

**To be published in Part-I Section I of the Gazette of India Extraordinary**

**Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Anti-Dumping & Allied Duties)  
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001**

Dated the 20<sup>th</sup> October, 2015

**INITIATION NOTIFICATION**

**Subject: Anti-dumping investigation concerning imports of 'AA Dry Cell Batteries', originating in or exported from China PR and Vietnam.**

**No.14/31/2014-DGAD:** Association of Indian Dry Cell Manufacturers on behalf of domestic industry (hereinafter referred to as the applicant) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as the Rules) for initiation of anti-dumping investigation and imposition of anti dumping duty concerning imports of AA Batteries (hereinafter also referred to as the subject goods), originating in or exported from China PR and Vietnam (hereinafter also referred to as the subject countries).

2. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the alleged dumping and 'injury' exist to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

**Domestic Industry & Standing**

3. The Application has been filed by Association of Indian Dry Cell Manufacturers on behalf of domestic industry, namely, Eveready Industries India Ltd., Panasonic Energy India Co. Ltd., and Indo National Ltd.

4. As per the claims of the Association a number of producers in the unorganized sector also produce the subject goods. The production of these produces in unorganized sector has been estimated by the domestic industry in the region of 5% of the production in the organized sector. As per the evidence available

on record, the production of the applicant companies constitutes “a major proportion” of the domestic production. The Authority, therefore, determines that the applicant companies constitute eligible domestic industry within the meaning of Rule 2 (b) of the Anti Dumping Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

### **Product under consideration**

5. The product under consideration for the purpose of present investigation is ‘AA Dry Cell Batteries’. AA Dry Cell Batteries are basically zinc carbon pencil batteries. The batteries are available in various types. Zinc Carbon pencil batteries also known as “R6”, “AA”, “UM3” batteries, both in paper and metal, heavy duty and super heavy duty batteries, jacketed form are within the scope of investigation. As stated by the applicant, rechargeable batteries, alkaline batteries, AAA batteries, D size and C size batteries are beyond the scope of the present investigation.

6. AA Dry Cell Batteries is primarily used for flashlights, transistors, toys, wall and table clocks, tape recorders, walkman, CD players, cameras, other electronic equipment, post & telegraph, defense and police for their wireless systems and railways for signaling.

7. AA Dry Cell Batteries are classified under custom sub-heading 8506 10 of Schedule I of the Customs Tariff Act, 1975. The customs classification is indicative only and in no way it is binding upon the product scope.

### **Like Article**

8. The applicant has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the domestic industry. As submitted by the applicants, the product under consideration produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The applicants have further claimed that two are technically and commercially substitutable and, hence, should be treated as ‘like article’ under the Rules. Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the applicants in India as ‘Like Article’ to the subject goods being imported from the subject countries/territories.

### **Countries involved**

9. The present investigation is in respect of alleged dumping of the product under consideration from China PR and Vietnam (referred to as the “subject countries”).

### **Normal Value**

10. Applicants have claimed that China PR should be treated as a nonmarket economy and determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. The applicants have claimed normal value for China PR on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from china PR, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.

As regards normal value of Vietnam, the Applicant has submitted that best possible efforts were made to procure evidences of domestic price in Vietnam, but however they were unable to get any documentary evidence or reliable information with regard to the domestic prices of the subject goods in these countries. The applicant has claimed the normal value in respect of Vietnam on the basis of cost of production in India after due adjustments for the international price of the major raw materials.

### **Export Price**

11. The export price has been claimed by the applicants as the weighted average import price from subject countries based on the import data obtained from the IBIS. Price adjustments have been made on account of ocean freight, marine insurance, commission, inland freight expenses and port expenses to arrive at the net export price.

### **Dumping Margin**

12. The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries are higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject countries. The dumping margins are estimated to be above de minimis.

### **Injury and Causal Link**

13. Information furnished by the applicants has been considered for assessment of injury to the domestic industry. The applicants have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption, price undercutting, price underselling and consequent significant adverse impact in terms of decline in production, sales, market share, inventories. There is sufficient prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

14. The applicants have claimed that imports have spurted from subject countries especially from China since April 2013, i.e., after cessation of anti dumping duties on China. Petitioner has therefore claimed that the imports are threatening material injury to the domestic industry. Applicants have submitted significant increase in imports after cessation of anti dumping duties earlier levied, decline in import price, significant surplus capacity and high export orientation of the producers in subject countries as grounds for claiming threat of material injury to the domestic industry from subject imports.

#### **Period of Investigation (POI)**

15. The period of investigation for the present investigation is from 1st April, 2014 to 31st March 2015 (12 months). The injury investigation period will however cover the periods Apr'11-Mar'12, Apr'12-Mar'13, Apr'13-Mar'14 and the period of investigation.

#### **Submission of information**

16. The known exporters in the subject countries, the Government of the subject countries through their embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry, Department of Commerce  
4th Floor, Jeevan Tara Building, 5 Parliament Street,  
New Delhi -110001.

17. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

#### **Time limit**

18. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of publication of this Notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Anti-dumping Rules.

19. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses and offer their comments to the domestic industry's application regarding

the need to continue or otherwise the Antidumping measures within 40 days from the date of initiation of this investigation.

### **Submission of Information on Non-Confidential basis**

20. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

21. Information supplied without any confidential marking shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and five (05) copies of the non confidential version must be submitted by all the interested parties.

22. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.

23. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

24. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

25. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

### **Inspection of Public File**

26. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

### **Non-cooperation**

27. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

(A.K. Bhalla)  
Designated Authority