting would further increase, which would most likely result in further increased imports. Further, the performance of the domestic industry was already adverse during the period under investigation and it is likely that without anti dumping measures in place considerable increased volumes of the product concerned would be shipped in the Indian market at very low prices, further worsening the situation of the domestic industry.
- xi. The Domestic Industry submits that the production capacity in subject countries for the product under consideration are significantly higher than demand in their respective countries which implies if the anti-dumping duty on subject countries is revoked, large shipments are imminent. If the current measures be allowed to lapse, there is a threat that a significant proportion of unused production capability would be used to flood the Indian market at the dumped prices.
- xii. Removal of present anti dumping duty would cause a price depression on the Indian market, as the domestic industry has no other option but to maintain its market share rather than reduce its production i.e. sale prices would have to be bench marked to the imports. This would in turn further erode the profitability of the domestic industry.
- xiii. The domestic industry in the comments to the disclosure statement has submitted that segment wise examination of the product has not been carried out. This has defeated the purpose for which the information has been provided to the Authority. It is requested to examine the injury to the domestic industry separately for the automotive and industrial segments as the domestic industry has suffered continued injury in the industrial segment.

F.2 VIEWS OF THE EXPORTERS:

43. The exporters and other interested parties submit that the performance of M/s Exide Industries has improved on all factors of injury. This improvement is despite the fact that the price of lead has increased considerably in the recent past. They have also argued that the domestic industry is selling subject goods at a much lower price than the landed value from the subject countries. This clearly shows that the domestic industry was not only able to absorb the increase in costs of production of subject goods but was also able to earn huge profits. It may also be seen that the exporters from China and Korea are not dumping the subject goods which is clear from their response and will continue to supply at non-dumped prices even after lifting of anti-

dumping duties. The interested parties submit that domestic industry is not suffering any kind of injury nor the injury to the domestic industry is likely to recur in case the anti-dumping duties are lifted.

F.3 EXAMINATION OF AUTHORITY

44. The principles for determination of injury set out in Annexure-II of the AD Rules lay down that:

“A determination of injury shall involve an objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in the domestic market for like article and (b) the consequent impact of these imports on domestic producers of such products.”

As regards the impact of the dumped imports on the domestic industry para (iv) of Annexure-II of the Anti Dumping Rules states:

“The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the Industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilisation of capacity; factors affecting domestic prices, the magnitude of margin of dumping actual and potential negative effects on cash flow, inventories, employment wages growth, ability to raise capital investments.”

Volume and market share of dumped imports

45. The imports from subject countries has decreased in absolute terms during the period of investigation. In terms of market share in imports, the share of subject countries in this investigation has decreased from 59.62% during 2000-2001 to 41.85% during the POI

46. Another mid-term review investigation concerning imports of lead acid batteries originating in or exported from Chinese Taipei, Singapore and Hong Kong is in progress having the same period of investigation. The market share in import from these countries has also decreased from 30.61% during 2000-2001 to 3.02% during the POI.

ACTUAL AND POTENTIAL DECLINE IN SALES:

47. The sales of domestic industry has increased from 7,660,033 pcs. to 12,854,661 pcs. during the POI as compared to the base year. The sales in volume terms of the

domestic industry has increased by 67.81 % and in value terms by 21.60%. Thus, both sales quantity and sales value have shown steady increase.

Sales	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Quantity					
Exide Industries	Pcs.	7,281,880	7,661,878	9,303,057	11969135
Amara Raja	Pcs.	378,153	580,369	709,957	885527
Total	Pcs.	7,660,033	8,242,247	10,013,014	12,854,661
Indexed					
Exide Industries		100.00	105.22	127.76	164.37
Amara Raja		100.00	153.47	187.74	234.17
Total		100.00	107.60	130.72	167.81
Value Indexed					
Exide Industries		100.00	101.08	112.72	121.31
Amara Raja		100.00	120.54	127.63	123.43
Total		100.00	103.79	114.79	121.60

PRODUCTION & CAPACITY UTILISATION:

48. The installed capacity of the domestic industry has increased since 2000-2001 by 49.48% during POI. Both the constituents of the domestic industry have increased their installed capacity. The production of the domestic industry has also increased during the same period by 62.33%. As regards the capacity utilisation, the domestic industry is able to utilise its capacity to the extent of 87.54% during the POI compared to the base year of 80.61%.

	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Installed Capacity					
Exide Industries	Pcs.	8,845,115	9,376,714	10,494,928	12955772
Amara Raja	Pcs.	575,000	725,000	1,125,000	1125000
Total	Pcs.	9,420,115	10,101,714	11,619,928	14,080,772
Indexed					
Exide Industries		100.00	106.01	118.65	146.47
Amara Raja		100.00	126.09	195.65	195.65
Total		100.00	107.24	123.35	149.48
Production					
Exide Industries	Pcs.	7,210,882	7,639,999	9,645,858	11444841
Amara Raja	Pcs.	382,774	604,949	735,754	881649
Total	Pcs.	7,593,656	8,244,948	10,381,612	12,326,491
Indexed					
Exide Industries		100.00	105.95	133.77	158.72
Amara Raja		100.00	158.04	192.22	230.33
Total		100.00	108.58	136.71	162.33
Capacity Utilization					

Exide Industries	%	81.52	81.48	91.91	88.34
Amara Raja	%	66.57	83.44	65.40	78.37
Total	%	80.61	81.62	89.34	87.54

Growth

49. The domestic sales volume of the domestic industry has increased by 67.81 % during the POI as compared to the base year. During the same period the production of the domestic industry has increased by 62.33%. The share of imports from the subject countries has decreased in a situation where the domestic demand has increased substantially.

Sales	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Quantity					
Exide Industries	Pcs.	7,281,880	7,661,878	9,303,057	11969135
Amara Raja	Pcs.	378,153	580,369	709,957	885527
Total	Pcs.	7,660,033	8,242,247	10,013,014	12,854,661
Indexed					
Exide Industries		100.00	105.22	127.76	164.37
Amara Raja		100.00	153.47	187.74	234.17
Total		100.00	107.60	130.72	167.81
Value					
Indexed					
Exide Industries		100.00	101.08	112.72	121.31
Amara Raja		100.00	120.54	127.63	123.43
Total		100.00	103.79	114.79	121.60
Profits before Interest					
Indexed					
Exide Industries		100.00	91.17	119.72	126..34
Amara Raja		100.00	105.57	50.34	(1.40)
Total		100.00	94.02	106.00	101.49

Price undercutting

50. The Authority notes that the landed value of imports from the subject countries is higher than the net sales realization of the domestic industry for the subject goods during the POI thereby not undercutting the selling price of the domestic industry. The undercutting margin was within a range of -8 % to -86 % during the POI.

Price Underselling

51. The Authority notes that price underselling is an important indicator of assessment of injury; thus, the Authority has worked out a non injurious price and compared the same to the landed value to arrive at the extent of price underselling. The non-

injurious price has been evaluated for the domestic producers by appropriately considering the cost of production for the product under consideration during the POI. In order to eliminate inefficiencies, the capacity utilisation has been normated.

52. This analysis shows that the weighted average landed value of the subject goods from subject countries is above the Non Injurious Price determined for the Domestic Industry during the period of investigation. The underselling margin was within a range of -7% to- 88% during the POI.

Inventory

53. It has been observed that the inventory of the domestic industry has increased during the POI in absolute numbers and value. However, in terms of months' sales, quantity and value, has remained almost static during the POI as compared to the base year. In case of one of the constituents of the domestic industry the same has shown a declining trend.

Inventories	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Quantity					
Exide Industries	Pcs.	413,959	377,599	720,400	588,667
Amara Raja	Pcs.	8,858	33,438	59,235	71190
Total	Pcs.	422,817	411,037	779,635	588,667
Indexed					
Exide Industries		100.00	91.22	174.03	142.20
Amara Raja		100.00	377.49	668.72	803.68
Total		100.00	97.21	184.39	156.06
Value					
Indexed					
Exide Industries		100.00	115.91	126.08	110.74
Amara Raja		100.00	383.58	664.05	515.62
Total		100.00	122.35	139.03	120.49
Inventory as months sales qty					
Exide Industries		0.682	0.591	0.929	0.590
Amara Raja		0.281	0.691	1.001	0.965
Total		0.662	0.598	0.934	0.616

RETURN ON INVESTMENT AND ABILITY TO RAISE CAPITAL:

54. During the POI, M/s. Exide Industries, which constitutes the major proportion of the domestic industry has been consistently improving its profitability and during the POI it has achieved the best of its performance in the past 10 years. The company has achieved a Return on Capital Employed(ROCE) of about 20.41% during the POI as compared to 13.82% during the base year. In case of M/s Amara Raja it has been

observed that the company is showing a different trend as compared to M/s Exide Industries. M/s Amara Raja has achieved a negative ROCE during the POI against an ROCE of 15.37% during the base year. This steep fall in the profitability of M/s Amara Raja, inspite of increase in production and sales, is mainly due to the following reasons as explained in their Annual Report for the year 2003-04 which covers the POI :

- i. *“The company faced intense competition in Telecom batteries and the year witnessed realisations going down to unprecedented levels – levels that could have driven any other company to serious hardships. As a strategy we decided to stay out of non-remunerative business and focus on customer relationships, customer satisfaction and building good quality batteries – things, which should see us win in the long run.*
- ii. *Automotive battery volumes continued to grow. We have been successful in strengthening our OE and private label relationships. We are further strengthening our aftermarket network and are complementing the efforts of our channel partners with on-the-ground promotions and schemes, which should establish closer touch with end customers.*
- iii. *Our export revenues grew 147% over the previous year. We continue to invest in exploring new markets and establishing new relationships. We expect the efforts of the company to bear fruit in the coming years.”*

55. It has been observed that the company was selling huge quantities of Industrial Batteries to the Telecom Sector. During the period of investigation the demand for the batteries in the Telecom Industry has gone down and witnessed a reduction in the price of batteries to all time lows which was aggravated by the excess capacity in the battery industry. It has further been explained by the company in its Annual Report that the impact of lower volumes combined with reduction in realisations affected both sales and profitability. During the course of verification it was stated by the domestic industry that the batteries for Telecom Sector are not imported. Accordingly it cannot be said that the decline in profitability of one of the constituents of the domestic industry , in contrast to the other constituent, is due to imports from subject countries.

56. It is further observed that M/s Amara Raja has increased its market in automotive OE segment during the period of investigation. This has further deteriorated its profitability as the company is incurring losses in the OE segment. During the course of verification it was clarified by the domestic industry that the imported lead acid batteries are not catering to the OE segment.

	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Return on Capital Employed					

Exide Industries	%	13.82	13.56	18.84	20.46
Amara Raja	%	15.37	16.56	6.91	(0.18)
Total	%	14.10	14.13	16.21	15.56

PROFITABILITY:

57. In tune with the increase in production and sales both in value and quantity, the profitability of the domestic industry has shown improvement. It is seen that the profitability of one of the constituents of the domestic industry has shown significant increase whereas there is a deterioration for the other. However, considering that the deterioration is subsequent to the imposition of anti-dumping duty, it is clear that the deterioration cannot be attributed to the dumping but to other reasons especially when one of the constituents has achieved its best performance during the same period. The domestic industry has argued that segment wise examination on the profitability has not been carried out in this investigation. It is noted that the product under consideration in this investigation is lead acid batteries and the injury trend of the domestic industry has been analysed in respect to the same.

EARNING PER SHARE:

58. Both the constituents of the Domestic Industry have been regularly enhancing their capacities to meet the increasing demand in the domestic market. It has been claimed by M/s Exide Industries that they are facing difficulties in raising money from the market. However no concrete evidence to justify the same have been placed before the Authority. Both the companies are generating good cash profits and the same have been utilised for enhancing capacities. It has also been observed that the Domestic Industry is generating good cash profits and both of its constituents are regularly paying dividends. The earning per share in case of M/s Exide Industries is increasing every year. This shows that the domestic industry is enjoying good financial position.

Earning Per Share(EPS)	Unit	2000-01	2001-02	2002-03	2003-04 **
Exide Industries	Rs	11.10	8.80	14.70	20.40
Amara Raja	Rs	19.64	16.00	6.50	1.22
Indexed					
Exide Industries		100.00	79.28	132.43	183.78
Amara Raja		100.00	81.47	33.10	6.21

** Based on printed Annual Report for 2003-2004.

59. The annual report of M/s. Exide for the year 2003-04 (¾th of this period represents period of investigation) reveals that the company has given bonus issue in the ratio of 1:1 and has given dividend on shares on post bonus basis. In addition it

is important to mention the cash profits during the period of investigation has also improved substantially in case of M/s Exide as compared to the base year. The EPS for the period of investigation on pre bonus basis works out to 19.40 per share (annualized). However in case of M/s Amara Raja the EPS based on profitability during the period of investigation is negative.

EMPLOYMENT :

60. It is noted that the domestic industry has improved its productivity after curtailing the number of employees alongwith increase in production and capacity utilisation. The domestic industry has claimed that the number of employees have been reduced as a cost cutting measure to improve the productivity. The Authority notes that change in level of employment has not caused any injury to the domestic industry.

Employees	Unit	2000-01	2001-02	2002-03	POI (Annualised)
EExide Industries	Nos.	4,027	4,057	4,021	3,873
Amara Raja	Nos.	1,216	1,348	1,329	1,283
Total	Nos.	5,243	5,405	5,350	5,156
Productivity					
Per Employee - Qty					
Exide Industries	Pcs./Employee	1,791	1,883	2,399	2,216
Amara Raja	Pcs./Employee	315	449	554	515
Total	Pcs./Employee	1,448	1,525	1,940	1,793
Indexed					
Exide Industries		100.00	105.17	133.97	123.77
Amara Raja		100.00	142.57	175.87	163.73
Total		100.00	105.32	133.98	123.80

PRODUCTIVITY:

61. Productivity of the domestic industry, as reflected in terms of production per employee has improved during the POI. It can not, therefore, be said that the domestic industry has suffered injury due to decline in productivity.

Productivity	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Per Employee - Qty					
Exide Industries	Pcs./Employee	1,791	1,883	2,399	2,216
Amara Raja	Pcs./Employee	315	449	554	515
Total	Pcs./Employee	1,448	1,525	1,940	1,793
Indexed					
Exide Industries		100.00	105.17	133.97	123.77
Amara Raja		100.00	142.57	175.87	163.73

Total		100.00	105.32	133.98	123.80
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WAGES:

62. The Wages and salary per employee of the domestic industry has increased during the period of investigation. However, it is observed that the domestic industry is earning a reasonable profit even after the increase in wages of the domestic industry.

Wages	Unit	2000-01	2001-02	2002-03	POI (Annualised)
Indexed Exide		100.00	107.51	118.20	131.90
Amara Raja		100.00	130.49	147.42	151.34
Total		100.00	110.51	122.02	134.44

CASH FLOW:

63. It has been observed that both the constituents of the domestic industry have improved their cash flow from operations during the POI as compared to the base year. In case of M/s Amara Raja the cash flow has become positive from a situation of negative cash flow.

Cash Flow	2000-01	2001-02	2002-03	POI (Annualised)
Indexed Exide	100.00	110.59	97.37	109.48
Amara Raja	(100.00)	12351.34	9959.08	2824.66
Total	100.00	129.88	112.94	114.02

** These figures have been obtained from Annual Reports for the year 2003-2004.

CUMULATIVE ASSESSMENT OF INJURY:

64. As per annexure-II (iii) of Anti Dumping Rules, in cases where imports of a product from more than one country are being simultaneously subjected to Anti-dumping investigation, the Authority is required to cumulatively assess effect of such imports, only when it determines that (a) the margin of dumping established in relation to imports from each country is more than 2% expressed as percentage of export price and the volume of the imports from each country is 3% of the imports of like article --- and (b) cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic article. It has been found that the margin of dumping in respect of China PR and Korea RP is more than 2% whereas it is negative for Japan and it could not be determined for Bangladesh in absence of exports. The volume of imports from the subject countries, excluding Japan and Bangladesh, collectively are 41.85% of total imports.

65. On examination of information, it is found that the prices of the subject goods coming from different sources are almost comparable and do not vary significantly. These have been imported under the same tariff classification. The user industry for the imported product and the domestic product is same. Similar product has been sourced from different countries by users and used interchangeably. The channels of imports are also found to be similar. Therefore, it is appropriate to cumulatively assess the effect of imports of the subject goods on the domestically produced like article in the light of conditions of competition between the imported products and the conditions of competition between the imported products and like domestic product. It has been decided to examine cumulatively the effect of injury by dumped imports of subject goods from subject countries on the domestic industry.

G. CAUSAL LINK:

67. The submissions made by interested parties in respect of the issue of causal link have been examined. A detailed examination was made with regards to the issues pertaining to the material injury to the domestic industry and causal link between the material injury to the domestic industry and dumped imports. Paragraph (v) of Annexure II of the Anti-dumping Rules reads as under:

" It must be demonstrated that the dumped imports are, through the effects of dumping, as set forth in paragraphs (ii) and (iv) above, causing injury to the domestic industry. The demonstration of a causal relationship between the dumped imports and the injury to the domestic industry shall be based on an examination of relevant evidence before the designated authority. The designated authority shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injury caused by these other factors must not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumping 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."

68. It is noted that market share of the domestic industry has increased in demand during the period of investigation from 81.60% in 2000-01 to 84.59% during the period of investigation. In examining the price effect whether the dumped imports have significantly undercut the price of the like product in India, it is noted that the landed value of the subject goods from the subject countries is higher than the net selling price of the domestic industry thereby not undercutting the selling price of the domestic industry. It is also observed that the weighted average landed value of the

subject goods is also above the non injurious price determined for the domestic industry during the period of investigation.

69. The exports of subject goods by the domestic industry have increased substantially during the period of investigation. The same has been carried out at prices lower than the cost.

70. Demand of subject goods has increased during the POI. It has increased by 20% during the POI as compared to the base year. There is no contraction of demand of the subject goods that could have contributed to any injury to the domestic industry.

71. There is no other factor such as trade restrictive practice or development in technology which could have caused material injury to the domestic industry.

72. The known factors other than dumped imports, which could at the same time, have injured the domestic industry, were analyzed to examine whether injury to one of the constituents of the domestic industry was caused by other factors not attributed to the dumped imports. The Authority notes that the material injury suffered by one of the constituents of the domestic industry is due to the other factors.

73. The domestic industry has shown improvement in various economic parameters like sales, production, capacity utilization, profits, cash flow and productivity during the POI as compared with the base year. The market share of domestic industry in demand has also increased.

74. Most of the parameters for injury show significant improvement leading to the conclusion that there is no material injury to the domestic industry due to dumped imports from subject countries. It is seen that the profitability of one of the constituents of the domestic industry has shown significant increase whereas there is a decline for the other. However, considering that the decline is subsequent to the imposition of anti-dumping duty, it is clear that this decline cannot be attributed to the dumping when one of the constituents has achieved its best performance during the same period.

75. As per the provisions under Rule 23 and the Article 11.2 of the AD Agreement, the Authority is required to examine whether the injury would be likely to continue or recur if the anti-dumping duty is removed. The performance of the domestic industry during the POI is to be seen in the overall context of the existing anti dumping measures on imports from subject countries as well.

76. It is noted that as a result of continued imports of dumped subject goods from China PR and Korea RP, the domestic industry has not suffered material injury. In

this Mid- term Review the Authority finds that although dumping continues from some of the subject countries, the landed value being above the net sales realisation and non injurious price determined by the Authority for the domestic industry, cannot be a cause of injury to the domestic industry. The Authority is further of the view that domestic industry is not suffering any injury due to imports from subject countries and it may not be appropriate to continue with the existing anti dumping measures. There is no evidence on record to show that the injury would recur if the duties are discontinued.

77. In this current review the Authority has examined the submission filed by the interested party on the question of injury if the anti-dumping duty is withdrawn. The purpose of imposition of anti-dumping duties is to remove the injury resulting from the dumping of goods not due to other factors.

78. The domestic industry argued that dumping is still continuing from the subject countries and causing injury to the domestic industry. The domestic industry has further submitted that withdrawal of existing anti-dumping duty may likely to lead a recurrence of dumping and injury to the domestic industry. The domestic industry did not substantiate with evidence in support of its apprehension of imminent injury. In absence of evidence regarding threat of injury, the Authority did not find appropriate to recommend continuation of anti-dumping measures as current imports are not causing injury to the domestic industry or injury is likely to recur. The Authority concludes that the discontinuation of the anti dumping duty would not likely to lead a recurrence of injury to the domestic industry.

H. FINAL FINDINGS:

79. The Authority after considering the foregoing, concludes that:

- a. lead acid batteries originating in or exported from China PR and Korea RP have been exported to India below normal value, resulting in dumping. However subject goods exported from Japan are above the normal value. There is no exports from Bangladesh during the POI and hence the dumping margin could not be established.
- b. the landed value of the dumped goods is above than the net sales realisation and non injurious price determined for the domestic industry.
- c. the domestic industry has not suffered material injury due to dumped imports and discontinuation of anti-dumping duties on the subject goods from subject countries would not be likely to lead to the recurrence of injury to the domestic industry.

- d. In view of the above and as a result of this review investigation, the Designated Authority considers it appropriate to recommend discontinuation of the anti-dumping duties recommended earlier vide Notification No. 67/1/2000- DGAD dated 7/12/2001 and imposed on all imports of lead acid batteries classified under Customs Sub headings nos 85071000 and 85072000 of the Customs Tariff Act, 1975 (as amended) being the subject matter of this investigation, originating in or exported from Bangladesh, China PR, Korea RP and Japan .

80. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975 as amended in 1995..

(ABHIJIT SENGUPTA)
Designated Authority