

**F. No. 7/15/2019-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi**

NOTIFICATION

FINAL FINDINGS

Case No. (SSR 06/2019)

Dated 26th March, 2020

Subject: Sunset Review anti-dumping investigation concerning imports of ‘Electronic Calculators’ originating in or exported from China PR.

A. BACKGROUND OF THE CASE

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

1. The Designated Authority (hereinafter also referred as the ‘Authority’) initiated anti-dumping investigation on imports of “Electronic Calculators” (hereinafter also referred as the ‘subject goods’ or ‘product under consideration’ or ‘PUC’), originating in or exported from China PR (hereinafter also referred as the ‘subject country’) vide notification No. 14/9/2013- DGAD dated 18th October 2013. The Authority thereafter notified the Final Findings No 14/9/2013-DGAD dated 13th April 2015, recommending imposition of anti-dumping duty against imports of the subject goods from China PR. Definitive anti-dumping duty was imposed by Ministry of Finance vide Customs Notification No. 24/2015- Customs (ADD) dated 29th May 2015 for 5 years and the same is in force till 28th May, 2020.
2. Rule 23(1B) of the Rules provides as follows:
“...any definitive anti-dumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the Designated Authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.”
3. M/s. Ajanta LLP (formerly known as M/s. Ajanta Private Limited) (hereinafter referred to as ‘Applicant’ or ‘Domestic Industry’ or ‘DI’) filed a duly substantiated application on behalf of the domestic industry before the Authority, in accordance with

the Act and the Rules alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from China PR and consequent injury to the domestic industry and has requested for review and continuation of the present anti-dumping duties, applicable on the imports of the subject goods, originating in or exported from the subject country, for another five years.

4. Based on the application filed by the Applicant, the Authority initiated sunset review investigation *vide* Notification No. 7/15/2019-DGTR dated 24th September 2019, published in the Gazette of India, Extraordinary, to examine whether the expiry of present duty is likely to lead to continuation or recurrence of dumping and injury.

B. PROCEDURE

5. The scope of the present review covers all aspects of the Final Findings Notification No. 14/19/2013-DGAD dated 13 April 2015 which had recommended for imposition of anti-dumping duty on imports of subject goods originating in or exported from the subject country.

6. The procedure, as described herein below, has been followed:

- a. The Authority notified the Government of the subject country through their Embassy in India about the receipt of the anti-dumping application before proceeding to initiate the present investigation, in accordance with Rule 5(5) of the Rules.
- b. The Authority *vide* Notification No. 7/15/2019-DGTR dated 24th September 2019 published a public notice in the Gazette of India, Extraordinary, initiating anti-dumping investigation against imports of the subject goods from the subject country.
- c. The Authority forwarded a copy of the public notice to all the known importers and users association of the subject goods in India and advised them to make their views known in writing within forty days from the date of issue of the letter.
- d. The Authority provided a copy of the non-confidential version of application filed by the Applicant to the known exporters and the Embassy of the subject country in India, in accordance with Rule 6(3) of the Rules.
- e. The Authority sent questionnaires to elicit relevant information to the following known exporters of subject goods in the subject country in accordance with Rule 6(4) of the Rules:
 - (i) Casio Group
 - (ii) Ningbo Group
 - (iii) Fujian Group
 - (iv) Dongguan KTL and Casine Electronic Technology Co. Ltd.
- f. M/s. Ningbo Deli Imp & Exp Co., Ltd., M/s. Ningbo Deli Electronic Development Co., Ltd. and M/s. Ningbo Deli Group Co., Ltd. (“Ningbo group”) from China PR have participated and filed the questionnaire response before the Authority.

- g. Questionnaire were sent to the following known importers/users of subject goods in India calling for necessary information, in accordance with Rule 6(4) of the Rules:
- (i) M/s. Addict Cloths
 - (ii) M/s. Classic System
 - (iii) M/s. Casio India Co. Private Limited
 - (iv) M/s. Hi Zoom Enterprises
 - (v) M/s. Mayuresh Industries
 - (vi) M/s. Marine Traders
 - (vii) M/s. Rotomac Global Pvt. Ltd.
 - (viii) M/s. Unitech Media
 - (ix) M/s. Yasraz International
- h. No importer/user has filed Questionnaire response in the present investigation. However, M/s. Mayuresh Industries has made submissions during the course of the investigation that it has not imported the PUC.
- i. M/s Censer Industries Ltd. has made submission during the course of the investigation it has stopped production or sale of calculators from 2014.
- j. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by all interested parties. Whenever they requested inspection of public file and copies of the documents therefrom were provided with the same.
- k. The Authority accepted the confidentiality claims, wherever warranted after due examination and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the confidential information, which was made available through public file.
- l. Further information was sought from the Applicant and other interested parties to the extent deemed necessary. Verification of the data provided by domestic industry was conducted to the extent considered necessary for the purpose of present investigation.
- m. Investigation was conducted on for the period 1st April 2018–31st March 2019 (12 months) (hereinafter referred to as the ‘period of investigation’ or ‘POI’) with injury analysis covering the period April 2015 – March 2016, April 2016 – March 2017, April 2017 – March 2018 and the POI.
- n. The Directorate General of Commercial Intelligence and Statistics (DGCI&S) and DG Systems, Central Board of Indirect Taxes and Customs were requested to provide details of imports of subject goods for the past three years, and the period of investigation, and the said information was obtained from the DGCI&S and DG Systems and has been adopted for the purpose of the present investigation.

- o. The Authority has examined the information furnished by the domestic industry to the extent possible on the basis of guidelines laid down in Annexure III of the Rules to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- p. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in the oral hearing held on 9th January 2020 which was attended by various parties. All the parties who presented their views in the oral hearing were requested to file written submissions reproducing their views, in order to enable opposing interested parties to file rejoinders thereafter.
- q. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in this final findings.
- r. Comments from interested parties were invited on the proposed PCN methodology vide letter dated 18th October, 2019. Since no comments have been received from any of the stakeholders in the subject investigation, the Authority finalised the PCN methodology for the subject goods vide communication dated 4th November 2019.
- s. A Disclosure Statement containing the essential facts in this investigation which forms the basis of the present Final Findings was issued to the interested parties on 06.03.2020. The post Disclosure Statement submissions received from the domestic industry have been considered, to the extent found relevant, in these Final Findings.
- t. ‘****’ in these final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- u. The exchange rate for the POI has been taken by the Authority for the subject investigation as 1 US\$ = Rs.70.70.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of the Domestic industry

- 7. The views of the domestic industry are as follows:
 - a. The PUC for the purpose of the present investigation is the same as in the original investigation, i.e. ‘Electronic Calculators’. The PUC is classified under tariff item 84701000 of the Customs Tariff Act, 1975. The custom classification is indicative only and in no way binding upon the product scope.
 - b. The PUC is electronic calculator. An electronic calculator is a small and portable electronic device used for performing arithmetic operations and certain other mathematical functions. Simple numeric operations include basic arithmetic such as addition, subtraction, multiplication and division. Complex mathematical functions include exponential operations, roots, logarithms,

trigonometric functions, and hyperbolic functions, etc.

- c. Brief description of different types of calculators is given below.
- i **Basic/Pocket/Desktop Calculators:** These types of calculators are used to perform simple operations like addition, subtraction, multiplication, division and percentages etc. Standard features include 8 to 12-digit display, twin source of power (solar power and battery power) and plastic/rubber keys. The major drawback of these types of calculators is that users cannot review or correct the incorrectly entered numbers during calculation.
 - ii **Check & Correct Calculators:** In addition to the functions performed by the basic calculators, check & correct calculators also allow the users to modify, amend and delete particular numbers as per their requirement. Check function enables users to review values during calculations and helps to reduce calculation errors while performing big calculations.
 - iii **Scientific Calculators:** Scientific calculators are designed to calculate problems in science, engineering, statistics and mathematics. Compared to basic calculators with four or five functions, scientific calculators may contain 38 to 401 functions, depending upon the manufacturer and the model. However, scientific calculators normally have following features:
 - a) Two-line display
 - b) Scientific notation
 - c) Fractional operations and Binary calculations
 - d) Logarithmic functions
 - e) Trigonometric functions
 - f) E functions and roots beyond the square root
 - g) Hexadecimal, binary, and octal calculations, including basic Boolean math
 - h) Complex numbers
 - i) Statistics and probability calculations
 - j) Calculus
 - k) Conversion of units
 - l) Physical constants

Scientific calculators are used widely in any situation where quick access to certain mathematical functions is needed, like trigonometric functions. They are also used in fields requiring calculations of very large numbers in astronomy, physics and chemistry.

- iv **Programmable Calculators:** Programmable calculators are basically high-end models of scientific calculators, which allow the users to write and store programs in the calculator in order to solve difficult problems or start an elaborate procedure. Apart from the basic functions performed by a scientific calculator, programmable calculator also has programming function. With programming function, a user may create, edit and store functions. Creation of programs help in simplifying a complex procedure, which otherwise may be too time consuming.

- v **Printing Calculator:** Printing calculators come with a small attached printer with paper tape for taking print of calculations made. These calculators are mostly used in businesses, wherein large numbers are involved like computation of tax, calculating cost, selling price or margin of profits, etc. By taking a print, it is easier to track mathematical errors.
- vi **Graphing Calculator:** Graphing calculators (also known as graphics / graphic calculator) typically refer to those calculators which are capable of plotting graphs and charts, solving simultaneous equations, performing basic as well as advanced statistical calculations, logical and matrix operations, permutations and combinations, financial operations, etc. Many of the graphing calculators are also programmable, which allow users to create customized programs. Due to their large displays intended for graphing, they can also accommodate several lines of text and calculations at a time. Some of the graphing calculators are also capable of generating color output, animated and interactive drawing of math plots (2D and 3D), other figures such as animated Geometry theorems, etc.

8. The PUC for the present investigation is “Electronic Calculators of all types”, ***excluding*** the following:

- i Calculators with attached printers, commonly referred to as ***printing calculators;***
- ii Calculators with ability to plot charts and graphs, commonly referred to as ***graphing calculators; and***
- iii ***Programmable calculators.***

C.2. Views of the other interested parties

No submission has been made by the exporters/other interested parties with regard to scope of the product under consideration (PUC) and like article.

C.3. Examination by the Authority

- 9. The PUC in the present sunset review investigation is “Electronic Calculators of all types” excluding (a) Calculators with attached printers, commonly referred to as printing calculators (b) Calculators with ability to plot charts and graphs, commonly referred to as graphing calculators (c) Programmable calculators.
- 10. This being a sunset review investigation, the scope of the PUC remains the same as that in the original investigation. The PUC in the original investigation was:

“Electronic Calculators of all types, excluding, (a) Calculators with attached printers, commonly referred to as printing calculators (b) Calculators with ability to plot charts and graphs, commonly referred to as graphing calculators (c) Programmable calculators are excluded from the scope of present investigation.”
- 11. Product Control Number (PCN) system has also been developed to have appropriate comparison for dumping margin and injury margin determination. The following is the PCN methodology adopted and finalized on 4 November 2019:

S.No.	Field description	Explanation
1.	Type	This refers to class to which calculator belongs: S: Scientific N: Non- Scientific
2.	Check & Correct function	This field represents the function of Check & Correct in the calculator: 0: No Check & Correct 1: Check & Correct present
3.	No of Digits in Display	This field represents the number of digits in calculator (more than/equal to 12 or less than 12) Less than 12 digits: L Equal to and more than 12 digits: M
4.	Solar Power	This field represents whether the calculator also has solar power energy: A: No Solar power B: Solar power is present
5.	Size of Calculator	Pocket or Others Dimension of Pocket Size: Not exceeding 170mm X 100mm X 45mm Pocket Size: P Others: O

12. Rule 2(d) relating to the definition of "like article" specifies that "like article" means an article which is identical or alike in all respects to the article under investigation, or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation.
13. From the above definition of the term "like article", it is clear that the like article has to be identical or alike in all respects to the article under investigation. The scope of the term like article shall also include those articles having closely resembling characteristics to those under investigation in the absence of articles identical or alike in all respects.
14. On the basis of information on record, the Authority holds that there is no known difference in the subject goods produced by the Indian domestic industry and those imported from the subject country. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers also use the two interchangeably. The Authority holds that the product manufactured by the Applicant constitutes like article to the subject goods being imported into India from the subject country.
15. It is noted that HS code for the product concerned is 84701000. However, the PUC is also being imported under other HS codes falling under Tariff Heading 8470. Therefore, for the purpose of analysis of import data, the Applicant has obtained transaction-wise DGCI&S and DG Systems import data for the Heading 8470.

Thereafter, the Applicant has sorted the import data for PUC by examining the description for each line item given in the DGCI&S and DG Systems import data. The Authority has cross verified the sorting of import data done by the Applicant. It is noted that no non-PUC product under tariff heading 8470 has been considered or included in the sorted import data for PUC in the present investigation.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1. Views of the Domestic industry

16. Following submissions have been made by the domestic industry with regard to scope and standing of the domestic industry:
 - a) The present application has been filed by M/s. Ajanta LLP. The Applicant is neither related to an importer in India nor an exporter from the subject country. The Applicant has also not imported the product under consideration from the subject country. The Applicant holds a major proportion of total domestic production of subject goods in India. The Applicant, therefore, satisfies the requirement of standing and constitutes domestic industry within the meaning of the Rules.
 - b) The production figures of other Indian producers are based on market intelligence. To the best of the knowledge of the Applicant, the production figures of the other producers are representative and any deviation with actual figures will, in fact, reveal that their actual production is lower as the Applicant has considered a conservative estimate.
 - c) There was one other known producer of the subject goods in India i.e. M/s. Cenzer Industries Ltd, whose estimated production based on market intelligence during the POI is *** Pieces (***) of total Indian production).

D.2. Views of the other interested parties

17. M/s. Cenzer Industries Ltd. has filed a submission stating that they have stopped production and sale of product under consideration from 2014 onwards.

D.3. Examination of the Authority

18. Rule 2 (b) of the 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”.
19. The present sunset review application has been filed by M/s. Ajanta LLP. The Applicant is neither related to an importer in India nor any exporter from the subject country. Further, the Applicant has not imported the subject goods during the POI. Applicant had initially submitted that as per market intelligence there is one other known producer of the subject goods in India i.e. M/s. Cenzer Industries Ltd. However, M/s. Cenzer Industries Ltd. vide its letter dated 10th October 2019 has submitted that they have stopped producing the subject goods from 2014. Thus, Applicant is the sole producer of the subject goods in India during the POI.

20. In view of the above, the Authority holds that the Applicant is an eligible domestic industry within the meaning of Rule 2 (b) of the Rules and considers that the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

E. CONFIDENTIALITY AND OTHER ISSUES

E.1 Submissions made by domestic industry

21. The following submissions have been made by the domestic industry with regard to confidentiality and other issues:
- a. Applicant is the sole producer in the POI and, thus, its information, even in terms of volume parameters such as production, sales, etc. has not been disclosed as the same is not in public domain. Disclosure of such highly business sensitive information, would be of significant competitive advantage to competitors and consumers and would seriously impact the interest of Applicant. The Applicant has, however, provided indexed information wherever possible.
 - b. Applicant has provided sufficient information justifying initiation of the investigation. Applicant has provided all information as required under the application proforma. As regards failure of evaluation of certain parameters in the write up, the Applicant submits that it is not necessary for the Applicant to evaluate all the parameters in the application. The Applicant is obliged to provide all relevant information, which it has done.
 - c. DGCI&S data is confidential data and therefore cannot be circulated. The interested parties are free to collect transaction-wise data from DGCI&S if they so desire. Reference is made to the trade notice F. No. 4/2/2017 dated 8th December 2017.
 - d. Ningbo Group committed gross breach of the guidelines issued by the Authority with reference to confidentiality information vide Trade Notice No. 10/2018. The Applicant has filed detailed submissions before the Authority vide letter dated 3rd January 2020 highlighting the said deficiencies.
 - e. The Applicant submitted that it has provided the data in indexed form in the non-confidential version of the application in accordance with Rule 7 of the Rules and Trade Notice No. 10/2018 dated September 7, 2018.
 - f. Indexed information has been provided wherever possible. The injury analysis is essentially an analysis of trend which can be easily seen through trends of various parameters provided in the application.

E.2 Views of the other interested parties

22. The following submissions were made by Ningbo Group with regard to confidentiality and other issues:
- a. The non-confidential version of the application does not allow for a reasonable understanding of the allegations and clearly violates the requirements specified in rule 7 of the Rules and Trade Notice No. 1/2013 dated December 09, 2013 issued by the Authority. This prevents a reasonable understanding of the allegations contained in the Application or exercise the party's right to defense.

- b. The Applicant has relied on China Electronic Calculator Market Survey & Investment Prospect Forecast Report to report trends and production capacity available in China PR. However, the documents are kept confidential on the ground that it constitutes business proprietary/ sensitive information, not amendable to summarization. In the absence of such data, the interested parties unable are to comment on the same.
- c. The Applicant has disclosed actual figures of the capacity utilization in the original investigation, but withheld the same in the present investigation.
- d. In the present investigation, the Authority clearly specified a PCN methodology via Notification No. 7/15/2019 dated 4th Nov 2019 but the Applicant, while providing information for price undercutting & price underselling, has not prepared or revised it as per the methodology.
- e. Excessive confidentiality is claimed by the Applicant by not providing the actual figures of No. of Employees & Productivity per day.

E.3 Examination by the Authority

23. With regard to confidentiality of information, Rule 7 of the Rules provides 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.”

24. Non-confidential version of the information provided by various interested parties were made available to all interested parties through the public file as per Rule 6(7).
25. With regard to the confidentiality of information, the Authority notes that the information provided by the domestic industry on confidential basis was examined with regard to sufficiency of the confidentiality claim in accordance with Rule 7 of the Rules. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential.

F. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.1 Normal Value

26. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:

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

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

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

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):

(b) 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.

F.2 Views of the Domestic industry

27. The following are the submissions made by the Applicant in respect of normal value:

- a. China should be considered a non-market economy, in line with the position taken by the Authority in previous cases, and by investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.
- b. Paragraph 1 to 6 of Annexure I of the Rules do not apply for computation of normal value for imports from China PR, unless a producer/exporter shows with sufficient evidence that he is operating under market economy conditions. As a result, normal value for China PR has to be determined in terms of paragraph 7 of Annexure I of the Rules. Para 7 of Annexure I of the Rules provides that the calculation of the normal value in a non-market economy may be determined on the following basis:
 - i. the price in a market economy third country;
 - ii. constructed cost in a market economy third country;

- iii. the price from such a third country to other countries, including India;
 - iv. the price actually paid in India, adjusted to include a reasonable amount of profit.
- c. The Applicant has determined normal value of subject goods based on constructed cost of production of the subject goods in India with addition of administrative & selling expenses and a reasonable amount of profit.

F.3 Submissions made by Ningbo Group

28. The following submission were made by Ningbo group with respect to the normal value:
- a. Applicant has treated China PR as a non-market economy which is fallacious in the light of expiration of Protocol on China's accession to the WTO since 11th December 2016.
 - b. Authority should grant "market economy status" to China PR based on the development of market economy and conduct normal value calculation in accordance with Article 2 of the WTO Anti-dumping Agreement.

F.4 Examination by the Authority

Market Economy status for Chinese producers

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

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

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

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use

methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

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

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the 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.”

30. It is noted that while, the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a) (i) of the Accession protocol require criterion stipulated in para 8 of the Annexure I of the India's Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that since neither of the responding producer and the exporter from China PR have submitted supplementary questionnaire response, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the Rules.
31. Accordingly, the normal value and export price for the all the producers/exporters from the subject country have been determined as below.

F.5 Determination of Normal Value

32. As none of the producers from China PR have filed the Supplementary Questionnaire response for market economy treatment, the normal value has been determined in accordance with Para 7 of Annexure I of the Rules. In the absence of sufficient information on record, regarding the other methods as enshrined in Para 7 of Annexure I of the Rules, the Authority has determined the normal value by considering the method on “any other reasonable basis”.
33. The Authority has, therefore, constructed the normal value for China PR on the basis of cost of production in India, duly adjusted, including selling, general and administrative expenses an addition of reasonable profits. Accordingly, the weighted average constructed normal value for Chinese producers/exporters is determined US\$ *** per piece.

F.5 Determination of Export Price

a) Ningbo Group

34. The Authority notes that Ningbo Deli IMP. & EXP. Co., Ltd. China PR, is the company from China PR which has exported subject goods to India sourced from Ningbo Deli Electronic Development Co., Ltd., the producer of the subject goods and both the exporter and producer have filed exporters' questionnaire responses in the present investigation.
35. The Authority notes that Ningbo Deli IMP. & EXP. Co., Ltd. China PR, has responded in the form and manner prescribed and has furnished the requisite information to determine the net export price. The Authority notes from the Exporter's Questionnaire response filed by the concerned producer/exporter that it had reported 27 transactions involving export of *** pieces of the subject goods to India during POI at an average CIF price of US\$ *** per piece. The Authority made adjustments on account of inland freight, handling charges, ocean freight, insurance, cash credit, bank charges and SGA of traders as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Ningbo Deli Electronic Development Co., Ltd and Ningbo Deli IMP. & EXP. Co., Ltd. China PR, has been determined as US\$ *** per piece.

b) Non-cooperative producer/exporter

36. The Authority notes that for all the non-cooperative producers/exporters in China, the Authority has determined the net export price on the basis of facts available.
37. Based on normal value and export price determined as above, the dumping margin for producers/exporters from China PR has been determined by the Authority and the same is provided in the table below:-

Dumping Margin Table

S.N.	Country	Producer	Constructed Normal Value (US\$/Piece)	Export price (US\$/Piece)	Dumping Margin (US\$/Piece)	Dumping Margin %	DM Range %
1	China PR	Ningbo Deli Electronic Development Co., Ltd.	***	***	***	***	0-20
2	China PR	Any	***	***	***	***	20-40

G. ASSESSMENT OF INJURY AND CAUSAL LINK

38. Rule 11 of the 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.

39. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 18, 19 and 20 shall apply mutatis mutandis in case of a sunset review.
40. The Authority notes that the application for continuation of antidumping duty has been filed by M/s. Ajanta LLP. In terms of Rule 2(b) of the Rules, the Applicant has been treated as the domestic industry for the purpose of this investigation. Therefore, for the purpose of injury determination the cost and injury information of the Applicant has been examined.

G.1 Submissions made by the Domestic Industry

41. The following submissions were made by the domestic industry with regard to injury and causal link:
 - a. There is significant price undercutting/underselling due to low priced dumped imports coming into India. There is significant price suppression due to low priced dumped imports coming into India.
 - b. The Domestic Industry's profitability has been drastically affected. From total domestic profit of 100 indexed units in 2015-16, profits have reduced significantly to (347) indexed units in the POI.
 - c. From cash profit of 138 indexed units in 2016-17, cash profits have reduced significantly to (23) indexed units in the POI.
 - d. The return on capital employed (ROCE) of the domestic industry has declined significantly from 100 indexed units in 2015-16 to (79) indexed units during the POI.
 - e. The inventory of the domestic industry has increased significantly from 100 indexed units in 2015-16 to 605 indexed units during POI, despite a reduction in production.
 - f. Prices of imports have declined sharply without corresponding decline in costs.
 - g. Prices of imports have remained below not only selling price but also cost of sales. The gap between price of imports and cost of sales is increasing throughout the injury period
 - h. Domestic Industry has significant unutilised capacity.
 - i. The dumping margin and the injury margin from the subject country is not only more than *de minimis* but also very substantial. The impact of dumping on the domestic industry is very significant.

G.2 Submissions made by Ningbo Group

42. Ningbo Group has made the following submissions with regard to the injury and causal link claims of the domestic industry and on the issue of likelihood of continuation or recurrence of injury:
 - a. Overall performance of the Applicant is improving and injury caused to the domestic industry cannot be attributed to the imports from the subject country.

- b. Domestic sale of the Applicant have increased significantly from 100 indexed points in 2015-16 to 129 indexed points during the POI. On the contrary, demand for subject goods in India has declined from 100 indexed points to 86 indexed points in the POI.
- c. Imports from China PR have also decreased tremendously from 100 indexed points in the base year to 9 indexed points in the POI.
- d. Under Article 5.3 of the Agreement on implementation of Article VI of the General Agreement on Tariffs and Trade 1994, the demonstration of causal relationship between the dumped imports and injury shall be based on an examination of all relevant evidence before the authorities. The Applicant has failed to address a number of crucial issues which had an effect on the domestic industry independently.
- e. Reliance is placed on the findings in the case of Nylon Filament Yarn, Dry Cell Batteries & Viscose Filament Yarn originating in or exported from China PR.

G.3 Examination by the Authority

- 43. Rule read with Annexure II of the Rules provide for 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 the like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
- 44. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has, therefore, determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Rule 11 of the 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.
- 45. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure II of the Rules states as under:

“(iv) 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 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.”

46. 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 submissions made by domestic industry and Ningbo Group and has examined the injury to the domestic industry in accordance with the Rules.
47. 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. The Authority has examined the injury parameters taking into account the facts and arguments submitted by the domestic industry as under:

I. ASSESSMENT OF DEMAND

48. For this purpose, demand or apparent consumption of the product in India is taken as the sum of domestic sales of the Indian producers and imports from all sources. Share of imports from the subject country in demand/consumption in India determined by the Authority is as under:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Imports from China PR	Pieces	40,83,861	2,48,761	10,09,951	3,77,647
Trend	Indexed	100	6	25	9
Imports from Other Countries	Pieces	5,932,195	5,949,865	7,166,231	7,191,013
Trend	Indexed	100	100	121	121
Total Imports	Pieces	1,00,16,056	61,98,626	81,76,182	75,68,660
Trend	Indexed	100	62	82	76
Domestic Sales of Applicant	Pieces	***	***	***	***
Trend	Indexed	100	131	121	129
Total Demand	Pieces	***	***	***	***
Trend	Indexed	100	74	89	85
Market Share					
Share of Domestic Industry %	%	***	***	***	***
Indexed	Indexed	100	178	139	156
Share of Imports from China PR	%	***	***	***	***
Indexed	Indexed	100	9	27	12
Share of Other countries	%	***	***	***	***
Indexed	Indexed	100	135	138	144

II. VOLUME EFFECT OF DUMPED IMPORTS

i. Import Volumes and Share of Subject Country

49. 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. The Authority has examined the volume of imports of the subject goods from the subject country and other countries based on the transaction-wise import data provided by DGCI&S. The import volumes of the subject goods and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Imports from China PR	Pieces	40,83,861	2,48,761	10,09,951	3,77,647
Trend	Indexed	100	6	25	9
Imports from Other Countries	Pieces	5,932,195	5,949,865	7,166,231	7,191,013
Trend	Indexed	100	100	121	121
Total Imports	Pieces	10,016,056	6,198,626	8,176,182	7,568,660
Trend	Indexed	100	62	82	76
Subject country imports in relation to total imports	Pieces	41%	4%	12%	5%
Trend	Indexed	100	10	30	12
Total Indian Production	Pieces	***	***	***	***
Trend	Indexed	100	163	117	112
Imports from China PR relative to production	%	***	***	***	***
Trend	Indexed	100	4	21	8
Demand	Pieces	***	***	***	***
Trend	Indexed	100	74	89	85
Imports from China PR relative to demand in India	%	***	***	***	***
Trend	Indexed	100	8	28	11

50. It is noted that imports of PUC from the subject country have reduced in absolute terms and relative terms after imposition of anti-dumping duty.

III. PRICE EFFECT OF THE DUMPED IMPORTS

51. In terms of Annexure II (ii) of the Rules, the Authority is required to consider the effect of the dumped imports on domestic prices in terms of price undercutting, price underselling, price suppression and price depression, if any.

i. Price Undercutting

52. With regard to the effect of dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports of the price of the like product in India. In this regard, a comparison has been made between the landed value of the product from the subject country and the average

selling price of the domestic industry, net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at ex-factory level.

Particulars	UOM	2015-16	2016-17	2017-18	POI
Import Volume	Pieces	4,083,861	248,761	1,009,951	377,647
Trend	Indexed	100	6	25	9
Landed Price	Rs./Piece	56	192	133	78
Trend	Indexed	100	342	237	139
Domestic Sales Price excluding Freight	Rs./Piece	***	***	***	***
Trend	Indexed	100	96	76	75
Price Undercutting	Rs./Piece	***	***	***	***
Trend	Indexed	100	(108)	(58)	21
Price Undercutting	%	***	***	***	***
Trend	Range	110-120	(30-40)	(30-40)	10-20

53. The Authority notes that imports of the subject goods from China PR are significantly undercutting domestic selling prices of the like article in India during the POI. Due to such significant price undercutting, the domestic industry is unable to increase its selling prices so as to recover its cost and earn a reasonable rate of return.

ii. Price Underselling

54. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from the subject country. For this purpose, the NIP determined based on average NIP for the domestic industry has been compared with the landed price of imports as obtained from the DGCI&S import data. Comparison of the NIP of the domestic industry with weighted average landed price of imports shows as follows:

Particulars	UOM	Based on Average NIP
Imports	Pieces	377647
Landed Price	Rs/Piece	78
NIP	Rs/Piece	***
Injury Margin	Rs/Piece	***
Injury Margin	%	***
Trend	Range	40-60

55. It is noted that the landed price of imports was much below the non-injurious price of the domestic industry. The Authority notes that the domestic industry has suffered price underselling during POI due to dumped imports of the subject goods from the subject country.

iii. Price Suppression and Depression

56. In order to determine whether the dumped imports are depressing the domestic prices or whether the effect of such imports is to suppress prices to a significant degree and

prevent price increases which otherwise would have occurred to a significant degree, the Authority has considered the changes in the costs and prices and landed value over the injury period. The position is shown as per the table below:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Cost to make and sell	Rs. /Piece	***	***	***	***
Trend	Indexed	100	98	87	94
Domestic Selling Price	Rs. /Piece	***	***	***	***
Trend	Indexed	100	95	76	75
Landed Value	Rs./Piece	56	192	133	78
Trend	Indexed	100	342	237	139

57. The following points are noted from the above table:

- a. The imports from subject country are coming at prices substantially lower than the cost of sales of the Domestic Industry. As a result, the dumped imports are not allowing the domestic industry to fetch a selling price which would re-cover its full cost and reasonable profit margin.
- b. Cost to make and sell has decreased by 6 indexed points during POI as compared to the base year whereas domestic selling price has decreased substantially by 25 indexed points during the same period.

G.4 Impact on Economic Parameters of the Domestic Industry

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

a) Capacity, Production, Capacity Utilization and Sales

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

Particulars	UOM	2015-16	2016-17	2017-18	POI
Capacity	Pieces	***	***	***	***
Trend	Indexed	100	100	100	100
Production	Pieces	***	***	***	***
Trend	Indexed	100	163	117	112
Capacity	%	***	***	***	***

Particulars	UOM	2015-16	2016-17	2017-18	POI
utilization					
Trend	Indexed	100	163	117	112
Domestic Sales	Pieces	***	***	***	***
Trend	Indexed	100	131	121	129

60. It is noted that significant portion of the capacity available with domestic industry is un-utilized.

b) Profits, Return On Capital Employed and Cash Profit

61. The cost of sales, selling price, profit/ loss, cash profits and return on investment of the domestic industry has been analysed as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI
Profit/(Loss)	Rs/Piece	***	***	(***)	(***)
Trend	Indexed	100	78	(22)	(90)
Profit/(Loss)	Rs Lacs	***	***	(***)	(***)
Trend	Indexed	100	102	(27)	(116)
PBIT	Rs Lacs	***	***	(***)	(***)
Trend	Indexed	100	107	(22)	(105)
Cash Profit	Rs Lacs	***	***	***	(***)
Trend	Indexed	100	138	32	(23)
ROI	%	***	***	(***)	(***)
Trend	Indexed	100	89	(19)	(79)

62. The Authority notes that the domestic industry has suffered adversely in terms of profit, profit before interest, cash profits and return on capital employed.

c) Market Share in Demand

63. The effects of the dumped imports on the market has been examined as below:

Particular	Unit	2015-16	2016-17	2017-18	POI
Sales of Domestic Industry	%	***	***	***	***
Trend	Indexed	100	178	139	156
Imports from Subject Country	%	***	***	***	***
Indexed	Indexed	100	9	27	12
Imports from Other Countries	%	***	***	***	***
Indexed	Indexed	100	135	138	144

64. The Authority notes that the market share of the domestic industry improved in 2016-17 and thereafter declined in 2017-18 before again improving marginally in POI.

d) Employment, Wages and Productivity

65. The position with regard to employment, wages and productivity is as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI
Employee	Nos	***	***	***	***
Trend	Indexed	100	139	86	119
Production/Employee	Per Employee	***	***	***	***
Trend	Indexed	100	117	135	94
Production	Per Day	***	***	***	***
Trend	Indexed	100	163	117	112

66. The Authority notes that the employment of the domestic industry improved in 2016-17 and thereafter declined in 2017-18 but marginally improved in POI. Productivity per employee has declined in the POI.

e) Inventory

67. The data relating to inventory of the subject goods are shown in the following table:

Particular	Unit	2015-16	2016-17	2017-18	POI
Opening Stock	Pieces	***	***	***	***
Trend	Indexed	100	96	957	839
Closing Stock	Pieces	***	***	***	***
Trend	Indexed	100	1,002	879	361
Average Stock	Pieces	***	***	***	***
Trend	Indexed	100	538	919	605

68. The Authority notes that level of inventories with the domestic industry have increased during the POI as compared to the base year.

f) Magnitude of Dumping

69. It is noted that imports from the subject country are entering India dumped prices at dumped prices and the margin of dumping is above *de minimis* limits and significant.

g) Ability to raise capital investment

70. It is seen that the domestic industry's capacity is largely un-utilized, and the industry is suffering losses. Thus, the ability to raise capital investment in such a situation has weakened.

h) Growth

71. The data relating to growth of the domestic industry is shown in the following table:

Growth	Unit	2015-16	2016-17	2018-19	POI
Production	Y/Y %	-	63	(28)	(4)
Domestic Sales	Y/Y %	-	31	(8)	7
Cost of sales	Y/Y %	-	(2)	(11)	8
Selling price	Y/Y %	-	(5)	(21)	(1)
Profit/Loss	Y/Y %	-	2	(126)	(337)

Growth	Unit	2015-16	2016-17	2018-19	POI
ROI	Y/Y %	-	(1)	(7)	(4)
Cash Profit	Y/Y %	-	38	(77)	(171)

72. The Authority notes that most of the major economic parameters show a significant deterioration because of the imports of the subject goods from subject country and other countries such as Malaysia.

i) Factors Affecting Domestic Prices

73. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from the subject country is below the selling price and the non-injurious price of the domestic industry causing price undercutting, and price underselling in the Indian market. The Authority notes that the prices of the product under consideration in general should move in tandem with the prices of key raw materials and the domestic industry has been fixing its prices considering these input prices and landed price of imports. Thus, the landed value of subject goods from the subject country is an important factor for determination of domestic prices.

H. MAGNITUDE OF INJURY AND INJURY MARGIN

74. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The weighted average NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining NIP, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. The production in POI has been calculated considering the best capacity utilisation and the same production has been considered for arriving per unit fixed cost. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. Average Net Fixed Assets plus Average Working Capital) for the product under consideration was allowed as pre-tax profit to arrive the NIP as prescribed in Annexure III and being followed.
75. For all the non-cooperative producers/exporters from China PR, the Authority has determined the landed price based on facts available.
76. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters from China PR has been determined by the Authority and the same is provided in the table below:-

Injury Margin Table

SN	Country	Producer	NIP- US\$ / Piece	Landed Value US\$/ Piece	Injury Margin US\$/ Piece	Injury Margin %	Injury Margin Range- %
1	China PR	Ningbo Deli Electronic Development Co., Ltd.	***	***	***	***	0-20
2	China PR	Any	***	***	***	***	20-40

I. CONCLUSION ON INJURY

77. The Authority notes that the dumped imports of the subject goods from the subject country continue to be significant even after imposition of definitive anti-dumping duty on subject imports. Imports of the product are undercutting the prices of the domestic industry in the market. Further, while the cost of production had decreased over the injury period, the decrease in selling price is more as compared to cost of production. The imports are, thus, suppressing the prices of the domestic industry and preventing the price increases that would have otherwise occurred in the absence of dumped imports.
78. The Authority notes that the domestic industry has suffered injury on account of volume as well as price effect of imports, as a result of which the profitability of the domestic industry has declined. Return on capital employed and cash profits followed the same trend as that of profits. Both return on capital employed and cash profits turned negative in POI. Thus, growth in respect of most of the parameters such as profits, cash profits, return on capital employed, inventory etc. shows an adverse impact on the domestic industry. The Authority concludes that the domestic industry has suffered material injury on account of continuation of dumping of subject goods from subject country.

J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

J.1 Submissions made by domestic industry

79. The Applicant has submitted that there is a clear likelihood of the continued dumping being further intensified by exporters from China PR leading to a situation of further intensified injury to the domestic industry, if the existing duty is withdrawn, as shown below.
- a. **Continued dumping even after imposition of AD Duty**
80. It is submitted that the dumped imports continue to come from China PR despite imposition of anti-dumping duty. If the duty is withdrawn, there is a strong likelihood of an increased volume of dumped imports coming into India from China PR. It is further submitted that the imports coming into India from China PR are above *de minimis* level and dumping margin is quite significant.

b. Domestic industry has been forced to match the import prices and accordingly sell at prices below cost

81. It is submitted that the domestic industry has continued to suffer injury despite imposition of anti-dumping duty. The domestic industry has been forced to sell the like article at prices offered by the exporters from subject country in order to maintain its market share. The domestic industry is unable to optimally utilize its production capacity due to the presence of dumped imports from China PR.
82. Despite imposition of anti-dumping duty, the Applicant has not been able to maintain consistent profitability. The fact that the Applicant has been suffering injury despite imposition of anti-dumping duty clearly shows that the injury will continue and is likely to increase in the event of withdrawal of anti-dumping duty.

c. Huge capacities with producers in China PR

83. The Applicant has obtained China Electronic Calculator Market Survey and Investment Prospect Forecast Report conducted by Beijing Zhongzhilin Information Technology Co Ltd. It can be seen from this report that China PR has huge production capacity available for production of subject goods. These capacities are far higher than the total consumption in China PR. The capacity available with China PR is given below.

Particulars	UOM	2015	2016	2017	2018
Capacity	Million Pieces	***	***	***	***
Trend	Indexed	100	104	106	108

d. Idle capacity and decline in capacity utilization in China PR

84. The details of capacity, production, capacity utilization and idle capacity as extracted from market survey report on calculators are given below.

Particulars	UOM	2015	2016	2017	2018
Capacity	Million Pieces	***	***	***	***
Trend	Indexed	100	104	106	108
Production	Million Pieces	***	***	***	***
Trend	Indexed	100	99	102	106
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	95	96	98
Idle Capacity	Million Pieces	***	***	***	***
Trend	Indexed	100	140	133	127

85. It can be observed from the above table that Chinese calculator industry has huge idle capacity available with them which can be utilized to increase their exports to India if the Authority withdraws the anti-dumping duty in force.

86. It can be observed from the table given below that China PR had 3800% idle capacity (in 2018) in comparison to total Indian production. China PR had 905% idle capacity (in 2018) in comparison to total Indian demand. Production from this idle capacity can easily be exported to India in the event of withdrawal of duty.

Particulars	UOM	Value
Idle Capacity	Million Pieces	***
Total Indian Production	Million Pieces	***
Total Indian Demand	Million Pieces	***
Chinese Idle Capacity as % of Total Indian Production	Range	3500-4500%
Chinese Idle Capacity as % of Total Indian Demand	Range	500-1000%

e. Decline in exports

87. As per China Electronic Calculator Market Survey and Investment Prospect Forecast Report available with the Applicant and information available in public domain, the exports of subject goods from China PR to other countries have declined from *** million in 2014 to *** million in 2019. In such a scenario, producers in China PR have to look for alternative markets to dispose of their excess production. India would be a natural choice for Chinese producers as demand in India would remain strong in near future. Therefore, there is a strong likelihood that Chinese producers would reduce their prices further to sell-off their excess production causing injury to domestic industry in India in the event of withdrawal of anti-dumping duty.

J.2 Submissions made by Ningbo Group

88. The Applicant has claimed that Chinese calculator industry has an idle capacity of 127 indexed points and capacity utilization of 98 indexed points which would indicate that in the event of withdrawal of duty, the exports from China PR would increase. The Application further mentions that in case of such excess capacity, China PR shall look for alternative markets and India would be a natural choice which can cause injury to the domestic industry in India. Ningbo refuted these claims as baseless & unsubstantiated and submitted that their capacity utilization is 83%.
89. The producers/exporters are exporting subject goods to 3rd countries at a price of 150 indexed points as opposed to 100 indexed points to India. Thus, there is no possibility to shift exports to India.
90. Information provided is manifestly insufficient to justify the initiation of an investigation under Rule 5(3) of the Rules. The evidence presented must be of an adequate quality to constitute “sufficient evidence”. Reliance has been placed on ruling of the WTO Panel in the United States-Softwood Lumber from Canada; Guatemala-Cement II and Mexico-Steel Pipes and Tubes. The Applicant failed to evaluate some of the relevant economic factors and indices listed in Rule 11 of the Rules & para IV of Annexure II thereof.

J.3 Examination by Authority

91. All the factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of

dumping or injury in the event of cessation of the duty. The Authority has considered various information, as made available by the domestic industry and other interested parties, in order to evaluate the likelihood of continuation or recurrence of dumping and or injury.

92. The present investigation is a sunset review of anti-dumping duties earlier imposed on the imports of subject goods from China PR. Under the Rules, the Authority is required to determine whether continued imposition of antidumping duty is warranted. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia for factors which are required to be taken into consideration for assessing threat of material injury. The same factors have been consistently considered by the Authority while assessing likelihood of continuation or recurrence of dumping and injury:
- a) A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
 - b) Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
 - c) Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
 - d) Inventories of the article being investigated.
93. In this regard, it is noted that the dumping of subject goods continues from China PR into India despite imposition of anti-dumping duty.
94. The Authority notes that at the current landed price in India, there is positive price undercutting during POI and imports are causing price suppression and depression for the domestic industry.
95. The Authority notes that China PR has huge production capacity available for production of subject goods. Chinese calculator industry has huge idle capacity available with them which can be utilized to increase their exports to India.
96. The likelihood analysis demonstrates that exporters from the subject country are exporting the subject goods at dumped prices. In the original investigation as well, the dumping margin was quite significant. Hence, considering all the factors, the Authority has reason to believe that dumping will intensify if the existing duty is revoked.

J.4 Other Known Factors & Causal Link

97. The Authority has noted other factors listed under the Rules, which could have contributed to injury to the domestic industry for examination of causal link between dumping and material injury to the domestic industry.

a) Volume and price of imports from third countries

98. The Authority notes that significant volume of imports of PUC are coming into India from Malaysia, Philippines and Thailand. The Authority has concluded a parallel anti-dumping investigation concerning dumped imports of subject goods from Malaysia and has recommended for imposition of anti-dumping duty on imports of subject goods from Malaysia. The import prices from Philippines and Thailand are significantly higher than the import prices from Malaysia and China PR. Thus, it cannot be said that imports from countries other than China PR and Malaysia are causing injury to the domestic industry.

b) Export Performance

99. The claimed injury to the Domestic Industry is solely on account of domestic operations and there is no impact of exports on the injury suffered by the domestic industry.

c) Technology

100. The technology as also the production process for producing Electronic Calculators has not undergone any significant development. Possible development in technology is not a cause of injury to the domestic industry.

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

101. There is no trade restrictive practice which could have contributed to the injury to the domestic industry.

e) Changes in pattern of consumption

102. The pattern of consumption with regard to the product under consideration has not undergone any change. Change in the pattern of consumption is unlikely to contribute to the injury to the domestic industry.

f) Performance of the domestic industry with respect to other products

103. Performance of other products being produced and sold by the Applicant is not a possible cause of injury to the domestic industry as the information on performance furnished by the Applicant relates to product under consideration only.

K. Conclusion on causal link

104. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has deteriorated due to continuation of dumped imports from subject country. Causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

- i. Price undercutting being caused by the dumped imports has prevented the increase in prices of the domestic industry, which otherwise would have happened.
- ii. The price suppression effect of dumped imports from subject country has resulted in significant erosion in profitability of the domestic industry.

- iii. The domestic industry has been prevented from increasing its production, capacity utilization and market share despite existence of significant demand and capacities in the country.
- iv. Deterioration in profits, return on capital employed and cash profits are directly as a result of dumped imports.
- v. The growth of the domestic industry became negative in terms of a number of economic parameters like selling price, profitability, cash profit and return on capital employed.

L. POST-DISCLOSURE SUBMISSIONS

105. The post disclosure submissions have been received only from the domestic industry.

L.1. Submissions by Domestic Industry

106. The submissions made by the domestic industry on the disclosure statement are as follows:-
- a. Domestic Industry has requested the Authority to confirm its proposals made in the disclosure statement regarding scope of product under consideration, standing of domestic industry, dumping analysis, injury analysis and likelihood of recurrence of dumping and injury analysis in the final findings.

L.2. Examination by the Authority

107. The Authority notes that the Domestic Industry has only requested the Authority to confirm its examination with regard to the scope of product under consideration, standing of domestic industry, dumping analysis, injury analysis and likelihood of recurrence of dumping and injury analysis in the final findings. The Authority has confirmed its examination regarding scope of product under consideration, standing of domestic industry, dumping analysis, injury analysis and likelihood of recurrence of dumping and injury analysis in the relevant paras above.

M. Indian Industry's interest & other issues

108. The Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping duty would not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.

N. CONCLUSION

109. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority as recorded in these final findings and on the basis of the above analysis, the Authority concludes that:
- a. There is continued dumping of the subject goods from the subject country and the imports are likely to enter the Indian market at dumped prices in the event of cessation of duty.
 - b. Dumped imports from China PR are causing injury to the Domestic Industry.

- c. The information on record shows likelihood of continuation of dumping and injury in case the anti-dumping duty in force is allowed to cease at this stage.
- d. There is sufficient evidence to indicate that the revocation of the anti-dumping duty at this stage will lead to continuation of dumping and injury to the Domestic Industry.

O. RECOMMENDATION

110. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the Domestic Industry and other interested parties to provide information on the aspects of dumping, injury, likelihood of dumping and injury and the causal link.
111. Having concluded that there is positive evidence on the aspect of dumping, injury and causal link, likelihood of dumping and injury, if the existing Anti-Dumping Duty is allowed to cease, the Authority is of the view that continuation of duty is required on subject goods from China PR.
112. Under these circumstances, the Designated Authority considers it appropriate to recommend continuation of existing quantum of anti-dumping duty on the imports of subject goods from China PR. However, the Designated Authority does not recommend individual rate of duty to those foreign producers/exporters who had been granted an individual rate of duty in the original investigation but have not participated in the subject sunset review investigation. The Authority, thus, considers it necessary to recommend continuation of definitive anti-dumping duty on all imports of the subject goods from the subject country as modified in the duty table below:

Duty Table

S. No	Heading/Sub-Heading	Description of Goods	Country of Origin	Country of Export	Producer	Duty Amount	Currency	Unit
1	2	3	4	5	6	7	8	9
1.	8470*	Electronic Calculators* *	China PR	Any Country including China PR	Ningbo Deli Electronic Development Co., Ltd.	0.28	US\$	Per Piece
2.	8470	Electronic Calculators	China PR	Any Country including China PR	Any other producer except Ningbo Deli Electronic Development Co., Ltd.	1.22	US\$	Per Piece
3.	8470	Electronic Calculators	Any country other than China PR	China PR	Any	1.22	US\$	Per Piece

*Custom classification is only indicative, and the determination of the duty shall be made as per the description of PUC. The PUC mentioned above should be subject to above ADD even when it is imported under any other HS code.

**Product under consideration is “Electronic Calculators of all types”, excluding the following: a. Calculators with attached printers, commonly referred to as *printing calculators*
b. Calculators with ability to plot charts and graphs, commonly referred to as *graphing calculators*
c. *Programmable calculators*

P. FURTHER PROCEDURE

113. An appeal against the orders of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.



(Bhupinder S. Bhalla)
Additional Secretary & Designated Authority