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**F.No.14/19/2013-DGAD
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES
JEEVAN TARA BUILDING, 5, PARLIAMENT STREET
NEW DELHI-110001**

Date: April 13, 2015

**NOTIFICATION
(Final Findings)**

Sub: Anti-dumping investigation concerning imports of Electronic Calculators originating in or exported from China PR – Final Findings

F. No. 14/19/2013-DGAD: 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 thereof, as amended from time to time (hereinafter also referred to as the Rules);

2. Whereas, M/s. Ajanta Private Limited (hereinafter referred to as the “applicant” or “petitioner” filed an application on behalf of the domestic industry, alleging dumping of Electronic Calculator (hereinafter also referred to as the "subject goods"), originating in or exported from China PR (hereinafter also referred to as the "subject country") and resultant injury to Domestic Industry. The applicant requested for initiation of anti-dumping investigations for levy of anti-dumping duty on the imports of the subject goods, originating in or exported from the subject country.
3. The designated authority (hereinafter referred to as the “Authority), under the above Rules, requested for certain clarifications from the applicant, which were subsequently provided by the applicant.
4. And whereas, the Authority on the basis of sufficient evidence, submitted by the applicant issued a public notice dated 18th October 2013, published in

the Gazette of India, Extraordinary, initiating anti-dumping investigations concerning imports of the subject goods, originating in or exported from the subject country, in accordance with sub-Rule 5(5) of the Rules, to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

A. PROCEDURE

5. The procedure described below has been followed by the Authority in the present investigation:
 - a. The Authority notified the Embassy of the People's Republic of China in India about the receipt of application before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the AD Rules.
 - b. The Authority issued a public notice dated 18th October, 2013 published in the Gazette of India, Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods from the subject country.
 - c. The Authority forwarded a copy of the public notice to all known exporters (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules.
 - d. The Authority also forwarded a copy of the public notice to all the known importers of the subject goods in India and advised them to make known their views in writing within forty days from the date of the letter.
 - e. The Authority provided a copy of the non-confidential version of application to the known exporters and the Embassy of the People's Republic of China in India in accordance with Rule 6(3) of the AD Rules. A copy of the application was also provided to other interested parties, wherever requested.
 - f. The Authority sent questionnaires to elicit relevant information to the following known exporters in the subject country in accordance with Rule 6(4) of the AD Rules:

Guangzhou Casor Electronics Co. Ltd., Address:3F,No. 138,Shidlingli, Yahu Village, Renhe town, Balyun district, Guangzhou Zip; 510470 Province/State: Guangfong, China PR	Fujian Hairong Electronic Co. Ltd, Street Address: 3Fl.,16 Bldg ,E&D Garment Town, No. 756,Ql An Rd., Gaishan Town, Cangshan, Area, Fuzhou, Fujan , China ZIP:350000
Dongguan Qiaotou Xingyue Plastic & Electronic Address: No.98 Liwu Swan Industrial Zone, Qiaotou, Dongguan City, Guangdong Province, China	Huizhou Chungyuan Industry Development Co.Ltd, Address: Baishi Village, Qiuchand Town, City: Huizhou Zip-516200, Guangdong China PR
Shenzhen Jinghe Technology Co. Ltd Floor 2,, B2 Building, Hua Feng Industry Park, bao'an district, Shenzhen city, Guangdong Province, China China PR	Fuzhou Lexindia Electronic Co.Ltd, Address: No. 815 Nanping road City: Fuzhou Province/ State-Fujian Zip: 350000 China PR
Fuzhou Great Shine Electronic Co.Ltd Address: 5/F.5 Blog No.7 Jinzhou Rorth Rd. Jinshan Zip: 350008 City: Fuhou , Province/State: Fujian China PR	Fuhoo TE Imp. & Esp Co. Ltd, Address: 8/F, Jian Xing Bld., No. 156 Yangqiao Eastern Rd, Fuzhou, Fujian Zip-350025 China PR
Dongguan Hujihong Electronic Factory Street Address: No. 6 Mingzing Street, Hengliu Industrial Park, Shatian Town City: Dongguan China PR	Shangai Medfriend Industry Co.Ltd, Address: Floor 1, Building, G,Dragon Info Park, Zha Bei District City: Shanghai Zip: 200436 China PR

g. In response to the initiation notification, the following exporters/
producers have responded:

1. M/s Casio Computer (Hong Kong) Ltd., Hong Kong
2. M/s Casio Electronics Technology (Zhongshan) Co., Limited,
China PR
3. M/s Casio Computer Co., Ltd., Japan
4. M/s Dongguan KTL & CASINE Electronic Technology Co.
Ltd., China PR
5. M/s Ningbo Deli Group Co., Ltd., China PR
6. M/s Fujian Kayfung Electronic Co., Ltd., China PR
7. M/s Ningbo Deli IMP & EXP Co., Ltd., China PR
8. M/s Ningbo Deli Electronic Development Co., Ltd., China PR

- h. Further China Chamber of Commerce for Import & Export of Machinery & Electronic Products (“CCCME”) has also filed submissions on the initiation notification.
- i. Questionnaires 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 AD Rules:

M/s. Addict Cloths 96, Bhawani Peth, Pune Maharashtra	M/s. Classic System S.no. 10, Kamraj Nagar near Javed General Stores, Yerwada Pune Maharashtra
M/s. Hi Zoom Enterprises 101, Bhawani Peth, Angarshaw Tariya Pune Maharashtra	M/s. Marine Traders Breaker Division 83, Zakaria Masjid street, 1st floor., Room No.30, Mumbai Maharashtra
M/s. Mayuresh Industries, Plot No.5/B Shri Krupa Postal colony, Panchgaon, Kolhapur, Maharashtra	Rotomac Global Pvt. Ltd. 201 CITY CENTRE, 63/2 THE MALL, Kanpur, UP
M/s Unitech Media, Gala no.23, Hindustan Kohinoor IND Estate, LBS Marg, Vikhroli(W), Mumbai, Maharashtra	M/s. Yasraz International R/20 Pathan Masjid Comp, Sewri cross road Wadala, Mumbai, Maharashtra

- j. The following importers/users of the subject goods have responded in the form of questionnaire responses or provided comments to the initiation of the investigation:
1. M/s Casio India Co., Private Limited
 2. M/s. Unitech Media
- k. During the course of investigation M/s. Cenzer Industries Limited has also filed support letters and information in support of the petition filed by the applicant.
- l. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties have been taken into account in final findings.
- m. The confidentiality claims of various interested parties in respect of the data submitted by them have been examined. The information, which is by

nature confidential or which has been provided on a confidential basis by the interested parties, along with non-confidential summary thereof, has been treated confidential.

- n. Further information was sought from the applicant and other interested parties to the extent deemed necessary. Verification of domestic industry and cooperating producers/exporters was conducted to the extent considered necessary for the purpose of the investigation.
- o. The Non-injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure-III of AD rules has been worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry. Further, separate NIP for different product grades/types has been determined.
- p. Investigation was carried out for the period starting from 1st April 2012 to 31st March 2013 (12 months) (hereinafter referred to as the 'period of investigation' or the 'POI'). The examination of trends, in the context of injury analysis covered the period from 2009-10, 2010-11, 2011-12 and the POI.
- q. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, including the POI. The applicant has also provided the import data from Infodrive. The authority has relied upon import data procured from DGCI&S in the present investigation.
- r. The Authority held an Oral Hearing on 15th October, 2014 to provide an opportunity to the interested parties to present information orally in accordance with Rule 6(6). The interested parties were allowed to present rebuttal arguments/rejoinders on the views/information presented by other interested parties. The Authority has considered submissions received from interested parties appropriately.
- s. Arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in this final findings.

- t. In accordance with Rule 16 of the Rules supra, the essential facts were disclosed by the Authority to the known interested parties was issued on 7-04-2015 and comments received on the same, to the extent considered relevant by the Authority, has been considered in this final finding.
- u. Exchange rate for conversion of US\$ to Rs. is considered for the POI as Rs.54.80 as per exchange rates published by customs.
- v. The last date for issuance of final findings was extended up to 17th April, 2015 by the Central Government.
- w. *** In this statement represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

6. The product under consideration in the present investigation is “Electronic Calculators of all types” (hereinafter referred to as “calculators” or the “product under consideration” or “subject goods”). 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. and include all its commercial/trade parlance names. The product under consideration for the present investigation is 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

Views of Exporters, Importers, Consumers and other Interested Parties

7. The interested parties have raised following issues with regard to the product under consideration.

Submissions by CCCME, China PR and its exporting members, and Unitech Media

- a. It is submitted that the Product Code Number (PCN) as proposed and adopted by the Designated Authority has many serious limitations and shortcomings. PCN System proposed by the Petitioner is based only on type (scientific or non-scientific), number of functions, number of digits, number of step-check replays and solar power. It takes into consideration only functional

differences whereas the cost and price of various Calculators is based on so many other factors including Physical aspects.

- b. PCN system does not differentiate between two products with identical functions but different sizes. Bigger the size, higher the cost;
- c. Calculators made of plastic are a lot cheaper than ones with aluminium casings. Therefore, two calculators of same size and functions may differ in price due to different casings.
- d. The PCN system proposed by the applicant does not take into account the size and resolution of the LCD on a calculator which is the most expensive component in a calculator.
- e. The connectors used in a calculator affect the prices, as Chinese connectors are much cheaper than Japanese connectors.
- f. A perusal of the Petitioner's website proves the point that pocket calculators and calculators with dual display should be excluded from the purview of the investigation, as the same are not manufactured by the Petitioner.
- g. Petitioner models are exact copies of Citizen and Casio models. Petitioner has used inferior components and packaging, which has reduced the quality of their products. These products cannot be treated as like products.
- h. Petitioner does not manufacture 14 digit calculators as well as calculators that are beyond the 120 step check and correct function. The same should be excluded from the scope of the product under consideration.

Submissions by Casio India Co. Pvt. Ltd., Casio Electronic Technology (Zhongshan) Co. Ltd., Casio Computer (Hong Kong) Ltd. and Casio Computer Co. Ltd., Japan

8. Casio group manufacturers certain products which are exclusive to Casio Group and should be kept out of the scope of the present investigation. The Petitioner is illegally using patented technology of Casio Group and is showing the same as their manufactured product.

Views of the Domestic Industry

9. The domestic industry has made the following submissions with regard to the issue of the product under consideration.
 - a. With regard to inclusion of size in PCN System, it is submitted that the size of the calculator does impact the cost and selling price of the

product concerned. To take this aspect into account, applicant has adopted the categorization provided in the Customs Tariff for the HS heading 8470 for the product concerned.

- b. As per Customs Tariff, the pocket size calculating devices are defined as devices having dimension which does not exceed 170mm x 100mm x 45mm. In addition to the existing PCN system, an additional digit at the end may be added as under:

“P” = Pocket size calculators dimension not exceeding 170mm x 100mm x 45mm

“O” = Other than Pocket size calculators

- c. In order to cover under the definition of like product there are two tests which a product should satisfy :

- i. Ability of domestic industry to manufacture that product
- ii. Commercial and technical substitutability

d. There is no known difference in subject goods exported from China PR and that produced by the petitioner. Electronic Calculators produced by the domestic industry and imported from China PR are like articles and comparable in terms of essential product characteristics such as physical characteristics, manufacturing process, functions & uses, product specifications and tariff classification of the goods. Consumers can use and are using the two interchangeably. Subject goods manufactured by domestic industry and imported into India are technically and commercially substitutable.

e. With regard to 14 and 16 digits calculators, it is submitted that the Petitioner had produced 16-digit calculator in past but had to discontinue its production due to absence of orders from customers. The Petitioner also substantiated this point by way of evidence of production and sale of its 16-digit model. Further, 14-digit and 16-digit calculators are like products to the product manufactured by the Petitioner. Petitioner manufactures calculators with 120 step, check and correct function that are a direct substitute to calculators having more than 120 step, check and correct functions. Therefore, calculators beyond 120 step, check and correct function cannot be excluded from the product scope.

f. Most of the features explained by Casio group will not make any difference in the cost/selling price of calculator. Some of the features are already present in the product manufactured by the domestic industry. Further, with introduction of these features the essential characteristics,

functions and uses, and technical and commercial interchangeability of subject goods will not be affected.

- g. The applicant is manufacturing the product concerned having dual display, “S.V.P.M.” display, dual memory function, Water and dust resistance, Decimal digit and round off feature, perform Log to any base calculations, matrixes, factorization into prime factors, vector calculation, random integers, exponential regression functions, table generation for function of x, etc.
- h. Unitech Media’s request for amendment in the PCN system should not be accepted as its concerned exporter Citizen Calculators has not cooperated in the present investigation.

Examination by the Authority

- 10. The product under consideration in the present investigation is “Electronic Calculators of all types. However, (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. The Petitioner has claimed that Electronic Calculators manufactured by them and imported into India are to be considered like article for the purpose of the present investigation. They have made this claim on the basis of the essential characteristics, functions and uses, and technical and commercial interchangeability of subject goods.
- 12. With regard to impact of size on cost and selling price, the authority has devised PCN system in such a way which takes care of the impact of size on cost and selling price.
- 13. The authority has also examined the PCN system and based upon the discussions with various interested parties during the course of investigation, the PCN system has been suitably amended. The following revised PCN system was accepted by all the interested parties.

S.No.	Field description	Field Format	Explanation
1.	Type	X (No of digits: 1)	This refers to class to which calculator belongs: S: Scientific N: Non- Scientific
2.	Check & Correct function	N (No of digits: 1)	This field represents the function of Check & Correct in the calculator: 0: No Check & Correct 1: Check & Correct present

S.No.	Field description	Field Format	Explanation
3.	No of Digits	X (No of digits: 1)	This field represents the number of digits in calculator (more than/equal to 12 or less than 12: For e.g.: 8,12 or 14 etc 8 digit: L 12 digit: M 14 digit: M
4.	Solar Power	X (No of digits: 1)	This field represents whether the calculator also has solar power energy: A: No Solar power B: Solar power is present
5.	Size of Calculator	X (No of digits: 1)	Pocket or Others Dimension of Pocket Size: Not exceeding 170mmX100mmX45mm Pocket Size: P Others: O
	Total Digits	5	

14. As regards to various types of calculators manufactured by Casio Group the Authority notes as follows:
- a. Different types of calculators are comparable in term of essential product characteristics including physical, production technology, manufacturing process, functions & usage, etc.
 - b. Different product types serve the same general function of performing the arithmetic and mathematical function.
 - c. Most of the features which have been sighted by Casio in the subject goods exported by them are also present in the subject goods manufactured by the applicant. It is noted that all calculators essentially perform the same function. Different categories/types are intended to meet different end-user requirements.
 - d. Producers often make no distinction between calculators, classified in different categories, with regard to production, distribution or accounting. Both domestic industry and Chinese producers have, for all their different categories/types of calculators, a similar manufacturing process. Further, same distribution channels are used for all categories/types of calculators.
15. The Petitioner has also substantiated during the verification visit that it manufactures 14 digit calculators. The Authority also notes that 120 step, check and correct function calculators are a substitute to calculators beyond 120 step, check and correct functions.

16. 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.
17. 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. In other words, if there is no domestic industry producing identical article, the law permits the authorities to cover, in the scope of the term, even those articles which have closely resembling characteristics.
18. However, for the purpose of dumping margin, price undercutting and injury margin analysis and in view of the submissions made by the interested parties, the Authority directed the domestic industry to provide separate information for different types of calculators and regroup them as per PCN system.
19. On the basis of information on record and considering the submissions made by the interested parties, 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.

C. SCOPE OF DOMESTIC INDUSTRY AND STANDING

20. Rule 2 (b) of the AD 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”

21. The application was filed by M/s. Ajanta Limited as domestic industry of the subject goods. Post initiation, the applicant has been supported by M/s. Cenzer Industries Limited (hereinafter referred to as the ‘supporter’).

Views of Exporters, Importers, Consumers and other Interested Parties

22. Interested parties inter alia stated as follows:

Submissions by Casio India Co. Pvt. Ltd., Casio Electronic Technology (Zhongshan) Co. Ltd., Casio Computer (Hong Kong) Ltd. and Casio Computer Co. Ltd., Japan

- a. A general web search shows there are many manufacturers/ assemblers of Electronic calculators in India. There are number of manufactures listed on www.exportsindia.com, www.indiamart.com, www.tradeindia.com and www.indianyellows.com. Packing samples of different calculators manufactured in India under different brand names are also submitted. Petitioner could have easily provided information about other manufacturers in India, as the same was easily available on the internet.
- b. The Petitioner imports major components for calculators, and locally procures PVC wire, fevicol and screws. Further, the Petitioner holds no IPR or any technology for any process adopted by it in assembly of imported components. This aspect shows that the Petitioner is not a producer of the subject product, as far as the definition of the term “domestic industry” is concerned under the AD Rules, 1995.
- c. This is also covered by the findings of the DGAD in SDH Equipment’s imports from China and Israel dated 19th October, 2010, wherein it was held that assembly, testing, product support and bug fixes constitute insignificant activities, where the input does not undergo a substantial transformation into output. Therefore, the Petitioner is not eligible to file the petition before the Authority.
- d. The Authority has to find if the Applicant is indulging in trading of imported product to check the Applicant’s eligibility to file the application.

Submissions by CCCME, China PR and its exporting members, and Unitech Media

- e. It has been claimed by the Domestic industry that they are the only producer of the subject goods in India. However, there are two other

manufacturers of the subject goods in India, M/s. Cenzer Industries Ltd and Caltrix Electronic Industries Ltd. Accordingly the claim of the petitioner that it accounts for whole of production of product under consideration in India is wrong.

Views of the Domestic Industry

23. The domestic industry has made the following submissions with regard to the issue of standing.

- a. M/s. Cenzer Industries Limited has extended their full support for levy of antidumping duty.
- b. M/s Caltrix Electronic Industries Ltd, another manufacturer in India has informed petitioner that they are importing the subject goods from China PR. Further, it can be observed from the import statistics submitted along with the petition that there are substantial import of subject goods in the Caltrix brand name. Therefore, M/s Caltrix Electronic Industries Ltd cannot be considered as part of domestic industry in terms of Rule 2(b) of Indian AD Rules.
- c. The share of Petitioner's production of the subject goods in the total production in the POI is **91%** and the Petitioner thus constitutes the major proportion of the domestic production in India even without considering the production of supporter, M/s. Cenzer Industries Limited and thus constitutes 'domestic industry' in India for the product concerned in terms of Rule 2(b) of Indian AD Rules.
- d. Most of the companies listed on www.exportsindia.com, www.indiamart.com, www.tradeindia.com and www.indianyellowpages.com are traders of calculators. This is evident from the fact that the companies shown as manufacturers of calculators on these websites are actually distributors of the Petitioner or independent importers.
- e. The company names listed on these trade websites are also not verified. In fact, any organization can pay the listing fee and get them registered in the manner as they like. These websites do not carry out any verification of such claims of the companies.
- f. Further, none of these distributors have come forward and filed

any data with respect to their production and sales of the subject goods.

- g. Domestic industry is carrying out the complete manufacturing process of calculators in India, which has been verified by the Authority.

Examination by the Authority

24. The application has been filed by M/s. Ajanta Limited. Further, post initiation, the application has been supported by M/s. Cenzer Industries Limited.
25. Based on the information available on record, the authority notes that the subject goods in the brand name of “Caltrix” are being imported from China PR. The Authority holds that M/s Caltrix Electronic Industries Ltd needs to be excluded from the scope of domestic industry since M/s Caltrix Electronic Industries Ltd has imported the subject goods from the subject country during the period of investigation and injury period.
26. With regard to the contention of Casio that there are many manufacturers/ assemblers of subject goods in India, the Authority has analyzed the information available on the web (www.exportsindia.com, www.indiamart.com, www.tradeindia.com and www.indian-yellowpages.com). These websites allow the listing of suppliers based upon the information provided by these suppliers. These websites do not carry out any verification of this information. Therefore, information from such websites is not credible and cannot be considered. The entities listed on these websites could have provided information to the Authority, but none of the entities have done so.
27. Further, Casio India Co. Pvt. Ltd is also listed as manufacturer of subject goods on the websites which are relied upon by Casio, whereas Casio India Co. Pvt. Ltd has itself admitted that they import the subject goods from its related company in China PR and do not manufacture the subject goods in India. Some other distributors of the petitioner have also listed them as manufacturer. This proves the fact that the names listed on these are not reliable. None of these companies has come forward and cooperated with the authority. Therefore, these companies cannot be treated as manufacturer of subject goods.
28. With respect to the contention of Casio group that the Petitioner is only involved in assembling of importing components, the authority during verification visit has noted that petitioner is carrying substantial

manufacturing process for manufacture of subject goods. The Petitioner is only sourcing some components from other suppliers due to commercial consideration. It is not necessary that all the components should be manufactured by the domestic industry. Further, Casio group is also sourcing the components from other manufacturers for the manufacturing of subject goods.

29. It was also noted during verification that domestic industry is not involved in trading of subject goods.
30. In view of the above and after due examination, the Authority holds that the applicant satisfy the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Applicants satisfy the requirement of standing under the Rules. Further, applicants constitute domestic industry within the meaning of Rule 2(b).

OTHER ISSUES

Views of Exporters, Importers, Consumers and other Interested Parties

31. The interested parties argued as follows:

Submissions by CCCME, China PR and its exporting members

- a. The subject goods enjoy zero (0) percent customs duty in India. Majority of the products are used by students. Zero percent customs duty indicates that the Government of India wants to encourage imports of the product into India. Levy of anti-dumping duty would make the product expensive.
- b. The initiation of this investigation is contrary to the policy of the government. Moreover, the Petitioner is only able to meet 7% of the demand in the country. Even after operating at 100% capacity, the Petitioner can meet only 9% of the demand in the country. Anti-dumping duty on imports, which cover 90% of the demand, would be counterproductive.

Unitech Media

- c. The Respondent proposes four (4) major categories and suggests that a floor MRP should be set for collecting customs duties, because the importers manipulate the MRPs at the time of import and change it later while selling it in the Indian market. Declaring a floor price will enable the Government of India to collect the rightful revenue from imports.

- d. China is a manufacturing hub for most of the global brands including Microsoft, Apple, Samsung, Citizen and Casio, and is rated as the world's most competitive manufacturing market according to the 2013 Global Manufacturing Competitiveness Index. This does not make goods produced in China as Chinese. Citizen calculators are of very high quality and value. Therefore, Citizen calculators do not cause any injury to the domestic industry.

Submissions by Casio India Co. Pvt. Ltd., Casio Electronic Technology (Zhongshan) Co. Ltd., Casio Computer (Hong Kong) Ltd. and Casio Computer Co. Ltd., Japan

- e. Casio Group companies have not been included in the list of known importers or exporters of the subject goods. Casio is a major player as far as the subject goods are concerned and Casio's quality is unmatched with that produced by the Petitioner.

Views of the Domestic Industry

32. The applicants have made the following submissions on other issues:
- a. It is incorrect to state that levy of anti-dumping duty would be against the policy of the Government of India. Zero (0) percent customs duty on the subject goods does not mean that the Government of India intends to encourage dumped imports of the subject goods. The Government of India might have allowed duty free imports of the subject goods but the government's policy does not allow duty free imports to distort competition in the market by allowing dumped imports of the subject goods. There is need to address dumping of subject goods.
 - b. The onus to establish exporter's price is on the exporter and not on its importer. As manufacturer of Citizen Calculator has not participated in the present investigation, its importer is not in a position to substantiate export price for Citizen Calculators. In fact, non-cooperation by the manufacturer of Citizen Calculators in the present investigation leads to the conclusion that it is dumping the subject goods.

Examination by the authority

33. The Authority has examined the above issues in detail. The Authority holds that levy of anti-dumping duties on the subject goods would be not be counterproductive and it is not against the Government of India's policy. The Government of India policy referred to by the interested parties is provided in Notification No. 25/2005-Customs dated 1 March 2005. A perusal of this policy indicates that the Government of India is not prohibited from initiating an anti-dumping investigation against imports of dumped products. It is important to clarify here that the purpose of levying anti-dumping duties on an imported product is to restore level playing field for manufacturers of the same product in India. Such intention of the Government of India is evident from Section 9A of the Customs Tariff Act, 1975 and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on Dumped Articles and For Determination of Injury) Rules, 1995. Therefore, it is incorrect to state that another policy of the Government of India prohibits the Government from initiating and conducting an anti-dumping investigation on certain duty free imports when such policy does not lay down any express prohibition in this regard.
34. The Authority notes that all Casio group companies were aware of this investigation and submitted the response. The Authority also provided sufficient time to Casio Group companies to make representations before the Authority. Casio Group companies were also granted a public hearing along with other parties, after which they also made their submissions in writing to the Authority. The Authority has duly examined submissions by Casio Group companies.
35. As regards submissions by Unitech Media that prices of imported Citizen Calculators is very high and do not cause injury to the domestic industry, the Authority note that manufacturer of Citizen Calculator has not cooperated in the present investigation. The Authority is, therefore, unable to examine claims made by Unitech Media in the absence of any information on record from producer/exporter of Citizen Calculators.
36. As regards the submission that an appropriate floor price should be set for the subject goods, the Authority notes that it has to function under the mandate of the Customs Tariff Act, 1975 and the rules notified thereunder. The Authority has explained later the methodology adopted in calculating the dumping and injury margin, and the appropriate quantum of duty.

D. Normal Value, Export Price and Dumping Margin

Normal Value

37. Under Section 9A(1)(c), normal value in relation to an article means:

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

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

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

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

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

Views of Exporters, Importers, Consumers and other Interested Parties

38. The following submissions are made by interested parties in respect of normal value, export price and dumping margin.

- a. Casio Zhongshan is the sole manufacturer of the subject goods for Casio and has submitted its MET questionnaire. It is listed on Tokyo Stock Exchange and its principal shareholders include many of Japanese financial institutions/banks. Therefore, Casio Zhongshan is neither owned nor controlled by Chinese Government/Authorities or any other entity

under direct or indirect ownership/control of Chinese Government. Decisions relating to prices, costs and inputs of subject goods, cost of technology, labour, output sales and investment are taken by Casio Zhongshan in consultation with its holding company i.e. Casio Computer Co. Ltd., Japan.

- b. Further, the company is subject to bankruptcy and property laws of China and received no favourable treatment from Chinese Govt. The company follows the same exchange rate as determined by the State administration of Foreign exchange rate for the conversion purposes. Therefore, Casio Zhongshan works on market economy principles and non-market economy treatment should not be applied to it.
- c. For non-market economy countries, the Authority should apply clause 7 of Annexure 1 as prescribed by the Supreme Court judgment in Shenyang Mastushita S. Battery Co. Ltd. v Excide Industries Ltd., 2005 (181) ELT 320 (SC).
- d. By comparing the same PCN number products of the Petitioner with that of Citizen models of China origin, it is clear that after making adjustments in freight, insurance, port charges and customs duties, the import price of Citizen is way above that of Petitioner's.

Views of the Domestic Industry

39. The following are the submissions made by the applicants 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. Market economy status cannot be granted unless following conditions are fulfilled.
 - i. Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity
 - ii. Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values

- iii. Market economy status cannot be given unless the responding exporter establish that their books are audited in line with international accounting standards
 - iv. Market economy status cannot be granted even if one of the parameters is not satisfied
 - v. The onus/obligations to establish market economy status is onto responding Chinese exporters and not onto the Designated Authority.
 - vi. Market economy status cannot be granted unless the responding company and its group as a whole make the claim.
 - vii. In a situation where the current shareholders have not set up their production facilities themselves but have acquired the same from some other party, market economy status cannot be granted unless process of transformation has been completely established through documentary evidence.
- c. The Petitioner has determined normal value of subject goods based on constructed cost of production of the subject goods.
- d. The exporter has provided no evidence to establish that prices of inputs procured substantially reflected market value.
- e. M/s. Dongguan KTL & CASINE Electronic Technology Co. Ltd., has submitted that one of its shareholder i.e. M/s. Asia Crown Electric Industrial Limited, Hong Kong has collected payments from customers abroad and transferred the collections to KTL & CASINE. Since the related traders have not filed any response, the respondent producer/exporter shall be treated as non-cooperative and the entire response shall be rejected. Export price to India reported in Appendix 2 is not reliable in view of the relationship between KTL and Asia Crown as Asia Crown has not submitted any response.
- f. Casio China has not submitted that Appendix-2, 2A, 2B and 3A is not applicable as Casio China is not exporting to India directly. In this regard, we would like to submit that Casio China has to submit these appendices as subject goods are shipped from Casio China directly to India and Casio China is aware at the time of shipment that goods are destined for India. Hence, Casio China is completely aware about the final destination of subject goods and is under statutory liability of submitting these appendices with respect to determination of expenses

incurred by them on exports made to India through their parent company Casio Japan.

- g. Casio China has submitted that they cannot provide the information required in Appendix-6 because they do not manage the records of inputs consumed in the way that the amount of inputs of a particular product can be traced. Hence, Appendix 6 has not been provided by the exporter either in the confidential version or non-confidential version. Therefore, the response of Casio China should be rejected.

Examination by the authority

40. The Authority sent questionnaires to the known exporters/producers from the subject country, advising them to provide information in the form and manner prescribed. The following parties have filed exporter questionnaire responses:
- a. M/s Casio Computer (Hong Kong) Ltd., Hong Kong
 - b. M/s Casio Electronics Technology (Zhongshan) Co., Limited, China PR
 - c. M/s Casio Computer Co., Ltd., Japan
 - d. M/s Dongguan KTL & CASINE Electronic Technology Co. Ltd., China PR
 - e. M/s Ningbo Deli Group Co., Ltd., China PR
 - f. M/s Fujian Kayfung Electronic Co., Ltd., China PR
 - g. M/s Ningbo Deli IMP & EXP Co., Ltd., China PR
 - h. M/s Ningbo Deli Electronic Development Co., Ltd., China PR
41. M/s Casio Electronics Technology (Zhongshan) Co., Limited, China PR has withdrawn the market economy treatment during verification.

Methodology for Determination of Normal Value

42. Para 7 of Annexure I of the 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. An appropriate market economy third country shall be selected by the designated Authority in a reasonable manner, keeping in view the level of development of the country concerned and the

product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

43. As per the provisions normal value in China PR is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, if the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include reasonable profit margin.
44. The Authority indicated in the initiation notification that the petitioner has claimed the constructed normal value in case of China PR on the basis of cost of production in India duly adjusted including adjustment on selling, general & administrative expenses and profit, in terms of Para 7 of Annexure I to the Rules. However, none of the interested parties, including the applicants and Chinese producers has placed any material fact before the Authority to select an appropriate market economy third country for the purpose. The domestic industry has submitted that India should be treated as an appropriate surrogate country for China in this matter and the normal value should be determined accordingly. None of the opposing parties has disputed the claim of the domestic industry.
45. The Authority notes that M/s Casio Electronic Technology (Zhongshan) Co. Ltd., China PR, is the company from China PR which has filed exporter's questionnaire response in the present investigation. The Authority also notes that the company has claimed market economy treatment by filing the required market economy questionnaire response. However, Authority notes that during the Onsite investigation conducted on 24.02.2015, the company vide their letter dated 24.02.2015 withdrew its claim for market economy status on the ground that though their entire procurement of raw material from suppliers situated in China PR is on the

basis of market price but they are not in position to confirm, whether their suppliers also follow the market economy principles while making their procurements. The Authority further notes that none of the other producers and exporters of the subject goods from the subject country have submitted the exporter's questionnaire response and market economy questionnaire response, consequent upon the initiation notice issued by the Authority and rebutted the non-market economy presumption. In view of the above position and in light of the withdrawal of claim for market economy status by the company and in absence of rebuttal of non-market economy presumption by the other producer and exporter respondent Chinese companies, the Authority considers it appropriate to proceed with para-7 of Annexure-I to the Rules for determination of normal value in case of China PR.

46. The Authority has determined the normal value in China PR for all producers/exporters on the basis of facts available, in terms of para 7 of Annexure 1 to the Anti-dumping Rules. Accordingly, the ex-works Normal Value of the product under consideration for reproducing exporters as well as all importers from China PR has been constructed by taking into account the international price of the major input viz. **CMOS board, base board, chip, aluminum wire, conductive paper, battery and diode** materials and for other raw materials at domestic industry prices. Further, the consumption norms, conversion cost and SGA expenses of the domestic industry have been adopted. For, the responding exporters and as well as all others weighted average cost of production have been calculated for PCN's exported by these producers/exporters to India during the POI. However, in case of KTL & CASINE Electronic since the related trader of the producer has not filed any response, the authority has not considered the response of this producer for any information on PCN's to evaluate the normal value. Profit margin of 5% is added for constructing the normal value.

Export Price

Casio Electronic Technology (Zhongshan) Co. Ltd. (China)

47. The Authority notes that Casio Electronic Technology (Zhongshan) Co. Ltd.", China PR, has responded in the form and manner prescribed and have furnished the requisite information to determine the net export price. The Authority notes from the Appendix-2 of the Exporter's Questionnaire response filed by the concerned producer/exporter that it had reported ***

transactions involving export of *** thousand 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, port & handling charges, bank charges and credit cost as claimed by the exporter in their 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 Casio Electronic Technology (Zhongshan) Co. Ltd.” (China) has been determined as US\$ ***per piece.

48. The producer Casio Electronic Technology (Zhongshan) Co. Ltd. manufactures subject goods and sells to Casio (Hong Kong) and dispatches to a bonded warehouse in China PR owned by Casio Japan, from where subject goods are sold to Casio Japan and dispatched to various locations (including India) by Casio Hong Kong on instructions from Casio Japan.

Fujian Kayfung Electronic Co. Ltd. China PR,

49. The Authority notes that M/s Fujian Kayfung Electronic Co., Ltd., China PR, has responded in the form and manner prescribed and have furnished the requisite information to determine the net export price. The Authority notes from the Appendix-2 of the Exporter’s Questionnaire response filed by the concerned producer/exporter that it had reported *** transactions involving export of *** thousand 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, port & handling charges, bank charges, credit cost and non-refundable vat adjustment as claimed by the exporter in their 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 M/s Fujian Kayfung Electronic Co., Ltd., China PR, has been determined as US\$ ***per piece.

M/s Dongguan KTL & CASINE Electronic Technology Co. Ltd., China PR (Producer/ Exporter)

50. M/s Dongguan KTL & CASINE Electronic Technology Co. Ltd. (hereinafter referred to as “KTL & CASINE”) is a company established in accordance with the company law of China. It is noted that said exporter is both a producer and an exporter of the product under consideration. KTL & CASINE has submitted that one of its shareholder i.e. M/s. Asia Crown Electric Industrial Limited, Hong Kong (“Asia Crown”) has collected payments from customers in India and transferred the collections to KTL

& CASINE. Since export proceeds has been collected by one of the related company, the authority notes that the export invoice have been raised by Asia Crown. Further, importers' will pay to only that exporter by whom the invoice is raised with regard to sale of subject goods.

51. Since the related trader of the producer has not filed any response, KTL & CASINE is treated as non-cooperative and the entire response is to be rejected. Accordingly, the Authority therefore has not determined the export price for KTL & CASINE.

M/s Ningbo Deli Group, China PR,

52. The Authority notes that M/s Ningbo Deli IMP&EXP Co., Ltd., China PR, is the company from China PR who has exported subject goods to India sourced from Ningbo Deli Electronic Development Co., Ltd., who basically a producer/manufacturer of the subject goods and both the exporter/trader and producer/manufacturer has filed exporter's questionnaire response in the present investigation.

53. The Authority notes that M/s Ningbo Deli IMP&EXP Co., Ltd., China PR, has responded in the form and manner prescribed and have furnished the requisite information to determine the net export price. The Authority notes from the Appendix-2 of the Exporter's Questionnaire response filed by the concerned producer/exporter that it had reported *** transactions involving export of ***thousand 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 overseas transportation, inland transportation and handling charges, bank charges and VAT refund adjustment as claimed by the exporter in their 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 M/s Ningbo Deli IMP&EXP Co. Ltd., China PR, has been determined as US\$ ***per piece.

Non-Cooperative Exporters

54. The Authority notes that DGCIS information shows imports of 31,544 thousand pieces of subject goods China PR, whereas the volume of direct exports made by the responding exporters to Indian importers is 4017 thousand pieces i.e. 12.7% of total importer. It is thus evident that significant exports have been made by other Chinese producers/ exporters as well. In view of non cooperation from the other Chinese exporters, the export price in respect of non cooperating exporters has been arrived from

total quantum of imports available from secondary source DGCI &S during the POI after making adjustments on account of ocean freight, marine insurance, inland freight, port expenses, bank charges and VAT adjustment, the ex-factory export price has been calculated and has been mentioned in the dumping margin table.

Dumping Margin

55. Comparing the normal value and export prices as determined in the preceding paragraphs, the dumping margin has been determined by the Authority as follows:

Casio Group

Particulars	Unit/PCN	N0LAO	N0LAP	N0LBO	N0LBP	N0MBO	N0MBP	N1LBO	N1MBO	S0LAP	S0LBP	Total
Quantity	000 pcs	***	***	***	***	***	***	***	***	***	***	***
Constructed Normal Value	US\$/pcs	***	***	***	***	***	***	***	***	***	***	***
Net Export Price	US\$/pcs	***	***	***	***	***	***	***	***	***	***	***
Dumping Margin	US\$/pcs	***	***	***	***	***	***	***	***	***	***	***
Dumping Margin %	%	***	***	***	***	***	***	***	***	***	***	***
DM (Range)	%	(25-45)										

Ningbo Group

Particulars	Unit/PCN	N0LAP	N0LBP	N0MBO	N0MBP	Total
Quantity	000 pcs	***	***	***	***	***
Constructed Normal Value	US\$/pcs	***	***	***	***	***
Net Export Price	US\$/pcs	***	***	***	***	***
Dumping Margin	US\$/pcs	***	***	***	***	***
Dumping Margin %	%	***	***	***	***	***
Dumping Margin (Range)	%					10-30

Fujian

Particulars	Unit/PCN	N0LAP	N0LBP	N1LBO	N1MBO	N1MBP	S0LAP	Total
Quantity	000 pcs	***	***	***	***	***	***	***
Constructed Normal Value	US\$/pcs	***	***	***	***	***	***	***
Net Export Price	US\$/pcs	***	***	***	***	***	***	***
Dumping Margin	US\$/pcs	***	***	***	***	***	***	***
Dumping Margin %	%	***	***	***	***	***	***	***
Dumping Margin (Range)	%							50-70

Weighted Average Dumping Margin

Particulars	Unit	Casio	Ningbo	Fujian	Residual
Quantity	000 pcs	***	***	***	***
Constructed Normal Value	US\$/pcs	***	***	***	***
Net Export Price	US\$/pcs	***	***	***	***
Dumping Margin	US\$/pcs	***	***	***	***
Dumping Margin %	%	***	***	***	***
Dumping Margin (Range)	%	(25-45)	10-30	50-70	155-175

E. INJURY DETERMINATION AND CAUSAL LINK INJURY

Submissions made by importers, exporters, users and user associations

56. Submission made by the interested parties are summarized below:

Submissions by CCCME, China PR and its exporting members, and Unitech Media

- a. Negative profitability and financial losses may be on account of poor management, selling low quality copied products at low prices. The Government should take a fair decision before imposing AD duty to protect domestic industry that is in the business of copying products.
- b. Abnormal increase in cost per unit is without any reason: number of crucial factors do not show any increase. Petitioner is also manufacturing other products in the same plant, and it appears that the Petitioner has allocated costs related to other products to the subject goods to prove injury. Improvement in technology and productivity of labour should have decreased the cost. Rather the cost has increased by 82%.
- c. Per unit sales realization shows no causal relationship. The wide difference in sales realization of the Petitioner and landed value of imports indicate that the Petitioner's product is not like to the PUC. Petitioner claims that 75.55% of the subject goods are imported below INR 20/unit. If that claim were correct, then the Petitioner's price is 800% higher than landed value shows that the article sold domestically cannot be like article from any perception.
- d. Despite decrease in import price from PRC, in 2010-11, the Petitioner could still maintain the same level of sales quantities with similar price of last year. Even when the landed price increased by 22.8% in

the POI when comparing the 2011-12, the Petitioner's sales price show a decreasing trend, which is not explained. The decrease in sales price by 2.1% in the POI may be as a result of product mix. The Petitioner should provide price trend by PCN or product type, otherwise the decrease of 2.1% is meaningless.

- e. Increase in depreciation without any increase in installed capacity coupled with decrease in capital employed: Written down method, which is followed by the Petitioner results in lower depreciation over the years if all parameters especially installed capacity remain the same.
- f. Further, decline in capital employed means decline in net fixed assets and working capital. Interest cost is also declining. If the net fixed assets have declined, it is not understood how the petitioner is claiming increase in depreciation.
- g. Increase in salaries & wages is contrary to facts of the case. A perusal of information available in published accounts when compared with information in Proforma-IV-A shows that the employee cost has increased by almost 80% as compared to 2009-10, whereas the published accounts show only an increase of 17%. According to audit report, salary expenses of the petitioner only increased by 27.8%, but the salary of the calculator business has increased 126.6%, which is 4.6 times of the whole company. This shows manipulation of data.
- h. NIP of the domestic industry is based on cost of production and reasonable return on capital employed. Since, capital employed is showing a decreasing trend, claim of increase in NIP is incorrect.
- i. Factors relevant for causal relationship not explained: The Petitioner has to demonstrate the following factors:
 - i. the volume and prices of imports not sold at dumping prices;
 - ii. contraction in demand or changes in the patterns of consumption;
 - iii. trade restrictive practices of and competition between the foreign and domestic producers;
 - iv. developments in technology and the export performance; and
 - v. the productivity of the domestic industry.
- j. Threat of injury: The investigating authority should take into account factors listed in Article 3.7 & Article 3.4 of the ADA and any other economic factor to analyse imminent harm caused by imports. The

claims in the petition are based on simple assertions and not facts, therefore there is no case of threat of injury to the domestic industry.

- k. Post sales warranty on Chinese calculators: The after sales service and 1 year warranty offered by the Petitioner adds to the cost of the products in India. The impact of after sales service on cost and realization must be negated in this case, as the imported product from China is without after sales support.
- l. Reasonable rate of return: The domestic industry has claimed a high rate of return of 22%, which if considered, would inflate the NIP. The Authority should not adopt 22% return on the reason that it has consistently adopted the same in past investigations. The Authority should adopt ROCE earned by the industry when there was no allegation of dumping as reasonable profit margin and not 22% ROCE.

Submissions by Casio India Co. Pvt. Ltd., Casio Electronic Technology (Zhongshan) Co. Ltd., Casio Computer (Hong Kong) Ltd. and Casio Computer Co. Ltd., Japan

- a. The average CIF price per unit and average landed value of the imported goods of the Respondent are 4 to 6 times higher than the claims in the petition.
- b. From the balance sheet of 2010-11 and 2011-12, it appears that the average per unit cost is INR 178 and INR 194 per unit, whereas the Petitioner claims that average raw material cost is only INR 70 per unit. This shows that Petitioner has made huge profits in those years. Also, since the petitioner is a multi-product company, chances of manipulation in data cannot be ruled out. The Authority is requested to analyse the documents of the Petitioner thoroughly.
- c. The Petitioner has not disclosed Casio Group as a major importer with its average landed price per unit at INR 289 per unit (price including countervailing duty) during the POI. This shows malafide on part of the Petitioner. The Petitioner has failed to establish dumping, injury and causal link in the present case and has not discharge the burden of establishing the above factors.
- d. The Authority is also requested to disclose the NIP claimed by the Petitioner as it is suspected that the NIP claimed by the Petitioner is artificial and highly exaggerated.

Submissions made by Domestic Industry

57. The domestic industry has submitted that:

- a. Demand for the product under consideration has increased throughout the injury period and POI.
- b. Subject country imports have shown significant increase over the period in absolute terms. Chinese imports constitute almost the entire volume of imports into India. Chinese dumped imports have increased in relation to consumption and production of the product under consideration in India.
- c. Weighted average import prices (after including basic customs duties) have been significantly below the selling prices of the domestic industry, thus resulting in significant price undercutting. There is a significant injury margin.
- d. The landed price of imports is significantly below the cost of production of the domestic industry throughout the injury period. Imports have had significant suppressing effect on the prices of the domestic industry in the market. The gap between the cost of sales and the selling price of the domestic industry is shrinking throughout the injury period due to presence of dumped imports and the domestic industry is unable to increase its prices in proportion to increase in cost, thereby suffering huge losses.
- e. 75.55% of the imports from China PR is in the price range of Rs.1–Rs.20. The cost of only raw material/components required for making PUC is approximately Rs. 70 per unit. This means that the subject goods are coming into India from China PR at a price which is one-third of the raw material/component cost of the domestic industry.
- f. Inventories have shown massive increase throughout the injury period with a significant increase during period of investigation.
- g. The profits of the domestic industry have declined throughout the injury period since 2009-10. The domestic industry has been suffering losses in the POI. Profitability and cash profits have shown the same trend. PBIT and ROI have shown a similar trend, becoming negative in the POI.

- h. Market share of the domestic industry has declined throughout the injury period whereas the market share of the dumped imports has significantly increased throughout the injury period.
- i. Wages paid have increased over the injury period but this is in line with the expected increase of wages in the country.
- j. Productivity has moved in the same direction as production.
- k. The adoption of 22% ROCE is consistent with the Authority's practice. Petitioner is earning 22% or more return on those products manufactured by them that are not dumped, therefore, adopting 22% return is justified. Any other alternative approach should not be adopted in this investigation.
- l. There is a threat of further material injury due to significant increase in volume of imports, surplus capacities with Chinese producers and their export orientation, significant price undercutting and price suppression, increasing inventories with the domestic industry, market share of dumped imports, and price advantages enjoyed by Chinese producers.
- m. There exist large unutilized capacities in China PR for subject products.

Examination by the Authority

58. The Authority has taken note of submissions made by the interested parties. The Authority has examined the injury to the domestic industry in accordance with the Anti-dumping Rules and considering the submissions made by the interested parties.
59. Rules require the Authority to examine injury by examining both volume and price effect. A determination of injury involves an objective examination of both (a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for the like article and (b) the consequent impact of these imports on domestic industry. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. With regard to the effect of the dumped imports on prices the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to

depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree.

60. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure-II of Anti-dumping Rules states as under:

“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.”

61. All parameters of injury need not show deterioration. While some parameter may show deterioration, some may show improvement. The Designated Authority must consider all injury parameters and thereafter conclude whether the domestic industry has suffered injury.
62. The Authority has examined the injury parameters objectively taking into account the facts and arguments in the submissions.
63. It is noted that price undercutting increased during period of investigation. In any case even if undercutting percentage is the same, it implies that the domestic industry prices have also declined in line with import prices and does not imply that the trend of cost of sales and selling price would not undergo any change.

Assessment of Demand

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

Particulars	Units	2009-10	2010-11	2011-12	POI
Subject Country imports	000 pcs	19,028	24,784	26,320	31,544
Other Countries-Imports	000 pcs	189	628	237	89
Sales of Domestic Industry	000 pcs	1,900	1,923	1,348	1,985
Sales of Supporter	000 pcs	1,137	430	285	197

Particulars	Units	2009-10	2010-11	2011-12	POI
Total	000 pcs	22,254	27,765	28,189	33,815

Volume Effect of Dumped Imports and Impact on Domestic Industry

Import Volumes and Share of Subject Country

65. 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 volume of imports of the subject good from the subject country have been analyzed as under:

Volume of Imports	Unit	2009-10	2010-11	2011-12	POI
Subject Country China PR	000 pcs	19,028	24,784	26,320	31,544
Subject Country – Trend	Index	100	130	138	166
Other Countries	000 pcs	189	628	237	89
<i>Trend</i>	Index	100	332	125	47
Total Imports	000 pcs	19,217	25,412	26,557	31,633
<i>Trend</i>	Index	100	132	138	165
Domestic Industry Production	000 pcs	1,926	2,182	1,206	1,920
Imports from subject country relative to domestic production	%	988%	1136%	2183%	1643%
Demand	000 pcs	22,254	27,765	28,189	33,815
Imports from subject country relative to consumption	%	86%	89%	93%	93%

66. It is noted from the above table that:

- a. Imports from China have increased significantly in absolute terms. The increase in imports during POI is quite significant.
- b. Imports from China PR in relation to domestic industry production have increased from 988% during 2009-10 to 1643% in the POI.
- c. Imports from China PR in relation to total demand have increased from 86% in 2009-10 to 93% in POI.
- d. Imports from China PR have increased in relation to production & consumption in India consistently throughout the injury period.

67. It is, thus, concluded that imports from China PR have increased both in absolute terms and in relation to production and consumption in India.

Price Effect of the Dumped Imports on the Domestic Industry

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

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

69. It has been examined whether there has been a significant price undercutting by the dumped imports of the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, Price Underselling, price suppression and price depression, if any.

Price Undercutting

70. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex factory level. This comparison showed that during the period of investigation, the subject goods originating in the subject country were imported into the Indian market at prices which were lower than the selling prices of the domestic industry. It is thus noted that imports of subject goods were undercutting the domestic prices and margin of undercutting is shown as per the table below:

Volume of Imports	Unit	2009-10	2010-11	2011-12	POI
Landed value of imports	Rs/pc	36.95	33.22	37.04	43.95
Selling price of the DI	Rs/pc	***	***	***	***
Price undercutting	Rs/pc	***	***	***	***
Price undercutting% of Landed Value	%	***	***	***	***

Volume of Imports	Unit	2009-10	2010-11	2011-12	POI
Price undercutting range	% Range	175-195	195-215	175-195	95-115

71. The Authority notes that price undercutting was substantial during the POI.

Price Underselling

72. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from China PR. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports. Comparison of weighted average NIP of the domestic industry with weighted average landed price of imports shows as follows:

Particulars	UOM	POI
Weighted average-non injurious price	Rs/pc	***
Landed Price	Rs/pc	***
Price Underselling	Rs/pc	***
Price Underselling	%	***
Price Underselling Range	%	170-190%

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

Price Suppression /Depression

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

Particulars	Unit	2009-10	2010-11	2011-12	POI
Cost of sales (Domestic)	Rs/pc	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	102	133	156
Sales Value (Domestic)	Rs/pc	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	96	100	85

75. It is seen that costs of the domestic industry increased over the injury period whereas selling price has shown a declining trend. The imports were

thus suppressing the prices of the domestic industry in the market and preventing the price increases that would have otherwise occurred.

Economic parameters of the domestic industry

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

Production, Capacity, Capacity Utilization and Sales

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

Particulars	Unit	2009-10	2010-11	2011-12	POI
Capacity	000 pcs	2,500	2,500	2,500	2,500
Production	000 pcs	1,926	2,182	1,206	1,920
Capacity Utilization	%	77	87	48	77
Domestic Sales	000 pcs	1,900	1,923	1,348	1,985
Demand	000 pcs	22,254	27,765	28,189	33,815

78. It is seen from the above table that the demand for the product under consideration in India has increased significantly over the injury period.

79. Production of the domestic industry increased in 2010-11. However, the production declined in the subsequent years. Production of the domestic industry in investigation period was lower than production in 2009-10 whereas demand for the product under consideration increased during the same period.

80. Capacity utilization of the domestic industry has followed the same trend as that of production.

81. Sales of domestic industry in the domestic market have not increased during POI in comparison to increase in demand in India.
82. It is thus concluded that production, domestic sales and capacity utilization of the domestic industry has not increased despite increase in demand for the product in the Country.

Profits, profitability, return on investment and cash profits

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

Particulars	Unit	2009-10	2010-11	2011-12	POI
Profit/loss	Rs/pc	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	88	35	-50
Cash profit	Rs/pc	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	89	46	-28
Profit/loss	Rs. Lakh	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	88	25	-52
Cash profit	Rs. Lakh	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	89	33	-29
ROCE	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	86	25	-35

84. The Authority notes that the domestic industry has earned profit in the years prior to POI. However, the profitability of the domestic industry deteriorated significantly thereafter and the domestic industry suffered financial losses in the POI.
85. Return on investment has shown the same trend as that of profits. Profit before interest and taxes remained positive during 2009-10, 2010-11 and 2011-12. The same became negative in the POI.
86. Cash profits have also shown the same trend as that of profits. Cash profits remained positive throughout during 2009-10, 2010-11, and 2011-12 and turned negative in the investigation period.

Market Share

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

Particulars	Unit	2009-10	2010-11	2011-12	POI
Demand	000 pcs	22,254	27,765	28,189	33,815

Particulars	Unit	2009-10	2010-11	2011-12	POI
Share of Domestic Industry	%	8.54%	6.93%	4.78%	5.87%
Share of Supporter- Cenzer Industries	%	5.11%	1.55%	1.01%	0.58%
Share of Subject Country	%	85.51%	89.26%	93.37%	93.28%
Share of Other Imports	%	0.85%	2.26%	0.84%	0.26%

88. It is seen from the above table that the market share of the domestic industry has declined throughout the injury period and that of China has increased consistently. The market share of the domestic industry declined by 3% during POI as compared to the base year. Considering the positive price undercutting and increase in market share of China, it is concluded that the market share of the domestic industry has declined as a direct result of dumped imports from China PR.

Employment, Productivity and Wages

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

Particulars	Unit	2009-10	2010-11	2011-12	2012-13 (POI)
Employment	No	***	***	***	***
Productivity (Unit per employee)	Piece per Employee	***	***	***	***
Productivity per employee	Indexed	100	142	131	179
Wages	Rs. Lakh	***	***	***	***
<i>Trend</i>	Indexed	100	90	69	158

90. Being a multi-product company, the domestic industry has to withdraw the employees from calculator segment and transfer it to other divisions. Employment with the domestic industry has declined due to fall in sales and production. Wages paid have increased over the period of injury. Productivity increased in line with the trend of production.

Inventories

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

Particulars	Unit	2009-10	2010-11	2011-12	2012-13 (POI)
Average Stock	000 pcs	***	***	***	***
<i>Trend</i>	Indexed	100	156	173	112

92. It is seen that inventories with the domestic industry have increased throughout the injury period. The inventory has increased by around 12% during POI as compared to the base year.

Growth

93. The Authority notes that growth of the domestic industry with regard to production, domestic sales volume, and cost of sales was positive in 2011-12 and POI. The growth of selling price, profit and return on investment was negative in 2011-12 and POI. The growth of profitability was negative throughout the injury period and POI.

Growth percent (year by year)	Unit	2010-11	2011-12	2012-13	POI
Production	%	-	13%	-45%	59%
Sales Volume	%	-	1%	-30%	47%
Cost of Sales	%	-	2%	31%	17%
Selling Price	%	-	-4%	3%	-15%
Profit per unit	%	-	-12%	-60%	-242%
Return on Investment	%	-	-14%	-71%	-241%

Ability to raise capital investments

94. The Authority notes that given rising demand of the product in the country, the domestic industry has made investments in plant and machinery. However, despite these investments, the performance of the domestic industry has deteriorated considerably and further investment may get adversely affected.

Level of dumping & dumping margin

95. It is noted that subject country imports are entering the country at dumped prices and that the margin of dumping is significant.

Factors Affecting Domestic Prices

96. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc 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 significant price undercutting as well as price under selling in the Indian market. Thus, the factor affecting the domestic prices is landed value of subject goods from subject country.

Conclusion on injury

97. Based on the above, the Authority holds that the dumped imports of the subject goods from the subject country have increased in absolute terms as well as in relation to production and consumption of the subject goods in India. Imports of the product were undercutting the prices of the domestic industry in the market. Further, while the cost of production kept increasing over the injury period, the increase in selling price did not commensurate with the increase in the cost of production. The imports were thus suppressing the prices of the domestic industry and preventing the price increases that would have otherwise occurred in the absence of dumped imports. With regard to consequent impact of the dumped imports on the domestic industry, it is observed that while the demand for the product increased very significantly, the production and sales of the domestic industry declined due to the marked increase in the dumped imports. Resultantly, the domestic industry lost market share which, in turn, affected other performance parameters.
98. 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, market share & inventory etc shows an adverse impact on the domestic industry. Thus, Authority holds that the domestic industry has suffered material injury.

Causal Link

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

Imports from third countries

100. The Authority has examined the imports data of the subject goods from DGCI&S. It is noted that imports from third countries are negligible and could not have caused claimed injury to the domestic industry.

Contraction in demand

101. The Authority notes that the demand for the subject goods has shown significant improvement during the injury period. It has increased in the POI from the base year and the previous year. Possible contraction in demand could not have caused injury to the domestic industry.

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

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

Developments in technology

103. The Authority notes that the technology adopted by the domestic industry is comparable with that adopted by producers all over the world. There is no significant difference in the manufacturing process of Indian producers and foreign producers. In fact, domestic producers have been manufacturing the product for quite some time, and the technology for production is fairly established. Further, the user industry is technology neutral, so any difference in the technology is not the reason for injury to the domestic industry.

Changes in pattern of consumption

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

Export performance

105. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In fact, exports by the domestic industry have not materially declined. In any case, the authority has considered domestic performance wherever possible.

Performance of the domestic industry with respect to other products

106. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by

the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

Productivity of the domestic industry

107. The Authority notes that the productivity of the domestic industry has followed the same trend as production. Deterioration in productivity has not caused injury to the domestic industry.

Factors establishing causal link

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

- a) Imports are undercutting the prices of the domestic industry. The volume of imports has increased significantly.
- b) The consumers have increasingly switched their requirements to Chinese suppliers as a result of significant price difference. Thus, the price undercutting has led to significant increase in market share of imports and decline in market share of the domestic industry.
- c) The presence of dumped imports in the country is preventing the domestic industry from increasing its prices in proportion to the rise in costs.
- d) The subject imports are underselling the product sold by the domestic industry.
- e) Deterioration in profits, return on capital employed and cash profits is a direct consequence of dumped imports.
- f) The market share of dumped imports increased over the injury period, with a consequent decline in the market share of the domestic industry.
- g) As a result of significant price undercutting, production, sales and capacity utilisation of the domestic industry has not increased.
- h) The growth of the domestic industry became negative in terms of a number of price and volume related economic parameters.

109. The above grounds clearly establish existence of causal link between the dumped imports and injury to the domestic industry. Thus, the Authority

concludes that the domestic industry suffered material injury due to dumped imports of the subject goods originating in or exported from the subject country.

Magnitude of Injury and Injury Margin

110. The Authority has determined non-injurious price for the domestic industry on the basis of principles laid down in the Rules, as amended. The non-injurious price so determined has been compared with the landed prices of imports from the subject country.

Producers and Exporters from China PR

111. Injury margin for all producers and exporters from China PR has been determined by the Authority on the basis of best available facts.

Casio Group

Particulars	Unit	N0LAO	N0LAP	N0LBO	N0LBP	N0MBO	N0MBP	N1LBO	N1MBO	S0LAP	S0LBP	Total
Quantity	000 Pcs	***	***	***	***	***	***	***	***	***	***	***
Non Injurious Price	US\$/pcs	***	***	***	***	***	***	***	***	***	***	***
Landed Value	US\$/pcs	***	***	***	***	***	***	***	***	***	***	***
Injury Margin	US\$/pcs	***	***	***	***	***	***	***	***	***	***	***
Injury Margin (%)	%	***	***	***	***	***	***	***	***	***	***	***
I M (Range)	%	(45-65)										

Ningbo Group

Particulars	Unit	N0LAP	N0LBP	N0MBO	N0MBP	Total
Quantity	000 Pcs	***	***	***	***	***
Non Injurious Price	US\$/pcs	***	***	***	***	***
Landed Value	US\$/pcs	***	***	***	***	***
Injury Margin	US\$/pcs	***	***	***	***	***
Injury Margin (%)	%	***	***	***	***	***
Injury Margin (Range)	%					15-35

Fujian

Particulars	Unit	N0LAP	N0LBP	N1LBO	N1MBO	N1MBP	S0LAP	Total
Quantity	000 Pcs	***	***	***	***	***	***	***
Non Injurious Price	US\$/pcs	***	***	***	***	***	***	***
Landed Value	US\$/pcs	***	***	***	***	***	***	***
Injury Margin	US\$/pcs	***	***	***	***	***	***	***
Injury Margin (%)	%	***	***	***	***	***	***	***
Injury Margin (Range)	%							65-85

Weighted Average Injury Margin

Particulars	Unit	Casio	Ningbo	Fujian	Residual
Quantity	000 Pcs	***	***	***	***
Non Injurious Price	US\$/pcs	***	***	***	***
Landed Value	US\$/pcs	***	***	***	***
Injury Margin	US\$/pcs	***	***	***	***
Injury Margin (%)	%	***	***	***	***
Injury Margin (Range)	%	(45-65)	15-35	65-85	170-190

112. The level of dumping margins and injury margins, as determined, are considered significant.

F. Indian Industry's Interest & Other Issues

113. 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 reestablish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way and, therefore, would not affect the availability of the product to the consumers.

114. It is recognized that the imposition of anti-dumping duties might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measures, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

G. Post Disclosure Statement Submissions by the interested Parties

115. The submissions of various interested parties are summarized below to extent it is considered relevant by the authority:

Post Disclosure Statement submissions by the importers, exporters and other parties

M/s Dongguan KTL & CASINE Electronic Technology Co. Ltd.,

116. KTL & CASINE has authorized its parent company in Hong Kong namely M/s. Asia Crown to collect payment of exports to India. It is further clarified that all invoice on India buyers have been raised by KTL & CASINE under its signature and seal. The conclusion arrived by the authority is contrary to what has been stated in the questionnaire response.
117. Resorting to facts available by treating a producer/exporter as non-cooperative is permitted under specified conditions laid down under the law. The antidumping agreement casts responsibility on the investigating authority to intimate immediately the reasons for the proposed rejection of data and must give opportunity to further give an explanation.
118. The conclusion arrived by the authority that M/s. Asia Crown has raised invoice on Indian Buyer is incorrect. M/s. Asia Crown is neither a producer nor an exporter. There is no requirement under law to file questionnaire response by M/s. Asia Crown.

Submissions by Unitech Media

119. The Applicant had contended in its Application that it was the sole producer of the subject goods and hence constituted “domestic industry” within the meaning of Rule 2(b) of AD Rules. In its written submission, the Applicant submitted that there were other domestic producers of the subject goods, namely Cenzer and Caltrix Electronics Industries Limited (“Caltrix”). The Authority did not examine the accuracy and adequacy of the evidence provided in the Application to determine whether there was sufficient evidence to justify initiation of the investigation. This failure on the part of the Authority stands in direct violation of Rule 5(3) of the Indian AD Rules and Article 5.3& 5.4 WTO ADA.
120. Caltrix cannot be automatically excluded from the scope of the domestic industry without an examination into the nature of Caltrix’s operations. The website of Caltrix explicitly states that it is “one of the leading manufacturers of Electronic Calculators in India”. In addition, it states that it has its manufacturing unit in Selaqui, Deharadun.
121. Citizen was never intimated of the conduct of the present proceedings through any official channels. Therefore, as Citizen’s non-participation in the instant investigation was due to lack of knowledge of the conduct of the proceedings and based on the complete evidence submitted by Unitech Media, we urge the Authority to consider Unitech Media’s submissions.
122. Revised PCN system has omitted to take into consideration key features that have a material impact on the cost and price of calculators.

123. The production of Cenzer has not been taken into account for the purpose of determining the total domestic demand or consumption and therefore the computation of total domestic demand or consumption is flawed.
124. It is true that imports from China PR in relation to total demand have increased from 86% in 2009-10 to 93% in POI; however it will be inappropriate to attribute dumping as the reason for not having achieved sales in line with the demand growth as Ajanta Limited is not the sole producer in the domestic industry.
125. The performance of the Applicant is on an upward trend. In particular, there is an increase in the domestic sales, production, capacity utilization, number of employees, wages and productivity in the POI as compared to the previous year. The data provided by the Applicant relating to market share cannot be relied upon as the same is not representative of the domestic industry on the whole and further includes products that are not manufactured by the Applicant. The extent of injury caused by the significant increase in expenses of the Applicant must be segregated from the any injurious effect caused by imports.
126. The conditions of competition between the Applicant and the other domestic producers have not been addressed.

Submissions by Casio Group

127. Certain products manufactured by Casio are exclusive with patent rights in the name of Casio and same shall be excluded from the present investigation but no finding has been given by the Authority in this regard.
128. Casio has made a specific request to the Authority to disclose the NIP claimed by DI as same forms basis for determination of injury.

Post Disclosure Statement submissions by the domestic industry

129. In view of Rule 2(a) of General Interpretative Rules of Customs Tariff, the applicant requests the Authority to specifically mention that scope of subject goods cover all types and all forms, whether in SKD or CKD condition. Circular No. 43/2010-Customs dated 6-12-2010 specifically clarifies that antidumping duty is imposable even is goods are imported in CKD/SKD packs.
130. Such clarification will dispel all doubts with regard to the product under consideration and will ensure that importers/ exporters of the subject goods do not evade the duty in any manner and deprive the Applicant of the protection afforded to it under anti-dumping law.

131. It has also correctly held that the Applicant constitutes “domestic industry” within the meaning of Rule 2(b) of AD Rules.
132. The Authority has correctly held that since the related trader of the producer has not filed any response, KTL & CASINE are treated as non-cooperative and the entire response is to be rejected.
133. The Applicant reiterates its submission, and the Authority’s conclusion that the Applicant has suffered material injury due to dumped imports of the subject goods originating in or exported from China PR.

Examination by Authority

M/s Dongguan KTL & CASINE Electronic Technology Co. Ltd.

134. With regard to submission made by KTL & CASINE that all the exports transaction all invoice on India buyers have been raised by KTL & CASINE under its signature and seal, the authority notes from the copy of export invoices submitted by KTL & CASINE that invoices has been raised by M/s. Asia Crown in its own name. The invoice clearly shows the name of M/s. Asia Crown as exporter of subject goods. Therefore, the claim of KTL& CASINE that M/s. Asia Crown has not raised any invoice on Indian buyer is incorrect.
135. With regard to submission of resorting to facts available by treating a producer/exporter as non-cooperative is permitted under specified conditions, The authority notes that M/s. KTL & CASINE has submitted in the questionnaire response that customer makes payment directly to M/s. Asia Crown and Asia Crown, then transfers the payment to KTL & CASINE. KTL & CASINE have merely reiterated its earlier submission that due to convenience KLT&CASINE has signed an agreement with just one customer, namely M/s. Asia Crown rather than many foreign customers and KLT & CASINE includes all the export sales as the related sales with M/s. Asia Crown, however, all the export sales are arranged by KLT & CASINE and sales documents are made by KLT & CASINE in the name of importers.
136. KTL & CASINE has failed to explain that without issuance of invoice by M/s. Asia Crown, how an importer can remit money to M/s. Asia Crown. Even banks cannot remit foreign exchange to exporter without any invoice from such exporter. KTL & CASINE had failed to provide explanation about how exports proceeds can be realized by M/s. Asia Crown without being party to exports to India. Further, KTL& CASINE has also made incorrect claim before the authority that M/s. Asia Crown has not raised

any invoice on Indian Buyers. Therefore, authority has resorted to facts available for KTL & CASINE.

137. With regard to submission of KTL & CASINE that M/s. Asia Crown is neither a producer nor an exporter, it can be seen from the invoices submitted that subject goods are directly shipped from China to India and invoices are raised by M/s. Asia Crown. KTL & CASINE has itself submitted that payments are received by Asia Crown from Indian importers. M/s. Asia Crown is a separate legal entity based in Hong Kong and related to KTL and CASINE. Therefore, in view of facts of the present case, M/s. Asia Crown has acted as trader of subject goods to India. In the absence of response by M/s. Asia Crown, the authority cannot satisfy itself with regard to the export price to India of KTL & CASINE.
138. It is the duty of each party who is involved in sale of subject goods to file separate questionnaire response and cooperate fully with the authority. It is the duty of exporter to file the response on its own.
139. In view of the above, export price of KTL & CASINE cannot be considered as representative export price to India for subject goods. Therefore, the authority maintains its position and does not grant individual treatment to M/s. KTL & CASINE.

Submissions by Unitech Media

140. With regard to submission made by Unitech Media that did not examine the accuracy and adequacy of the evidence provided in the Application to determine whether there was sufficient evidence to justify initiation of the investigation and Applicant does not constitute “domestic industry” within the meaning of Rule 2(b) of AD Rules, the authority notes that investigation was initiated after examining the adequacy and accuracy of evidence submitted by the Applicant with regard to requirement under the law.
141. With regard to submission that Caltrix cannot be excluded from the scope of the domestic industry, the Authority has noted that based on the information available on record, the Authority notes that the subject goods in the brand name of “Caltrix” are being imported from China PR in substantial quantities. By merely claiming to be manufacturer on website will not make Caltrix part of domestic industry under AD Rules. None of the opposing parties has submitted any evidence before the Authority to counter the imports of Caltrix Brand. Hence, Caltrix cannot be “domestic

industry” within the meaning of Rule 2(b) of AD Rules and rightly excluded from the scope of domestic industry.

142. With regard to submission that Citizen was never intimated of the conduct of the present proceedings through any official channels, the Authority has published the initiation notification on its website and in official gazette of India. The authority has also forwarded copy of initiation notification to the Embassy of China in India requesting them to circulate it to all other producers/exporters in china not listed in the petition. Further, Unitech Media, who claimed to be sole distributor of Citizen brand calculator was fully aware of the investigation and submitted importers questionnaire response as well its comments on initiation of investigation. Therefore, the claim that Citizen was not aware of the present proceedings is incorrect. Further, authority notes that Citizen has never made such claim before the authority at any stage of the investigation.
143. With regard to submission that production of Cenzer has not been taken into account for the purpose of determining the total domestic demand or consumption, the Authority notes that submission of Unitech Media is devoid of any merit as to determine demand, the sales of domestic industry along with supporter (Cenzor) has been taken into account.
144. With regard to claim that inappropriate to attribute dumping as the reason to increase in imports from China PR in relation to total demand, the Authority notes that sales of both of the constituents of domestic industry, i.e. Applicant and Cenzer have declined considerably.
145. With regard to short comings of revised PCN system that it has omitted to take into consideration key features, the Authority notes that revised PCN system was agreed and accepted by all the producer/ exporters of subject goods. Further, Unitech Media’s request for amendment in the PCN system cannot be accepted, as the concerned exporter Citizen Calculators has not cooperated in the present investigation.
146. With regard to injury to the applicant, the Authority has already examined the same in the present findings appropriately.
147. With regard to conditions of competition between the Applicant and the other domestic producers, the Authority notes that that the share of applicant is substantial as compared to other domestic producer Cenzer. Further, the market share of Cenzer has declined during the injury period and POI.

Submissions of Casio Group

148. With regard to submission of Casio Group that certain products manufactured by Casio are exclusive with patent rights in the name of Casio and should be excluded from the present investigation, the Authority notes that for any infringement of patent rights, DGAD is not the appropriate forum. Casio Group may take up this issue in appropriate forum.
149. With regard to submission of disclosure of NIP, the Authority notes that dumping margin and NIP is determined based upon the company specific data. Such information is confidential in nature. Disclosure of confidential information may be detrimental to the interest of party who provides such confidential information. Further, Casio group has requested the authority not disclose its confidential information in the non-confidential version. The Authority cannot disclose the confidential information of the cooperating interested parties.

H. CONCLUSION

150. After examining the submissions made by the opposing interested parties and the domestic industry and issues raised therein; and considering the facts available on record, the Authority concludes that the product under consideration has been exported to India from the subject country below its associated normal value, thus, resulting in dumping of the product. The domestic industry has suffered material injury in respect of the subject goods. The material injury has been caused by the dumped imports from the subject country.

I. RECOMMENDATIONS

151. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and the causal link. Having initiated and conducted investigation into dumping, injury and the causal link thereof in terms of the AD Rules and having established positive dumping margins as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of definitive anti dumping duty is required to offset dumping and consequent injury. Therefore, the Authority considers it necessary to recommend imposition of definitive anti-dumping duty on imports of the

subject goods from the subject country in the form and manner described hereunder.

152. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, definitive antidumping duty as per amount specified in the table below is recommended to be imposed from the date of the Notification to be issued by the Central Government, on all imports of the subject goods originating in or exported from the subject country.

Duty Table

S. No.	Heading/ Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount of duty	Unit	Currency
1	2	3	4	5	6	7	8	9	10
1.	84 70	Electronic Calculator	China PR	China PR	Casio Electronic Technology (Zhongshan) Co. Ltd.	Casio Computer (Hong Kong) Ltd., Hong Kong through M/s Casio Computer Co., Ltd., Japan	NIL	Per Piece	US\$
2.	- do -	- do -	China PR	China PR	Fujian Kayfung Electronic Co., Ltd.,	Fujian Kayfung Electronic Co., Ltd.	0.79	Per Piece	US\$
3.	- do -	- do -	China PR	China PR	Ningbo Deli Electronic Development Co., Ltd.	Ningbo Deli IMP&EXP Co., Ltd.	0.28	Per Piece	US\$
4.	- do -	- do -	China PR	China PR	Any combination other than Sl. No. 1 to 3 above		1.22	Per Piece	US\$
5.	- do -	- do -	China PR	Any other than China PR	Any	Any	1.22	Per Piece	US\$
6.	- do -	- do -	Any other than China PR	China PR	Any	Any	1.22	Per Piece	US\$

* 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*

153. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.
154. 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.
155. The Authority may review the need for continuation, modification or termination of the definitive measure as recommended herein from time to time as per the relevant provisions of the Act and public notices issued in this respect from time to time. No request for such a review shall be entertained by the Authority unless the same is filed by an interested party as per the time limit stipulated for this purpose.

(J. K. Dadoo)
Designated Authority