

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

**File No. 7/31/2018-DGTR
GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE
MINISTRY OF COMMERCE & INDUSTRY
DIRECTORATE GENERAL OF TRADE REMEDIES
4TH FLOOR, JEEVAN TARA BUILDING,
5, PARLIAMENT STREET, NEW DELHI – 110001**

Dated 29th March, 2019

FINAL FINDING NOTIFICATION

Case No.16/2018

Subject: Final finding in the second Sunset review of anti-dumping investigation concerning imports of “Aluminum Alloy Road Wheels” (hereinafter also referred as the subject goods), originating in or exported from China PR, Korea RP and Thailand.

File No. 7/31/2018-DGTR: - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter 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 thereof, as amended from time to time (hereinafter referred to as the AD rules), thereof;

A. BACKGROUND

1. Whereas, the Designated Authority (hereinafter also referred as the Authority) initiated anti-dumping investigation on imports of “Aluminum Alloy Road Wheels” (hereinafter also referred as the subject goods), originating in or exported from China PR, Korea RP and Thailand (hereinafter also referred as the subject countries) vide notification No 14/7/2012-DGAD dated 10.12.2012. The Authority recommended provisional duties on imports of subject goods from subject countries on 13.1.2014 and the same was imposed by Ministry Of Finance vide Notification No. 15/2015-Customs (ADD) dated 11th April, 2014. The Authority thereafter notified the Final Findings No 14/7/2012-DGAD dated 9th June, 2014. The importers filed writ petitions (WP633/2015, WP 634/2015) before the Hon’ble Delhi High Court on the grounds of violation of natural justice etc., and the Final Findings No 14/7/2012-DGAD was quashed. However, a stay on the said judgment was granted by the Hon’ble Supreme Court in SLP(C) No. 014068 - 014073 / 2015 and the said SLPs are pending for final hearing. Following the stay from Hon’ble Supreme Court, MOF notification No. 21/2015-Customs (ADD) dated 22nd May, 2015 was issued and the duties recommended vide Final

Findings No 14/7/2012-DGAD were imposed for 5 years from the date of provisional imposition and the same are in force.

2. Whereas, in terms of Section 9A (5) of the Customs Tariff Act 1995, as amended, read with Rule 23 of AD Rules, the anti-dumping duty imposed shall unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review, whether the expiry of duty in force is likely to lead to continuation or recurrence of dumping and injury. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

3. M/s Synergies Castings Ltd and M/s Kosei Minda Aluminum Company Ltd. (hereinafter referred to as 'petitioners') filed a duly substantiated petition on behalf of the domestic industry before the Authority, in accordance with the Act and the Rules alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from China PR, Korea RP and Thailand and consequent injury to the domestic industry and have requested for review and continuation of the present anti-dumping duties, applicable on the imports of the subject goods, originating in or exported from the subject countries, for another five years.

4. Having satisfied that the Petitioners have substantiated the need for a Review, the Designated Authority considered it appropriate to initiate Sunset review vide Notification No. 7/31/2018-DGTR dated 10.8.2018, published in the Gazette of India, Extraordinary, to examine whether the expiry of present duties is likely to lead to continuation or recurrence of dumping and injury.

B. PROCEDURE

5. The procedure described below has been followed so far in this investigation:
- i. The Authority sent copies of the Initiation Notification dated 10.8.2018 to the Embassies of the subject countries in India, known exporters from the subject countries, known importers and other interested parties, and the domestic producers as per available information under Rule 6 (2) and (3). The known interested parties were requested to file the questionnaire responses and make their views known in writing within the prescribed time limit under Rule 6 (4).
 - ii. The Authority forwarded copies of the Initiation Notification to the following known producers/exporters in the subject countries along with Non Confidential Version of the application as per the details furnished in the application filed before the Authority. The producers exporters from China and Embassy of China were also advised to file questionnaire response in the supplementary questionnaire regarding the claim of market economy status.

China PR

1. Baoding Lizhong Wheel Manufacture Co., Ltd.
2. Dare Technology Co., Ltd.
3. Danyang Co
4. Yhi International Limited

5. Citic Dicastal Wheel Manufacturing Co., Ltd
6. Ysm Wheels Corporation Ltd
7. Zhejiang Baokang Wheel Manufacture Co., Ltd
8. Baosh Auto Parts Company Limited
9. Chiping Xinfu Aluminum Product Co., Ltd
10. Freeman Racing Wheels
11. Shandong Vesteon Automotive Parts Co., Ltd
12. Uniracing (Ningbo) Manufacturing Co., Ltd
13. Ningbo Jinggang Machinery Co., Ltd
14. Qindago Homeshine International Trading Co., Ltd
15. Ningbo Qiyu Special Wheel Corp
16. Zhejiang Buyang Auto Wheels Co., Ltd
17. China Zenix Auto International Limited
18. Qingdao Donghwa Casting Inc
19. Dare Wheel Manufacturing Co., Ltd,
20. Hua Tai (Jiang Men) Aluminium Product Co., Ltd
21. Sanmengxia Dicastal Wheel Manufacturing Co. Ltd
22. Shanghai Jinheli Aluminum Wheel Hub Manufacture Co., Ltd
23. Liufeng Machinery Industry Co., Ltd
24. Foshan Nanhai Zhongan Aluminium Wheel Co., Ltd
25. China Zenix Auto International Limited

Korea RP

1. Korea Wheel Tech Co Ltd
2. Samsung Auto Dismantling Co., Ltd
3. GS Corporation
4. Uniwell Corporation
5. Mirae Trading Co Ltd
6. Rainbow Industrial Co., Ltd
7. Eastern Point
8. MH International
9. Wowmotors Co., Ltd
10. Unhwa Commerce Inc
11. Alux Co., Ltd

Thailand

1. Sammitr Bangyai Auto Part & Export Co., Ltd
2. Easy World SA Trading Ltd. Part
3. Southern Cross Enterprises
4. WC Co., Ltd.,
5. The Rep Company
6. Tanut Netphant
7. Taita Enterprise Co., Ltd.,
8. I.C.Point
9. TNP Autoparts Company Limited
10. Technet Corp Asia Co., Ltd.,
11. Hyper Silvers & Chrome Paints
12. Enkei

iii. The following producers/exporters responded to the Authority filing Exporter Questionnaire Response and also other submissions:

1. Shandong Shuang Wang Aluminium Industry Co Ltd, China PR
2. Baoding Lizhong Wheel Manufacturing Co Ltd, China PR
3. Baotou Shengtai Auto Parts Manufacturing Co Ltd, China PR
4. Tianjin Lizhong Group Co Ltd, China PR
5. Qinhuangdao Lizhong Wheel Co Ltd, China PR
6. Citic Dicastal Co Ltd, China PR
7. Binzhou Movever Dicastal Wheel Co Ltd, China PR
8. Qinhuangdao Dicastal Sinolion Wheels Co Ltd, China PR
9. Qinhuangdao Xinglong Wheels Co Ltd, China PR
10. SMX Dicastal Wheel Manufacturing Co Ltd, China PR
11. Zhejiang Shuguang Industrial Co., Ltd, China PR
12. Zhejiang Jinfei Kaida Wheel Co., Ltd, China PR
13. New Thai Wheel Manufacturing Co ltd, Thailand

iv. The producers/exporters who have responded from China PR, however, filed only the EQ Responses and have not filed response to the supplementary questionnaire to rebut the Non Market Economy presumption of China PR.

v. A preliminary scrutiny of the Exporter Questionnaire Responses showed that the Response filed by the following parties were incomplete and could not be considered for individual margins;

1. Baoding Lizhong Wheel Manufacturing Co Ltd, China PR (Producer/Exporter)
2. New Thai Wheel Manufacturing Co ltd, Thailand (Producer/Exporter)

vi. It was noted that even after rejection of above Responses, there were still large number of producers/exporters who have filed the Exporter Questionnaire Response. Considering such large number of questionnaire responses received in this investigation, the Authority proposed to limit its findings to a reasonable number of producers/exporters in terms of Rule 17 (3) of the Anti-dumping Rules. Accordingly, following producers/exporters were proposed to be selected in the sample for further examination on the basis of quantum of exports to India during the POI;

1. CITIC Dicastal Co., Ltd, China PR
2. Binzhou Movever Dicastal Wheel Co Ltd, China PR
3. Qinhuangdao Dicastal Sinolion Wheels Co Ltd, China PR
4. Qinhuangdao Xinglong Wheels Co Ltd, China PR
5. SMX Dicastal Wheel Manufacturing Co Ltd, China PR

vii. The proposal to adopt sampling along with the details of parties selected in the sample were communicated to all the interested parties vide letter dated 8.1.2019 and the interested parties were given time till 14.1.2019 to provide their comments, if any, on the sampling proposed along with any additional information therein. Comments received, from the interested parties were examined on merit and it was decided to adopt sampling in the present investigation.

viii. Questionnaires were sent to the following known importers/users of the subject goods in India calling for necessary information:

1. Enkei Wheels (India) Limited
2. Aakar Castings Pvt Ltd
3. Volkswagen India Pvt. Ltd.
4. Ford India Private Ltd.
5. General Motors India Pvt. Limited.
6. Hyundai Motor India Ltd
7. Toyota Kirloskar Motor Pvt. Limited
8. FIAT India Automobile Limited
9. Hindustan Motors Limited
10. Neo Wheels
11. BMW India
12. Tata Motors Limited
13. Daimler India Pvt. Ltd
14. Skoda Auto India Private Limited
15. Honda Siel Cars India Ltd.
16. Renault Nissan Technology & Business Centre India Pvt. Ltd
17. Sai Mag Wheels
18. Prestige Design
19. Marwah Trader
20. The Automotive Component Manufacturers Association of India (ACMA)
21. Society of Indian Automobile Manufacturers (SIAM)
22. Sheromani Trader Pvt. Ltd.
23. Rockford Wheels
24. Sukhmani Wheels
25. Sukhadata Enterprises
26. Perfect Importers & Distributors (I) Pvt. Ltd.
27. Auto Dynamic Corporation
28. Fast Track Distributors Pvt. Ltd.
29. General Motors India Pvt. Ltd.

ix. The following importers/users filed a response to the Importer's Questionnaire in the prescribed format along with other submissions:

1. Hyundai Motors India Ltd.
2. Ford India Pvt. Ltd.

x. The Authority made available non-confidential version of the evidence presented by the domestic industry, producers/exporters and the importers in the form of a Public File kept open for inspection by the interested parties. Submissions made by all the interested parties so far have been taken into account in this Notification.

xi. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

- xii. Further information was sought from the applicants and other interested parties to the extent deemed necessary.
- xiii. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings on the basis of the facts available.
- xiv. The Authority has examined the information furnished by the domestic producers to the extent possible on the basis of guidelines laid down in Annexure III of the Rules to work out the cost of production and the non-injurious price of the subject goods.
- xv. The Authority, during the course of investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of this Notification to the extent possible and verified the data / documents given by the domestic industry and producer/exporter to the extent considered relevant and necessary.
- xvi. Investigation was carried out for the period starting from 1st April 2017 to 31st March 2018 (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 April 14-March 15, April 15-March 16, April 16- March 17 and the POI.
- xvii. 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, and the period of investigation, and the said information was obtained from the DGCI&S and has been adopted for the purpose of the present investigation.
- xviii. A Disclosure Statement was issued on 20.03.2019 containing essential facts under consideration of the Designated Authority, giving time up to 27.03.2019 to furnish comments, if any, on Disclosure Statement. The Authority has considered post disclosure comments received from interested parties appropriately.
- xix. The submissions made, arguments raised and information provided by various interested parties during the course of investigation, to the extent the same were supported with evidence and considered relevant to the present investigation have been appropriately considered and addressed by the Authority in this Notification at appropriate places.
- xx. In accordance with Rule 6(6) of the AD Rules, the Authority has provided opportunity to all interested parties to present their views orally in a hearing held on 19.2.2019. All the parties attending the oral hearing were requested to file Written Submissions of the views expressed orally by 25.2.2019. The parties were advised to exchange/collect copies of the views expressed by the opposing parties and were requested to submit their Rejoinder Submissions by 5.3.2019.
- xxi. Exchange rate for the POI considered by the Authority is 1US\$ = Rs. 65.29.
- xxii. " *** " in this notification represents information considered confidential.

C. SCOPE OF PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE

Views of the producers/ exporters/ importers and other opposing interested parties

6. The submissions made with regard to product under consideration and its scope, by the producers/ exporters/ importers/ users etc. considered relevant by the Authority are as follows:
- i. Compared to the other suppliers of the ARW in the world there is still a big gap in the technical capabilities of the Domestic Industry.
 - ii. DI lacks engineering capability on wheel weight optimization. Certain imported ARWs weigh lesser than Synergies' ARW. This weight difference is due to optimization of pockets behind the spokes. SCL is unable to achieve such level of optimization as they are not able to adopt lesser machining allowance and draft angle. Higher weight increases the cost of the wheel. ARWs for cars like Ford Figo Aspire show such difference.
 - iii. SCL is not capable of making front face machined alloy wheel. Ford proposes to use Front Face Machined alloy wheel, also referred to as Diamond cut wheel in the India market. SCL confirmed that they would not be able to meet this requirement currently in the existing painting line. Considering the fact that there was no available alternate alloy wheel supplier in India, Ford had to move to import for this ARW and bear the import duty for all wheels used for Indian market.
 - iv. PUC used by Ford in its vehicles are produced using Low Pressure Die Casting (LPDC) technology. SCL has LPDC technology. However, the other two Indian domestic producers viz. Enkei and Kosei Minda use Gravity die casting (GDC) technology. GDC is an older technology compared to LPDC. The disadvantages of using GDC are that the alloy road wheels, manufactured using the GDC technology are heavier in weight and have higher casting scrap/ wastage leading to increased cost of alloy road wheels. It is also a less efficient process for manufacturing alloy road wheels.
 - v. Ford entities world over have been using the alloy road wheels based on the LPDC technology for over 20 years. Hence, it is not viable to switch from an efficient to an inefficient process of manufacturing alloy road wheels.
 - vi. SCL's CAD capability does not meet FORD's expectations. For instance, Figo ARW drawing CAD had multiple issues, which resulted in a poor 2D and 3D linkage.
 - vii. SCL does not rise to meet the requirements of localization of various inputs that go into the production of ARW's. They lack the necessary technical expertise to meet Ford's requirements.
 - viii. SCL does not adhere to the time commitments and delivery schedules.
 - ix. While operating on a cost-plus pricing model, SCL sugar coats the cost with new and unagreed for items of cost often that should not have been included in the first place.

Views of the domestic industry

7. The submissions made by the domestic industry with regard to product under consideration, like article and its scope and considered relevant by the Authority are as follows:
- i. The product under consideration for the purpose of the present SSR investigation is the same as in the original investigation, i.e., “Cast Aluminum Alloy Wheels or Alloy Road Wheels” (ARW) used in Motor Vehicles, whether or not attached with their accessories, of a size in diameters ranging from 12 inches to 24 inches originating in or exported from China PR, Korea RP and Thailand.
 - ii. The main function of ARWs is that they are fitted on motor vehicles to enable vehicle movement. ARWs other than 12 inches to 24 inches’ diameter and for use in other than motor vehicles were out of the product scope. The goods included finished or semi-finished ARWs whether unpainted, painted or chrome plated. Wheels for Motor Vehicles are generally made of Steel or Aluminum Alloy. Steel wheels were not included in the product scope. ARWs for motor cycles were also excluded from the scope of PUC.
 - iii. It was determined in the original final finding that there is no known difference in the product under consideration produced and exported from the subject countries and the subject goods produced by the domestic industry. The subject goods produced by the domestic industry and those imported from the subject countries are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. Such finding is relevant for this SSR as well.
 - iv. Since the present investigation is a sunset review investigation, scope and definition of product under consideration remains the same as had been defined in the original investigation. Also, no significant developments have taken place since imposition of duties which has a bearing on the definition of PUC and determination of Like Article. Therefore, the domestic industry refers to and relies upon the Final Findings by the Authority in the original investigation with regard to product under consideration and like article.
 - v. M/s Ford India Ltd has raised certain contention on the PUC even though the present investigation is only an SSR and the scope of PUC remains same as in the original case. Most of the contentions of Ford were part of the original case and it was found that there is no merit in the submissions.
 - vi. With regard to the contention that there is still a big gap in the technical capabilities of the Domestic Industry, it is to be noted that the Domestic Industry is having excellent technical capability which is why it is supplying the subject goods to leading Global and Domestic OEM’s since 1999 including Ford. Details of such supplies have been provided. SCL was the first Full Service Supplier from India for the Mondeo program and is continuing to maintain its FSS status ever since. SCL’s wheels have been validated by Ford not only in India, but also in

Australia, Germany and USA. Not only that, several improvement suggestions of SCL have been incorporated into Ford's designs even today. The DI supplies the subject goods to many major OEM's in India and also in the foreign markets which proves that the contentions of Ford are devoid of any merit.

- vii. With regard to the contention that SCL lacks engineering capability on wheel weight optimization and there is difference of weight in case of domestic wheels and imported wheels, it is mentioned that wheel weight is a derivative of multiple factors such as alloying elements, design, density of material and radiographic levels in addition to volume/geometry factors. The DI always target to design and make wheels which exceed OEM requirements at the optimum weight. DI has gained this expertise over the years and due to this, millions of wheels were manufactured by it for Indian OEM's and it has thorough knowledge of Indian road conditions. Producers like SCL have not had a single field failure in its history. It is also to be noted that machining allowance does not have any impact on the wheel weight and the draft angle is not determined or decided by the wheel supplier. It is finalized by the OEM in all cases.
- viii. With regard to the contention that SCL is not capable of making front face machined alloy wheel, it is mentioned that SCL has been the pioneer of front face machined alloy wheels in India since 2004. Wherein they have secured the coveted "Most Innovative Technology Transfer" award and multiple Zero PPM and 100% Delivery awards from none less then Toyota and 100% quality rating from Honda, both of whom are undoubtedly the world leaders in the use of front face machined alloy wheels globally. Since then SCL has been the supplier of choice for Toyota + Chrysler + Honda and TML and has supplied more than 1.5 million front face machined alloy wheels to these OEM's till date. Ford approached SCL 10 to 12 years after SCL had already proved its expertise in machined wheels.
- ix. With regard to the contention that SCL confirmed that they would not be able to meet this requirement currently in the existing painting line, it is to be noted that SCL gave a clear picture of its capabilities to Ford in a PPT shared on 15.09.2015. It is also to be noted that SCL paints wheels with premium finishes for top global OEM's in its state-of-the-art paint line.
- x. With regard to the contention that PUC used by Ford in its vehicles are produced using Low Pressure Die Casting (LPDC) technology, companies like Synergies, Steel Strips etc. supply LPDC wheels to OEMs like Ford and there are certain other producers who have adopted GDC. There is sufficient capacity in domestic industry to supply wheels made with LPDC technology. These technologies do not render different wheels per se. Most importantly the aspect of two technologies involved in the production of ARWs was examined in the original case and a specific finding is available in the original Final Findings itself.
- xi. With regard to the contention that Ford entities world over have been using the alloy road wheels based on the LPDC technology for over 20 years and, hence, it is not viable to switch from an efficient to an inefficient process of manufacturing alloy road wheels, this contentions have no merit. There is sufficient capacity in domestic industry to source wheels made with LPDC technology in India and Ford has been buying from DI.

- xii. With regard to the contentions that SCL's CAD capability does not meet FORD's expectations, the relationship between SCL and Ford started in 1999 and SCL has been the supplier partner of choice for Ford for around 20 programs till date without any CAD capability issues. This alone makes the contentions without any grounds and basis.
- xiii. With regard to the contention that SCL does not rise to meet the requirements of localization of various inputs that go into the production of ARW's, the main aim of SCL is to use the best possible resources so that customers get the best quality wheel at the optimum price. This is borne out by the fact that there have never been any major quality issues with SCL wheels and the reason that SCL has been honored with the coveted Ford Q1 certification as well as receiving various awards for best quality etc.
- xiv. With regard to the contention that SCL does not adhere to the time commitments and delivery schedules, it is informed that SCL has an impeccable record of timely deliveries; it could not have been in the global market without such discipline. However, there will always be challenges when two parties are working on a project. For example, if the customer insists on using certain specific approved inputs, then obviously, there will be a time line associated with procuring the same. Another recurrent problem is their absolutely random and highly erratic schedules and demands - always needing instant solutions. SCL is making a high-end product and still such erratic schedules are fairly met. It needs to plan its material procurements etc. based on actual schedules given by the customers and supplier lead times. In fact, SCL has gone to a great extent to support such random requirements of customer many a time; even going to the extent of air freighting metal for customer at short notice and incurring additional costs. Customer promised to help defray costs, but never did.
- xv. With regard to the contention that while operating on a cost-plus pricing model, SCL sugar coats the cost with new and unagreed for items of cost often, the contention is unfortunate. It should be appreciated that SCL is in the business of making high quality alloy wheels using best in class materials, processes and technologies and the price are on mutually agreed terms and best prices are always offered. It is to be noted that the pricing is impacted by presence of dumped imports in any case. Thereafter, if there are changes in the requirements of the customer during the quote process/eventually, SCL naturally has to pass on such additional costs to adapt the quoted prices to these changes. After sustained negotiations, during which all aspects of pricing are discussed, Ford accepts the prices and awards business to SCL. SCL has always gone out of its way and yielded to Ford's demands.
- xvi. In short, the contentions of Ford do not establish any need for the review of scope of PUC as they failed to prove any differences between the imported ARW and that domestically manufactured. The routines of business are no ground to ask for product exclusion from the ambit of current ADDs. Ford could not bring on record anything to prove that the subject goods produced by the DI is not like article to the PUC imported as per Rule 2 (d) of the AD Rules. The issues raised by Ford are comparable to such issues raised in the original investigation and the scope of PUC was determined after detailed examination of all such facts.

- xvii. The Final Findings clearly shows that any difference in the design or specification will not render a particular ARW different from what has been defined as PUC. Contentions of Ford on these accounts also warrant rejection. It is reiterated and submitted that there is no known difference in the subject goods produced by the domestic industry and the product under consideration produced and exported from the subject countries and the finding of the Authority in the original investigation should be adopted in this SSR investigation also viz. PUC and Like Article.

Examination by the Authority

8. The product under consideration in the present SSR investigation is “Cast Aluminum Alloy Wheels or Alloy Road Wheels” (ARW) used in Motor Vehicles, whether or not attached with their accessories, of a size in diameters ranging from 12 inches to 24 inches” originating in or exported from subject countries.
9. The PUC falls under Chapter 87 of the Customs Tariff Act, 1975, under customs sub-heading 8708 70 00 under the description “Road wheels and parts and accessories thereof”. However, the customs classification is only indicative and is in no way binding on the scope of the PUC.
10. The present investigation being a sunset review investigation, the Authority considers that the scope of the PUC in the present investigation remains the same as that in the original investigation. The product under consideration defined in the previous investigations is as follows;
- 14. The product under consideration in the present investigation is “Cast Aluminum Alloy Wheels or Alloy Road Wheels (ARW) used in Motor Vehicles, whether or not attached with their accessories, of a size in diameters ranging from 12 inches to 24 inches”, originating in or exported from China PR, Korea RP and Thailand.*
- 15. Alloy Wheels or Alloy Road Wheels (ARW) are produced in various sizes/diameters. The product under consideration covers only ARWs of a size in diameters ranging from 12 inches to 24 inches used in motor vehicles. ARWs other than 12 inches to 24 inches diameter and for use other than motor vehicles are out of the product scope. The goods include finished or semi-finished ARWs whether unpainted, painted or chrome plated. The main function of ARWs is that they are fitted on motor vehicles to enable vehicle movement. Wheels for Motor Vehicles are generally made of Steel or Aluminum Alloy. As claimed by the domestic industry, Alloy Wheels are new generation product and are widely capturing market in India because of their superior features over the steel wheels. Steel wheels are not included in the product scope. ARWs are classified under Chapter 87 of the Customs Tariff Act, 1975, under customs sub-heading No. 8708.70 under the description “Road wheels and parts and accessories thereof”. As claimed by the domestic industry, the subject goods are also imported under different customs classifications such as 87087000, 87082900, 87089900, 87149290, 87149990, 87089400 etc. However, the customs classification is indicative only and in no way binding on the scope of this investigation.*

11. After considering the information on record, the Authority holds that there is no known difference in product under consideration exported from subject countries and the product being produced by the Indian industry. The subject product produced by the domestic industry is comparable to the Product under consideration in terms of characteristics such as physical & technical characteristics, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.
12. The Authority holds that the product produced by the applicant domestic industry is like article to the Product under consideration as mentioned in the paragraphs above, in accordance with the Anti-Dumping Rules. The subject goods produced by the petitioners are being treated by the Authority as like article to the subject goods imported from the subject countries, within the meaning of Rule 2(d) of the Anti-Dumping Rules.
13. Notwithstanding the above, the Authority has examined the submissions of Ford India Pvt. Ltd and the rebuttals in rejoinder filed by the petitioners concerning such contentions along with documentary evidences. The examinations of the said submissions show that the imported product covers ARWs produced through LPDC and also GDC technology. Similarly, the Indian producers also follow either LPDC or GDC technologies. Thus, the claim that ARWs produced through LPDC technology is not fairly available in India cannot be accepted. The claims that the DI has not got the engineering capability; the DI is not supplying some specific model; there is delay in supply; SCL's CAD capability does not meet FORD's expectations; there is differences in wheel weights and pricing issues; etc. have been examined by taking into consideration the replies filed by the petitioners also. It is noted in this regard that such claims do not establish any need for review of scope of PUC in this investigation. Such issues were addressed in the original investigation also and Ford had participated in the original investigation as well. Thus, Ford has not brought on record any significant new facts to suggest review of the scope of PUC and Like Article.
14. A review of product scope is not warranted in this investigation as there are no facts which suggest the subject goods produced by the petitioners are not like article to the subject goods imported from the subject countries, within the meaning of Rule 2(d) of the Anti-Dumping Rules. The contentions are accordingly rejected.

D. DOMESTIC INDUSTRY AND STANDING

Views of the producers/exporters and importers

15. The submissions made by the exporters/importers/other opposing interested parties during the course of the investigation with regard to scope of domestic industry and standing are as follows:
 - i. One of the petitioner companies, Synergies Castings Ltd. is located in SEZ and therefore shall be excluded as it caters primarily to the export market. SEZ is deemed to be a territory outside the customs territory of India for the purposes of authorized operations. Further, any goods removed from the SEZ unit to the DTA are chargeable to duties of customs including anti-dumping duties where applicable on such goods when imported.

- ii. Minda Kosei Aluminum Wheels Pvt. Ltd. is only supporting the present petition. Kosei Minda Aluminum Company Pvt. Ltd. (Petitioner) and Minda Kosei Aluminum Wheels Pvt. Ltd. (Supporter) are related companies. Both the companies are managed & controlled by the same company, namely Minda Industries Limited (MIL). As per information available on the website of the group, Kosei Minda Aluminum Company Pvt. Ltd. is an associate company of MIL and Minda Kosei Aluminum Wheels Pvt. Ltd. is a subsidiary company of MIL and as per information available at Ministry of Corporate Affairs (MCA), both the companies have some same directors and shareholders. As per information filed with MCA, Minda Kosei Aluminum Wheels Pvt. Ltd. is primarily engaged in the business of manufacturing and supply of aluminum alloy wheels and/or aluminum general casting parts. Thus, non-disclosure of related company involved in the production of subject goods is a deliberate attempt of the domestic industry to mislead the Authority. In the absence of complete information filed by the petitioner, the petition shall be considered as void and present investigation shall be terminated.
- iii. If the Authority continues to consider Kosei Minda as applicant in the present investigation, the same analogy shall be applied to Baoding Lizhong and New Thai also. The response of Baoding Lizhong and New Thai was rejected on account of non-filing of response by the unrelated trader vide sampling letter dated 8th January 2019.
- iv. The response of Baoding Lizhong and New Thai was rejected on the ground that its trader namely Hyundai Glovis Co., Ltd. and Ford Motor Company (Thailand) Ltd. respectively have not filed the questionnaire response. The said traders are unrelated traders of Baoding Lizhong of New Thai respectively. As per law, it is nowhere mentioned that unrelated trader shall file the response. However, in present case, Minda Kosei is a related company and not filed the detailed response, thus, the application of Kosei Minda should be rejected.
- v. The petitioners cannot be selective in filing the application. All the companies in the group involved in the production and trading of the PUC must file the detailed information as per the application proforma prescribed by Directorate General of Trade Remedies. In the present investigation Kosei Minda Aluminum Company Pvt. Ltd. and Minda Kosei Aluminum Wheels Pvt. Ltd. are related companies and Minda Kosei Aluminum Wheels Pvt. Ltd. have not filed detailed information with the Authority. Merely a letter of support cannot be considered. Non participation of Minda Kosei Aluminum Wheel Pvt. Ltd is on account of their high profits which is selective participation by the petitioners. The Authority shall apply the same analogy as applied for the rejection of producers/ exporters from China PR while rejecting their responses. In view of the same, Kosei Minda Aluminum Company Pvt. Ltd. shall be excluded from the scope of the standing of the domestic industry.
- vi. Petitioner companies constitutes 40.29% of Indian production and alongwith supporters 62.30%. As Synergy Castings is an EOU, the company must have exported more than 70% of its total production and only less than 30% must have been sold in domestic market in India. The total production of this company during the POI has been considered, and thus it forms 40% of total production of India along with the production of Kosei Minda. However, if the exports sales of Synergy and the production of Kosei Minda is excluded, then the applicants' share in the total production will be less than

25% making them ineligible to be treated as domestic industry on grounds of insufficient standing.

- vii. One of the Petitioners being a 100% Export Oriented Unit (EOU), cannot be considered as domestic industry. Since the Petitioner is a 100% EOU, production of the Petitioner shall be restricted to its entitlement to sell in the Domestic Tariff Area (DTA) for the purposes of determining their standing.
- viii. The source of information of other producers is not provided. Also, EOU cannot be part of domestic industry based on the stands taken by the DG-Safeguard in various Safeguard investigations to exclude SEZs from the scope of DI.
- ix. The DA should consider only the entitled quantity, which the EOU Company could have sold in the DTA, alone for determining standing of the petitioner.

Views of the domestic industry

16. The submissions made by the domestic industry with regard to scope of domestic industry and standing, considered relevant by the Authority, are as follows:

i. The present investigation has been initiated based on a joint petition by M/s Synergies Castings Limited (EOU) and M/s Kosei Minda Aluminum Company Pvt. Ltd. The production by these two companies holds a major proportion in the Indian production and is eligible to be treated as domestic industry within the meaning of Rule 2(b) of AD Rules read with Rule 23.

ii. There are 6 more known producers of the subject goods in India apart from the petitioners and 3 out of such 6 producers have specifically supported the petition. Thus, out of the total 8 producers, 5 are for the extension of present ADD. The details of the total production and the share of petitioners and others are given in the table below for ready references;

Sl.No.	Name of the Company	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
1	Synergies Castings Limited (Petitioner)	MT	***	***	***	***
2	Kosei Minda Aluminum Company Pvt. Ltd.(Petitioner)	MT	***	***	***	***
3	Minda Kosei Aluminum Wheel Pvt. Ltd.(Supporter)	MT	-	-	***	***
4	Neo Wheels Limited (Supporter)	MT	***	***	***	***
5	Enkei Wheels (India) Limited	MT				

	(Neither supported nor opposed)		***	***	***	***
6	Steel Strips Wheels Limited (Supporter)	MT	-	-	-	***
7	Precision Auto Industries Pvt. Ltd (Neither supported nor opposed)	MT	-	-	***	***
8	JJF Castings Limited (Neither supported nor opposed)	MT	-	-	-	***
9	Total Indian Production	MT	19,502	22,695	30,605	43,671
10	Share of Petitioners	%	50.90	50.84	49.71	42.60
11	Share of Petitioners along with supporters	%	53.02	53.07	65.29	71.01

#Note: Production of Steel Strip Wheels is now considered as per support letter dated 1.2.2019 which was on best estimate basis earlier. Also, production estimates of Enkei is now made based on their AR for 2017-18 which was not available earlier and production for POI was based on prorated basis. Any minor correction in production by petitioners subject to verification is also made in the above table.

iii. Production by the petitioners during the POI constituted for about 42.60% in the total Indian production which is a major proportion as envisaged in the AD Rule and also in the AD Agreement. The petitioners along with supporters command about 71% share in Indian production.

iv. Enkei is related to exporters in Thailand and China PR who have exported the PUC to India during the POI. If production by Enkei is reduced to consider only the eligible production in view of the proviso to Rule 2(b), then the share of the petitioners will be more than 57% even without any support.

v. Rule 5 is not applicable in the case of review investigation and the requirement of domestic industry and standing needs to be seen in view of requirements in Rule 23 in an SSR. The share in Indian production held by the petitioners, however, satisfies even the stringent requirement of standing as if it is a fresh investigation and any contentions to the contrary should be rejected.

vi. It has been contended by certain parties that they are not sure whether Synergies is an EOU or SEZ looking at the address of the company. It is stated that M/s Synergies Castings Ltd is an EOU and the same was the position at the time of original investigation as well. In fact many parties including Hyundai in the original case filed Writ Petitions challenging eligibility of EOU as DI among other issues.

vii. It has been contended that EOU should not be part of DI. The Authority found after detailed investigation in the original investigation that EOU can be part of DI in an AD Investigation which was the position taken in many other AD investigation as well concerning EOUs. EOU was considered as eligible DI in a recent Safeguard matter concerning Solar Cells into India even though SEZ was excluded. The Finding read as follows: *“I hold that the provision of Sales to DTA by a SEZ unit as an exception with features varying in different cases, does not justify a SEZ unit to be considered as a domestic producer in the context of trade remedial measures keeping in view the context of the larger framework of SEZ Act, 2005. Therefore the scope of DI in this investigation is restricted only to the producers i. e. M/s Indosolar Limited (EOU) and M/s Jupiter Solar Power Limited, which includes the EOU unit also, since they are physically located in DTA governed by Foreign Trade Policies though with export orientation. [F. No. 22/1/2018 – DGTR- Safeguard investigation concerning imports of “Solar Cells whether or not assembled in modules or panels” into India]*

viii. It has been contended that non participation of a related company of one of the petitioners namely M/s Minda Kosei Aluminum Wheel Pvt. Ltd is illegal. The contention has no legal basis. The requirement is to fulfill the major proportion requirement in Rule 2 (b) and any relation between two Indian producers has no bearing on the definition. The definition of domestic industry is “major proportion” specifically read with the proviso and it is nowhere judged in terms of inter se relation of Indian producers. There is no legal or factual mandate for any such related party to still join as a petitioner if the major proportion requirements are met by the participating petitioners.

ix. In fact, the related party in this case, which is an independent business entity, was not approached to join as petitioner for the reason that the said company started production in 2016-17 and commercial production happened only in POI. While the injury data for the petitioners are available for whole injury period, the full data from the said producer is available for only one or two years. Adding such a data to the petitioner’s data will distort the trend and it’s not fair to consider injury data of the said petitioner in the context of present case. However, the petition fulfilled the requirements of Rule 2 (b). There is no legal requirement to say that it is mandatory for a petitioner company to come jointly with a related producer and the legal requirement is that the petitioners must fulfill major proportion criteria to qualify as domestic industry. The petition fulfills the criteria of major proportion.

x. Contrary to the contentions of the opposing parties, the value chain requirements for exporters have no connection to the requirements of Rule 2 (b). Value chain requirement in case of exports is connected to the definition of margin of dumping in Section 9A of CTA which says ‘margin of dumping, in relation to an article, means the difference between its export price and its normal value’. To fulfill the requirements of ‘its’ in the definition, all parties involved in its export to India will have to participate. This requirement has no nexus to the definition of Rule 2 (b).

xi. It has been contended that the source of information of other producers is not provided. It is not correct. Out of the 8 producers 5 are either petitioners or supporters. Out of the 3 left, two are very small producers and their production was estimated based on market information of the petitioner. However, the remaining leading producer namely Enkei Wheels India Ltd is a listed company and their production was worked out based on their annual reports.

xii. The share held by the petitioners satisfies the requirements of standing as interpreted by WTO Panel concerning fresh investigations and also as per the previous findings of the Authority in SSR. The definition of DI as meant in Article 3.1, 4.1 and 5.4 has been interpreted by WTO and the definition of DI for the purpose of Article 11 has to be construed as having a major proportion as there is no interpretation of DI under the said Article. The WTO Panel in Argentina - Poultry case found that the word “major” is also defined as “important, serious, or significant. It was found that domestic producers representing 46 per cent of total domestic production fulfills the requirements of Art. 4.1. It was also found that a percentage lower than 50 per cent could be considered a major proportion. In the matter like SSR of Soda Ash from China PR, EU, Kenya, Pakistan, Iran, Ukraine and USA [F.No.7/5/2017-DGAD dated 14.12.2018, Para 15-16], the Authority found that a share of 40% by the petitioners as a major proportion to satisfy the requirements to constitute DI. The share of petitioners in the present case comes within the meaning of a major proportion.

Examination by the Authority

17. Rule 2 (b) of the AD rules defines the 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”
18. The petition has been filed by M/s Synergies Castings Ltd (EOU) and M/s Kosei Minda Aluminum Company Ltd jointly. The petitioners have neither imported the subject goods from the subject countries nor are they related to any other producers/exporters of subject goods in the subject countries or any importer in India. M/s Synergies Castings Ltd (EOU) had been the domestic industry in the original investigation of the present matter.
19. It is noted from the submissions of the petitioners that there are 8 producers of subject goods in India. Producers namely Minda Kosei Aluminum Wheel Pvt. Ltd and Neo Wheels Limited expressly supported the petition at the time of petition itself. Producer namely Steel Strips Wheels Limited expressed its support vide letter dated 1.2.2019. Out of the 8 producers, 3 have not filed submissions to the Authority. It is also noted from the submissions of the petitioners that the production by the petitioners constitutes 42.60% in the total Indian production and about 71% along with the supporters.
20. In view of the above, the Authority holds that production by the petitioners constitutes a major proportion in the total Indian production and further constitutes domestic industry within the meaning of Rule 2(b) of Anti-dumping Rules read with Rule 23 (1B).
21. With regard to the contention of various interested parties that the position of Synergies Castings Ltd appears to be of SEZ from its address though the Company has claimed it-self to be an EOU, it is noted from the submissions and records of Synergies

Castings Ltd that the Company is an EOU. Synergies Castings Ltd was the DI in the original matter and the Company was an EOU then also.

22. It is contended by various parties in this case that Synergies Castings Ltd which is an EOU cannot be treated as an eligible producer to constitute domestic industry within the meaning of Rule 2 (b). It is noted in this regard that one of the petitioners namely Synergies Castings Ltd is an EOU unit and the same Company was treated as domestic industry in the original case as well. The opposing parties raised such issues on eligibility of EOU in the original investigation also and the view taken by the Authority was as follows which is relevant for this investigation also as the present matter is a Sunset Review of Anti-dumping duty already in force;

“26. After detailed examination of the factual and legal provisions as elaborated in the preceding paragraphs, the Authority determines that M/s Synergies Castings Limited accounts for a major proportion of the total domestic production of the subject goods during the POI and thus constitutes domestic industry within the meaning of the Rule 2 (b) and satisfies the criteria of standing in terms of Rule 5 (3) of the Anti-dumping Rules”.

23. It is also noted that many parties such as Hyundai had challenged the eligibility of an EOU as a DI in the original matter in Writ Petitions and there have not been any adverse judgment given on the treatment as DI given to the EOU by the Authority.
24. It is contended by some of the interested parties that only the domestic entitlements of the EOU should be considered to calculate total Indian production if the Authority decides to include EOU within the meaning of domestic industry. It is noted in this regard that the requirement of major proportion under Rule 2 (b) of AD Rules is specific to total Indian production and not in light of sales. Total production alone is relevant. Accordingly, the claims are rejected.
25. It is contended by various parties that Minda Kosei Aluminum Wheel Pvt. Ltd, which is a related party of one of the petitioners namely M/s Kosei Minda Aluminum Company Ltd, ought to have participated in the present investigation as a petitioner and not as a supporter. Against which the petitioners have submitted that there is not legal requirement for such a related entity to participate as a joint petitioner if the petition satisfies the major proportion requirements of Rule 2 (b). It is also submitted by the petitioners that Minda Kosei Aluminum Wheel Pvt. Ltd started production only in 2016-17 and injury data for this producer is not available for the two base years which will lead to distorted injury examination. The Authority has examined the claims of the parties in the present matter and notes that the requirement in an Anti-dumping application is to fulfill the conditions of Rule 2 (b) while claiming the status of domestic industry. Such conditions are fulfilled in the present case by the petitioners as the share of petitioners in the total Indian production is found to be a major proportion i.e. at 42.60%. Accordingly, the contentions of the interested in this regard are rejected.

E. ISSUES CONCERNING CONFIDENTIALITY CLAIMS

Views of the producers/exporters, importers and other interested parties

26. The submissions made by the exporters/importers/other interested parties during the course of the investigation with regard to excessive confidentiality and considered relevant by the Authority are as follows:
- i. The petitioners have claimed excessive confidentiality and filed an incomplete petition. In response to Section-VI (Costing Information) of the Application the petitioner has not furnished any information at all. The Domestic Industry has replied to the questions raised in Part VI of the petition “*Enclosed as confidential Annexure-6.2 to 6.13*”. However, Annexures 6.2 to 6.13 have been claimed as confidential.
 - ii. Petitioners have not provided sufficient reasons as to why confidentiality was claimed and why summarization was not possible for certain information. The petitioners are required to show justification for their claim but have failed to do so. Accordingly, it is evident that the petitioners have not provided complete information as required under the Application.
 - iii. The petitioner has withheld certain information and also resorted to excessive confidentiality.
 - iv. The petition suffers from excessive confidentiality. The petition provides absolutely no information with respect to Petitioner’s policy regarding its distribution channels, commission/discount policy, credit terms, normal value calculation etc. Excessive claim of confidentiality by the Petitioners is in violation of Article 6.5.1 of the WTO AD Agreement and Rule 7 of the Anti-Dumping Rules.
 - v. The Petitioners have claimed excessive confidentiality in the sense that they have not made available their annual report in the public file.
 - vi. Excessive confidentiality is claimed and documents like annual report of a public limited company are not provided.
 - vii. The Petitioners have either not provided requested information at all or have not provided any basis or supporting evidence for the information provided in the petition.

Views of the domestic industry

27. The submissions made by the domestic industry with regard to excessive confidentiality, considered relevant by the Authority, are as follows:
- i. The exporters and importers participating in the present investigation have resorted to excessive confidentiality.
 - ii. The NCV version of the Responses filed by exporters/importers does not permit any understanding of various claims made by them.
 - iii. The claims of confidentiality by the responding parties are in violation of Rule 7 of AD Rules.

- iv. Companies like Ford have raised contentions on PUC without disclosing the core facts so as to restrict the DI from providing adequate comments.
- v. The petitioners have given either the actual details of injury parameters or an indexed summary so as to enable the other parties to understand the case. But no such information is available with regard to exports made by the responding exporters or imports made by the importers.
- vi. It has been contended that DGTR should not have initiated the present case as the petitioner resorted to excessive confidentiality and many data confidential impacting the rights of the opposing parties to comment upon. The contention has no basis. Confidentiality has been claimed as per Rule 7 that too after providing reason for such claims of confidentiality.

Examination by the Authority

- 28. Submissions made by the interested parties with regard to confidentiality and considered relevant by the Authority are examined and addressed accordingly. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file. The information related to imports, performance parameters and injury parameters of domestic industry has been made available in the public file on the above basis. Information claimed as business sensitive by various parties in their submissions have been kept confidential as per the consistent practice.

F. MISCELLANEOUS SUBMISSIONS

Views of the producers/exporters, importers and other interested parties

- 29. Certain miscellaneous submissions were also put forward by the exporters/importers/other interested parties pertaining to miscellaneous issues which are as follows as found relevant:
 - i. The petitioner has not brought about any substantive evidence to prove the condition for initiation of the sunset review of anti-dumping investigation.
 - ii. The petition does not meet the evidentiary and legal standards as per the AD Agreement and also the AD Rules.
 - iii. The petitioner updated DGCI&S transaction wise data for one quarter of the POI after initiation however, certain other aspects in the petition which has a bearing on the same was not updated.

Views of the domestic industry

30. The submissions made by the domestic industry pertaining to miscellaneous issues are as follows:
- i. It has been contended that the petition does not meet the evidentiary and legal standards as per the AD Agreement and also the AD Rules. The contention is not of any merit. Petition contained all relevant information to justify an investigation under Rule 23 (1B). Petition contained all relevant information to examine dumping, injury and causal link and likelihood factors such as information on excess capacity in China PR, evidences on measures by US on Chinese exports including the PUC etc. On the contrary, the opposing parties could not make any submissions to controvert the likelihood claims of the petitioner anywhere in their submissions.
 - ii. It is contended that the petitioner updated DGCI&S T/T data for one quarter in the POI post initiation however certain other aspects in the petition which has a bearing on the same was not updated. The contention is not true. The petitioner updated the T/T import data and all the relevant annexure which is connected to such import data. The change in import data for a quarter did not warrant any redrafting of the petition as the basic narrative of the petition remained the same even after considering the updated import data for a quarter in the POI. Such have been the practice in many cases and there is no impediment in such approach.

Examination by the Authority

31. The various submissions made by the interested parties and the petitioners with regard to miscellaneous issues as recorded above have been examined and addressed below:
- i. With regard to the contention that the petitioners has not brought about any substantive evidence to prove the condition for initiation of the sunset review of anti-dumping investigation, it is noted that the present case was initiated after receipt of information to justify an initiation under Rule 23.
 - ii. Further, the Authority notes that the law clearly envisages that the anti-dumping duty can be extended further from time to time, if it is found that dumping and consequent injury to the domestic industry is likely to recur in the event of expiry of anti-dumping duty in force. The Authority recommends anti-dumping duty only after following the requirements prescribed under the laws. The petition warranted an initiation and the relevant facts which led to the initiation of review investigation.

G. METHODOLOGY AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE & DUMPING MARGIN

Views of the producers/exporters, importers and other interested parties

32. The following submissions were made by the producers/ exporters/ importers/ other interested parties with regard to normal value, export price and dumping margin.
- i. The response of Baoding Lizhong and New Thai was rejected on the ground that its trader namely Hyundai Glovis Co., Ltd. and Ford Motor Company (Thailand) Ltd. respectively have not filed the questionnaire response. The said traders are unrelated traders of Baoding Lizhong of New Thai respectively. As per law, it is nowhere mentioned that unrelated trader shall file the response. However, in present case, Minda Kosei is a related company and not filed the detailed response, thus, the application of Kosei Minda should be rejected.
 - ii. The Petitioners have simply stated that it could not find any price details with respect to the prices in a market economy third country or the constructed normal value in a market economy third country. The application is clearly incomplete. The Designated Authority must exhaust the first two options provided in the AD Rules to arrive at the normal value in the present investigation.
 - iii. The Petitioners' submission and data on normal value is inconsistent with the investigating practices followed in various other countries and jurisdictions such as the EU. Any interpretation adapted by the Designated Authority for Para 7 of Annexure I to the AD Rules cannot be different from that applied by the European Commission as well as the Hon'ble Supreme Court of India's finding in Shenyang Matsushita case.
 - iv. The Petitioners have erroneously equated its cost of production required for the computation of normal value with the costs incurred by it in India. Petitioners' cost of production would be relatively different than such foreign producers, especially in China PR, who can procure all components locally to manufacture the subject product. The Petitioners have adduced no positive evidence or basis on which it adopted its cost of production for computing the normal value, thus, failing the test of evidentiary requirements under the ADA.
 - v. It is submitted that in accordance with relevant provisions of the Protocol on China's accession to the WTO, the "surrogate country" practice in Anti-Dumping actions should be lacking in multilateral legal basis since 11th Dec, 2016. Such practice is bound to expire from then on. We therefore request the Indian investigating authority not to use "surrogate country" methodology in calculating the normal value for this case, regard less whether treating China as a market economy country.

Views of the domestic industry

33. The following submission was made by the domestic industry with regard to normal value, export price and dumping margin:

- i. The bases of claims of NV, EP and DM for the subject countries have been provided in the petition and in the updated annexure post initiation along with the submission that China PR should be treated as NME country for the purpose of determination of normal value.
- ii. Though there are parties who have filed their EQ Response from China PR, such producers/exporters from China PR have not rebutted the presumption of Non Market Economy by replying to the relevant Supplementary questionnaire format. Thus, there are no grounds whatsoever to grant MET to China PR in the present case and Normal Value for Chinese producers should be determined based on Para 7 of Annexure I to the AD Rules.
- iii. Also, the sampled company namely CITIC Group could not establish Market Economy status in the original case also and their Response had to be rejected as evident in the Final Findings of the original case.
- iv. Constructed Normal Value as claimed in the petition shall be the appropriate methodology and we request the Authority to adopt the same for the purpose of determination of dumping margin. Normal value on such basis shall be applicable for Korea RP and Thailand as well since there is no cooperation from producers/exporters from Korea RP and Thailand as well.
- v. The petitioner has claimed export price based on DGCI&S transaction wise data. The same may be considered for the determination of export price. The information on normal value and export price submitted show significant level of dumping margin from subject countries even during the POI which signifies dumping will only intensify in the event of expiry of present duties.
- vi. It appears that CITIC Dicastal Co., Ltd purchases PUC from anyone and everyone and exports. No individual margin should be granted to the company in such a scenario. The above facts also show that Citic Dicastal Co Ltd is not just one entity but it is a conglomerate of multiple producers of PUC. It is not clear how many companies are really involved in the production of subject goods that was exported to India by Citic Dicastal Co Ltd. The chances are that PUC produced by Citic Dicastal Co Ltd may have been exported to India by other companies as well. This needs thorough investigation. This company was not granted individual margin nor the market economy status in the original case as the company could not establish such claims.

Examination by the Authority

a. Normal Value for producers/exporters of subject goods in China PR

34. The Authority notes that none of the producer/ exporter from China PR have filed the supplementary questionnaire response wherein they were sought to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Antidumping Rules.. Under the circumstances, the Authority has to proceed in accordance with Para 7 of Annexure - I to the Rules in this regard.
35. In view of the above, the normal value for the PUC imported from China PR into India is determined based on facts available. Cost of production as optimized for the petitioners

after reasonable additions for selling, general & administrative expenses and reasonable profit margin has been considered. Accordingly, the normal value has been constructed for the PUC during the POI as given in the dumping margin table herein below.

b. Normal Value for producers/exporters in Korea RP and Thailand

36. The Authority notes that no producer/ exporter from Korea RP and Thailand have responded to the Exporters Questionnaire in the present investigation in the form and manner prescribed. Therefore, the normal value in their cases has been determined on the basis of best facts available on record which is provided in the Dumping Margin Table herein below.

DETERMINATION OF EXPORT PRICE

37. The examination of the Exporter Questionnaire Responses shows that the Responses filed by the following parties were incomplete and cannot be considered for individual margin:

- (1) M/s Boading Lizhong Wheels Manufacturing Co. LTD, China, PR, a producer and exporter of subject goods to India.
- (2) M/s New Thail Wheels Manufacturing Co.,Ltd., Thailand, a producer and exporter of subject goods to India.

38. It was noted that even after rejection of above Responses, there are still large number of producers/exporters who have filed the Exporter Questionnaire Responses Hence the Authority decided to limit its findings to a reasonable number of producers/exporters in terms of Rule 17 (3) of Anti-dumping Rules. Accordingly, the eligible producers/exporters selected in the sample for further examination on the basis of quantum of export to India during the POI are as follows:

- i. CITIC Dicastal Co., Ltd, China PR
- ii. Binzhou Movever Dicastal Wheel Co Ltd, China PR
- iii. Qinhuangdao Dicastal Sinolion Wheels Co Ltd, China PR
- iv. Qinhuangdao Xinglong Wheels Co Ltd, China PR
- v. SMX Dicastal Wheel Manufacturing Co Ltd, China PR

a) Determination of Export Price for sampled producers and exporters in China PR

39. The Exporter Response of CITIC group was examined and verified to the extent possible. M/s CITIC Dicastal is involved in direct exports to unrelated importers in India. It exports the subject goods which are produced by himself and also procures from other producers within the group and outside. The CITIC Group has 8 related companies involved in production of PUC, namely:

1. CITIC Dicastal Co Ltd,
2. SMX Dicastal Wheel Manufacture Co., Ltd.,
3. Qinhuangdao Daikaxinglong Wheel Manufacturing Co., Ltd.,
4. Qinhuangdao Xinglong Wheels Co Ltd,

5. Guangzhou Dicastal Asahi Aluminium Casting Co., Ltd.,
 6. Chongqing Dicastal Jieli Wheel Co., Ltd.,
 7. Wuxi Dicastal Wheel Manufacturing Co., Ltd.,
 8. Yangzhou Dicastal Wheel Manufacturing Co., Ltd.,
40. It was explained that only the producers at Sr. No.1, 2, 3 & 4 are involved in the export of subject goods to India. The relevant producers have filed questionnaire response separately. None of the producers except M/s CITIC Dicastal Co Ltd have exported the subject goods to India. M/s CITIC Dicastal Co Ltd has also procured subject goods from M/s Binzhou Movever Dicastal Wheel Co., Ltd., China PR for exports to India.
41. M/s CITIC Dicastal stated that they are not just the traders of PUC rather they are responsible for design and development of product, bidding and price negotiation with OEM, draw production plan and send to the technicians of the producer and monitor the production and the product quality. They stated that they own the brand “Dicastal” and other producers are only in the process of manufacture as directed by them. Therefore, they should be specifically mentioned in the final notification and duty recommendations by the Authority being an important player in the process of export of PUC.
42. M/s CITIC Dicastal stated that majority of the sales to India were made on Ex works /Ex godown and only some were on FOB basis. In case of sale on ex works basis there is adjustment only on account of bank charge and credit cost, whereas for FOB transactions the adjustments have also been claimed on account of inland transportation and port & other related expenses. Claims of adjustments regarding above cited items of adjustments were accepted and Net Export Price is mentioned in the Dumping margin table below.

b) Export Price for producers/exporters from Korea RP and Thailand

43. The Authority notes that no producer/exporter from Korea RP and Thailand have responded to the Authority in the present investigation in the form and manner prescribed. In view of the same the Authority has determined net export price for all the producers/exporters in Korea RP and Thailand based on best available facts in terms of volume and value of imports reported by DGCI&S on transaction to transaction basis and the same is given in the Dumping Margin Table herein below.

DETERMINATION OF DUMPING MARGIN FOR PRODUCERS/EXPORTERS IN CHINA PR, KOREA RP AND THAILAND

44. The basis of determination of normal value and net export price is provided hereinabove. The net export price to India has been compared with the normal value to determine the dumping margin. The dumping margin during the POI for all the exporters/producers from the subject countries has been determined as shown in the Dumping Margin Table below.

Dumping Margin Table

Sr No.	Producer	Exporter	CNV US\$/ KG	NEP US\$/ KG	DM US\$/ KG	DM %	DM (Range)
Dumping Margin In case of Sampled Producers/Exporters from China PR							
1	CITIC Dicastal Co Ltd, SMX Dicastal Wheel Manufacture Co., Ltd., /Qinhuangdao Daikaxinglong Wheel Manufacturing Co., Ltd., /Qinhuangdao Xinglong Wheels Co Ltd/ Binzhou Movever Dicastal Wheel Co Ltd,	CITIC Dicastal Co Ltd,	***	***	***	***	10-20
Dumping Margin In case of Un-Sampled Producers/Exporters from China PR							
2	Zhejiang Jinfei Kaida Wheel Co., Ltd		***	***	***	***	10-20
3	Shandong Shuang Wang Aluminium Industry Co td,		***	***	***	***	10-20
4	Zhejiang Shuguang Industrial Co., Ltd		***	***	***	***	10-20
Dumping Margin in case of non-cooperative Producers/Exporters from China PR							
5	Any	Any	***	***	***	***	35-45
Dumping Margin In case of All Producers/Exporters from Korea RP							
6	Any	Any	***	***	***	***	0 - 10
Dumping Margin In case of All Producers/Exporters from Thailand							
7	Any	Any	***	***	***	***	5 - 15

45. It is seen that the dumping margin is positive for all the subject countries including the co-operative responding producer exporters. The Authority has decided to extend the margin of the sampled exporter to the other non-sampled cooperative responding producers / exporters from China

H. ASSESSMENT OF INJURY

46. Rule 11 of Antidumping Rules read with Annexure –II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...*”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such

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

47. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the AD Rules.

Views of the producers/exporters and importers

48. The submissions made by the exporters/importers/other interested parties during the course of the investigation with regard to the injury claims of the domestic industry and considered relevant by the Authority are as follows:
- i. The facts on the record reveal that, the petitioner has exaggerated the increased import of the subject product, and deliberately invented injury to the domestic industry. The imports from the subject countries have at no point in time during the period considered put any sort of volume pressure on the sales of the petitioner. It may be seen that the demand has increased to 213 during the POI from 100 during the base year 2014-15. However, the imports from subject countries have not increased in tandem with demand; it has just increased from 100 during the base year 2014-15 to 133 during the POI.
 - ii. Imports from other countries have increased substantially from 100 during the base year 2014-15 to 377 during the POI.
 - iii. The sale of domestic industry has also increased substantially from 100 during the base year 2014-15 to 225 during the POI. Sales of other producers in India have also increased tremendously from 100 during the year 2014-15 to 307 during the POI. It clearly shows that there is no injury to the domestic industry by the imports of subject goods in India.
 - iv. Share of imports from China PR has come down sharply from 78.74% to 48.35% during the POI as compared to the base year 2014-15. Share of total imports from subject countries have also declined from 82.06% during the base year 2014-15 to 61.65% during POI. Share of total imports from other countries have increased significantly from 17.94 to 38.35%, more than double, during the POI.
 - v. There is no correlation between the cost of sales and selling price of domestic industry. Cost of sales has increased from 100 during the base year 2014-15 to 106 during the POI. Whereas, the selling price have not increased in tandem with the increase in cost of sales. It has remained almost same as 100 during the base year 2014-15 to 100 during the POI.
 - vi. Petitioners are increasing the capacity every year. Production and Capacity Utilization have also increased substantially during the POI to 207 and 159 respectively as compared to 100 during the base year 2014-15. Capacity utilization was at maximum.
 - vii. Sales volume of the petitioners has increased substantially during the POI to 228 as compared to 100 during the base year 2014-15. Export sales have also increased substantially during POI. Thus, there is no injury to the domestic industry.
 - viii. As per information provided by the Petitioners in the Petition, the sales of Domestic Industry is seen to have substantially increased with the trend being 100 in

2014-15 to 225 during the POI. Further, while the imports from the subject countries has not shown any significant increase during the injury period, it is seen that the imports from other countries has significantly increased from 3472 MT in 2014-15 to 13118 during the POI. Further, the sales of other Indian producers can also be seen to have significantly increased with the trend shown 100 in 2014-15 to 307 during the POI.

- ix. It appears that no injury has been suffered by the Petitioners on account of the alleged dumping from the subject countries. On the contrary, the health of the Petitioners as well as the other domestic producers of PUC has improved, as is evident from their increase in sales of PUC in the domestic market.
- x. Alleged injury, if any, suffered by the Petitioners would appear to be not on account of the alleged dumping of PUC but on account of self-inflicted injury occasioned to the Petitioners. The Petitioners have made investments during the POI for substantial increase in installed capacity. The losses being suffered by the Petitioners at present are not on account of dumping but due to the huge investments made by the Petitioners for increase in installed capacity.
- xi. As per their own information, the sales realization per unit of the PUC has increased for the Petitioners during the POI. The number of employees of the Petitioners has increased and so has the productivity per day increased.
- xii. There is no causal link between the alleged dumping and injury being occasioned to the Petitioners and the Company is not dumping the PUC in India. In the absence of a causal link, the Authority ought to terminate the present investigation.
- xiii. There is no material injury being suffered by the DI and there is no likelihood of continuation or recurrence of dumping and injury. The increase in demand of subject goods in India being successfully captured by the domestic producers demonstrates lack of volume effects of imports from subject countries.
- xiv. The DI showed a negative trend only with regard to two profitability parameters. However, this cannot be attributed to dumping and the same is on account of inter se competition.
- xv. Installed capacity of the Domestic Industry increased by 30%. Production of the Domestic Industry increased by 107%;
- xvi. Capacity utilization also significantly increased by 59% despite addition of additional capacity and stood at a stellar 92%;
- xvii. The Domestic Industry demonstrated healthy year on year growth with respect to capacity, production, sales, capacity utilization, employment and productivity.
- xviii. Ability to raise capital for further investments was also not impacted as the Domestic Industry was able to add to its existing capacity and has plans to set up more plans with huge investments;
- xix. There was no price undercutting, price suppression and price depression due to imports from the subject countries. The alleged price suppression/depression, if any, was due to inter-se competition between the domestic producers as the Domestic Industry was

selling its product far below the prices of imports from the subject countries and neither did it price its goods according to the trend of imports over the injury analysis period.

Views of the domestic industry

49. The following are the submissions with regard to injury related issues made by the domestic industry and considered relevant by the Authority:
- i. The import data shows that the imports from subject countries increased significantly by the POI and increase in import has been substantial in case of all the subject countries. This shows the continued preference for imported material at dumped prices which makes the continuation of present ADD essential to counter act dumping and consequent injury to mitigate the effects of such dumping on domestic industry.
 - ii. The increase in import volume from subject countries is coinciding with a reduction in price which shows the lower dumped price of imports is ensuring the preference for them and the exporters can maintain the volume only by reducing the price.
 - iii. The imports though declined in relation to Indian demand and production, the share held by dumped imports in Indian demand still has been very significant. There have been increase in imports from certain other countries as well and a petition was recently filed against the same which was rejected for absence of sufficient grounds. DI shall approach the Authority once again when there is sufficient ground for such a petition.
 - iv. The situation of the domestic industry remained positive in the POI in terms of volume parameters such as capacity, production, sales and capacity utilization. However, the performance of the domestic industry showed serious declines in terms of price parameters such as profit per unit, profitability, ROCE etc.
 - v. The profitability and ROCE of the DI was at the lowest and negligible levels during the POI in comparison to the previous years in the injury period. The overall performance of the DI which improved immediately after the imposition of ADD in both volume and price parameters, started to decline swiftly as the exporters continued to export the subject goods to India at dumped rates with consistent reduction in prices. Thus, the benefits of ADD in place were vitiated as a result of continued dumped imports from subject countries.
 - vi. Apart from positive dumping margin, price undercutting and underselling has been positive in the POI except negative undercutting in case of Korea RP. Negative undercutting from Korea RP is negligible as the Korean exporters have been reducing the prices consistently which resulted in the increase in volume.
 - vii. The impacts of positive price undercutting were mitigated to some extent by the ADD in force. When price undercutting is positive at a time when ADD is in force, the obvious outcome of any expiry of present ADD shall be that the level of undercutting will aggravate disastrously if the duties are allowed to expire.
 - viii. The presence of the dumped imports at such significant level signifies that there is much likelihood of such imports at dumped rates getting aggravated and soon the companies turning to losses as a result of unfair price competition from dumped imports.

- ix. The performance of the DI as per the petition shows that it is still vulnerable to dumped imports and what has been helping the domestic industry to maintain its performance at least in terms of volume parameters is the ADD in force and the expiry of the same is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
- x. The dumped imports from subject countries which increased significantly over the years were also at a significantly positive price undercutting level. This in turn has forced the DI to realize a price which is not remunerative enough though it could achieve volume improvements.
- xi. The increase in sales of the DI with a lower realization shows that the users prefer the domestic material but the presence of dumped imports makes any remunerative price realization a challenge for the DI. The positive price undercutting prevented price increases which could have been possible in the absence of continued dumping and as a result the profitability and ROCE of the DI declined sharply by the POI.
- xii. The non-attribution analysis as presented in the petition shows clear causal link between continued dumping from subject countries and injury suffered by the domestic industry on account of the same. The said analysis is not reproduced here but relied upon. Import from subject countries were at dumped prices during the POI. Such imports have shown significant growth over the years.
- xiii. Absence of dumped imports at price undercutting levels would have enabled the DI to increase the prices so as to achieve reasonable price and profits/returns. On the contrary, dumping prevented better performance. However, the ADD in force minimized the effect of continued dumping from subject countries and this establishes the need for continuation of such ADD for further time and the causal link is clearly visible in the fact that ADD was protecting the DI from serious effects of dumping which makes the continuation of present ADD very essential in the present case.
- xiv. 5 out of the 8 producers are part of the present investigation either as petitioners or supporters. Out of the three who have not supported or opposed the investigation, only Enkei is a large scale producer but this company is related to exporters from China PR and Thailand. 5 producers being part of the present case establishes that the significant factor which is impacting all the producers is dumped imports and contentions of inter se competition have no merit. Existence of healthy competition between producers only adds value to the customers.
- xv. The contentions of opposing parties in injury are not true and are only self-serving statements which are denied. The overall performance of the DI which improved immediately after the imposition of ADD in both volume and price parameters, started to decline swiftly as the exporters continued to export the subject goods to India at dumped rates with consistent reduction in prices and at undercutting levels. Thus, the benefits of ADD in place were vitiated to some extent as a result of continued dumped imports from subject countries.

Examination by the Authority

50. The injury analysis made by the Authority hereunder addresses various submissions made by the other interested parties.

51. In consideration of the various submissions made by the interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject countries. For this purpose, the Authority has considered such indices having a bearing on the state of the industry as production, capacity utilization, sales quantum, stock, profitability, net sales realization and the magnitude of margin of dumping etc in accordance with Annexure – II of the Rules.

Cumulative Assessment

52. Article 3.3 of WTO agreement and Annexure II para (iii) of the Anti-dumping Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determines that:
- a. *The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article, and*
 - b. *Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.*
53. In view of the above, the Authority considers it appropriate to assess injury to the domestic industry cumulatively from exports of the subject goods from the subject countries

Volume Effect of Dumped Imports and Impact on Domestic Industry

i. Assessment of Demand

54. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product concerned in India as the sum of domestic sales and captive consumption of the applicant and imports from all sources. The demand so assessed is given in the table below:

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Imports from China PR	MT	15,236	16,185	14,481	16,501
Imports from Korea RP	MT	218	305	697	854
Imports from Thailand	MT	424	1,105	2,367	3,686
Total Imports from Subject Countries	MT	15,878	17,595	17,545	21,042
Total Imports from Other Countries	MT	3,472	4,500	8,036	13,087
Domestic Sales of Petitioners	Indexed	100	127	180	229

Domestic Sales of Other Producers	Indexed	100	116	159	307
Total Demand	MT	31,608	36,912	46,220	67,534
Trend	Indexed	100	117	146	214

55. It is noted that the demand for the subject goods has increased throughout the injury period including the POI. Demand in fact has more than doubled during the POI as compared to the base year.

ii. Import Volumes and Share of Subject country

56. The transaction wise import data has been procured from DGCI&S and is analyzed as below:

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
China PR	MT	15,236	16,185	14,481	16,501
Korea RP	MT	218	305	697	854
Thailand	MT	424	1,105	2,367	3,686
Total Imports from Subject Countries	MT	15,878	17,595	17,545	21,042
Total Imports from other countries	MT	3,472	4,500	8,036	13,087
Total Demand	MT	31,608	36,912	46,220	67,534
Production of DI	Indexed	100	116	153	187
Market Share in Import Volume					
China PR	%	78.74	73.25	56.61	48.35
Korea RP	%	1.12	1.38	2.72	2.50
Thailand	%	2.19	5.00	9.25	10.80
Share of Subject Countries	%	82.06	79.63	68.59	61.65
Share of Other Countries	%	17.94	20.37	31.41	38.35
Total	%	100	100	100	100
Imports from subject countries relative to					
Indian consumption	%	50.23	47.67	37.96	31.16
Production of DI	Indexed	100	95	72	71

57. Based on the foregoing data, it is noted that:

- a. The Imports from the subject countries have increased in the injury period and the POI in absolute terms.
- b. The share of imports from subject countries in relation to Indian production and consumption has decreased.

Price Effect of the Imports on the Domestic Industry

58. 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.

i. Price Undercutting

59. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the petitioner has given information regarding landed price of imports based on DGCIS data and compared it with net sales realization of the domestic industry (calculated at the ex-factory level). The domestic prices and margin of undercutting is shown as per the table below:

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Landed Value					
China PR	Rs./Kg	292.27	326.65	318.65	311.28
Korea RP	Rs./Kg	281.53	328.91	311.02	332.07
Thailand	Rs./Kg	294.17	319.79	345.89	289.15
Subject Countries	Rs./Kg	292.18	326.26	322.03	308.25
Domestic Selling Price	Rs./Kg	***	***	***	***
Trend	Indexed	100	97	95	99
Price Undercutting- Rs Per KG					
China PR	Rs/KG	***	***	***	***
Korea RP	Rs/KG	***	***	***	***
Thailand	Rs/KG	***	***	***	***
Subject countries	Rs/KG	***	***	***	***
Price Undercutting %					
China PR	% of LV	***	***	***	***
Korea RP	% of LV	***	***	***	***
Thailand	% of LV	***	***	***	***
Subject countries	% of LV	***	***	***	***
Price Undercutting Range					
China PR	Range	5-15	Negative	Negative	1-10
Korea RP	Range	10-15	Negative	Negative	Negative
Thailand	Range	5-15	Negative	Negative	5-15
Subject countries	Range	5-15	Negative	Negative	1-10

60. It is noted that price undercutting is positive in case of imports from China PR and Thailand and negative in case of Korea RP during the POI. However, price undercutting considered cumulatively is positive for subject countries.

ii. Price Underselling

61. The domestic industry has given information with regard to price underselling suffered on account of dumped imports from subject countries. For this purpose, the Authority has determined NIP for the domestic industry and has compared it with the landed price of imports during POI (landed value as per DGCI&S data).

Particulars	Unit	China PR	Korea RP	Thailand
Landed Value for POI	Rs./Kg	311.28	332.07	289.15
Non-Injurious Price	Rs./Kg	***	***	***
Injury Margin	Rs./Kg	***	***	***
	%	***	***	***
	Range	10-20	5-15	20-30

62. It is seen that the landed price of the subject goods from subject countries were lower than the NIP determined for the domestic industry and dumped imports are resulting in underselling effect on domestic industry prices.

iii. Price Suppression/Depression

63. In order to determine whether the effect of imports is to suppress/depress prices to a significant degree or prevent price increases which otherwise would have occurred, the domestic industry has given information for the changes in the costs and prices over the injury period as below:

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Cost of Sales	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	98	96	102
Domestic Selling Price	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	97	95	99
Landed Value-Subject Countries	Rs./Kg	292.18	326.26	322.03	308.25
	<i>Indexed</i>	100	112	110	106

64. It is noted that cost of sales of the domestic industry increased during the POI as compared to the base year, however, selling price in the same period decreased slightly. The landed price of imports from subject countries was lower than the selling price and also the cost of sales of domestic industry in the POI indicating price suppression/depression effects on account of landed price of imports from subject countries. It has been claimed by the DI that they could not increase the prices to desired level because of dumped imports in the market.

I. ECONOMIC PARAMETERS OF THE DOMESTIC INDUSTRY

65. 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.

i. Production, Capacity, Capacity Utilization and Sales

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

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Installed Capacity	MT	***	***	***	***
Trend	Indexed	100	103	114	130
Production	MT	***	***	***	***
Trend	Indexed	100	116	153	187
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	113	135	144
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	127	180	229

67. It is noted that Installed capacity, production, capacity utilization and sales of the domestic industry have increased over the injury period and the POI.

ii. Profitability

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Cost Of Sales	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	98	96	102
Domestic Selling Price	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	97	95	99
Profit / (Loss) PBT	Rs./Lakhs	***	***	***	***
	<i>Indexed</i>	100	92	37	-97
Profit / (Loss) PBT	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	72	21	(42)
Profit / (Loss) PBIT	Rs./Lakhs	***	***	***	***
	<i>Indexed</i>	100	102	67	83
Profit / (Loss) PBIT	Rs./Kg	***	***	***	***
	<i>Indexed</i>	100	80	37	36

68. It is noted that the profitability of the domestic industry decreased over the injury period. Profit on domestic sales before interest and tax also declined over the years and is at the lowest level during the POI.

iii. Return on capital employed

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
ROCE	%	***	***	***	***
	Range	100	100	51	56

69. It is noted that the Return on Capital Employed (ROCE) of the domestic industry declined in the injury period and the POI.

iv. Market Share in demand

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

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Domestic Industry	%	***	***	***	***
Trend	Indexed	100	108	123	107
Other Indian Producers	%	***	***	***	***
Trend	Indexed	100	100	109	144
Imports from Subject Countries	%	50.23	47.67	37.96	31.16
Trend	Indexed	100	48	38	31
Imports from Other Countries	%	10.98	12.19	17.39	19.38
Trend	Indexed	100	111	158	176

71. From the above table, it is noted that the market share of imports from subject countries declined over the years and through POI. At the same time market share of domestic industry and also other Indian producers increased.

v. Inventories

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Inventory	MT	***	***	***	***
Trend	Indexed	100	109	121	157
Inventory as No. of days of Production	MT	***	***	***	***
Trend	Indexed	100	93	79	84
Inventory as No. of days of Sales	MT	***	***	***	***
Trend	Indexed	100	89	77	78

72. It is noted that the inventory with the domestic industry increased in the POI. However, the same has declined in terms of inventory as number of days of production and sales.

However, on account of the nature of the subject goods, the inventory levels are not indicative of any specific injury.

vi. Level of employment and Productivity of the domestic industry

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
No. of Employees	Nos.	***	***	***	***
<i>Indexed</i>	<i>Index</i>	100	105	113	127
Productivity per Employee	MT/Employee	***	***	***	***
<i>Indexed</i>	<i>Index</i>	100	116	153	187

73. It is noted that the employment level of the domestic industry has shown increases in the injury period and POI. Further, productivity per employee also showed increases over the years. These are indicative of positive improvement.

vii. Ability to raise capital investments

74. The Authority notes that given the rising demand of the product in the country, the domestic industry has increased its capacity. However, the petitioners submitted that the ROCE earned on investments already made has declined over the years and very low during the POI and any further investment shall depend up on the sustainability of investments already made.

viii. Level of dumping & dumping margin

75. It is noted that imports from the subject countries continued to entering into the country at dumped prices and the margins of dumping are significant from all sources.

ix. Factors Affecting Domestic Prices

76. The examination of the import prices from the subject countries, 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 goods from the subject countries is below the non-injurious price and selling price of the domestic industry, causing price under-cutting and price suppression/depression and under selling effects in the Indian market. The primary factor affecting the domestic prices can be noted as landed value of subject goods from the subject countries.

x. Growth

77. From the information provided by the domestic industry it is seen that the growth was positive in respect of volume parameters such as capacity, capacity utilization and production. However, the performance of the Domestic Industry in terms of profitability and return on capital employed has shown decline over the injury period and the POI.

J. MAGNITUDE OF INJURY MARGIN

78. The Authority has determined the non-injurious price for the domestic industry and compared with the landed values of the subject imports for the sampled cooperative producer exporter from China PR to determine the injury margin. The exporter had made all sales on ex-works basis and then claimed adjustments on various counts for arriving at CIF value of the exports. The Authority noted that importer M/s Ford India Pvt Ltd. has filed response which accounts for 98% of the exports of the sampled exporter hence decided to finalize the CIF value from the response of the importer but the same could not be done as the importer did not cooperate and did not furnish bill of entry for verification of the CIF value inspite of repeated reminders. In view thereof, the Authority obtained DG Systems (transaction wise) data and analyzed it. It was found that the DG Systems data had comparable volume of imports as declared by the sampled co-operative exporter in the response. Accordingly, for calculation of per unit CIF value of the PUC, the DG Systems data has been relied upon for sampled and un-sampled producer exporters. The injury margin has been determined as follows:

Producer	Exporter	Landed value US\$/ KG	Non injurious Price US\$/ KG	IM US\$/ KG	IM %	IM (Range)
CITIC Dicastal Co Ltd, / SMX Dicastal Wheel Manufacture Co., Ltd., / Qinquangdao Daikaxinglong Wheel Manufacturing Co., Ltd., / Qinquangdao Xinglong Wheels Co Ltd./ Binzhou Mover Dicastal Wheel Co. Ltd.	CITIC Dicastal Co Ltd,	5.48	***	***	***	0-10
Unsampled Producer/exporter		5.48	***	***	***	0-10

CONCLUSION ON INJURY

79. It is thus seen that the Imports from the subject countries have increased in the POI as compared to the base year though the market share of such imports have declined in terms of demand and Indian production. Imports have also increased in the post POI period. The dumped imports are undercutting the prices of the domestic industry in the market without Ant-dumping duties from subject countries. Dumped imports have had an adverse price effect in terms of price depression and price suppression. The domestic industry is also suffering significant price underselling. With regard to consequent impact of dumped imports on the domestic industry, it is noted that dumped imports from subject countries have adversely impacted the performance of the domestic industry in respect of profits, cash profits and return on investment and domestic industry incurred losses in the POI though the volume parameters registered improvements. Therefore the Authority concludes that the domestic industry is suffering continued injury.

K. CAUSAL LINK AND OTHER FACTORS

80. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry even though the present investigation is a Sunset Review. The examination of causal link between dumping and material injury, if any, to the domestic industry has been done as follows:

(i) Imports from Third Country

81. Present investigation is a Sunset Review investigation and the review concerns the ADD on subject countries alone and the issue of third country imports cannot be addressed in this investigation.

(ii) Contraction in demand

82. The demand for the subject goods has shown an increasing trend. Accordingly, fall in demand cannot be the reason for injury to the domestic industry.

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

83. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry. On the contrary there are trade remedial measures in place against exports of PUC from China PR to EU, Australia etc. and Additional customs duties in USA imposed recently.

(iv) Developments in technology

84. The technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor of causing injury to the domestic injury.

(v) Changes in pattern of consumption

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

(vi) Export performance

86. Claimed injury to the domestic industry is not on account of deterioration in export performance of the domestic industry. In fact, exports by the domestic industry have increased along with increase in price. Thus, injury to the domestic sales has been identified and examined, to the extent possible. Relevant details of exports are as follows;

Particulars	Unit	2014-15	2015-16	2016-17	2017-18 (POI)
Exports	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	117	125	164
Price	Rs/Kg	***	***	***	***

<i>Trend</i>	<i>Indexed</i>	100	111	112	122
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(vii) **Performance of the domestic industry with respect to other products**

87. The Authority notes that the performance of any other products being produced and sold by the domestic industry has not affected the injury assessment made by the Authority in this investigation. The information considered by the Authority is with respect to the product under consideration only.

(viii) **Productivity of the domestic industry**

88. The Authority notes that deterioration in productivity has not caused injury to the domestic industry. Rather, productivity per employee has seen an increasing trend.

Conclusion of Causal link

89. The examination reveals that dumping of the subject goods from subject countries and consequent injury to the domestic industry continued as seen in this investigation. The non attribution analysis shows the injury suffered by the domestic industry were not on account of any other factors. There is positive dumping margin and injury margin during the POI established for the subject countries except for the sampled co-operative responding exporter from China PR. The likelihood analysis also points to the situation that dumping and consequent injury to the domestic industry will intensify in case Anti dumping duties in force cease to exist.

L. LIKELIHOOD ANALYSIS

90. The Authority is required to examine the likelihood of continuation or recurrence of dumping and injury in case of cessation of anti-dumping duty, in terms of Annexure II (vii) of the Rules as there are no specific methodologies available to conduct likelihood analysis. Clause (vii) of Annexure II to the rules provides, inter alia for factors which are required to be taken into consideration, viz.:

- a) A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
- b) Sufficiently freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
- c) Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
- d) Inventories of the article being investigated.

91. Further, the Authority is also required to examine any other relevant factor having a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry. All factors brought to the notice of the Authority have been

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

92. The submissions made on the parameters of likelihood of dumping and injury are as follows:

Views of the producers/exporters and importers

93. The submissions of the opposing interested parties, with regard to the likelihood of continuation or recurrence of dumping and injury are summarized hereunder:

- i. The producers/exporters are exporting the subject goods to third countries at a price higher than in India. Thus, there is no possibility to shift the exports to India. In fact, the exporters can shift the export from India to third countries since they are getting higher price therein.
- ii. It was submitted that the domestic industry has filed the petition and not the exporters/producers from subject countries. It is the responsibility of the domestic industry to establish that dumping/injury will continue or recur if the duties are revoked.
- iii. The imports from the targeted countries have at no point in time during the period considered put any sort of volume pressure on the sales of the petitioner.
- iv. The Petitioners have failed to provide any positive evidence to support its claim that there is a likelihood of dumping and recurrence of injury to the Domestic Industry.
- v. The Response filed by the cooperating exporters show that there is no excess capacity available with them.
- vi. The evidence, if any, presented in the case is not even sufficient to determine whether alleged dumping is possible, let alone meeting the legal test of likelihood of dumping. Therefore, we request that the sunset review be terminated on this ground alone.

Views of the domestic industry

94. The submissions made by the Domestic industry with regard to the likelihood of continuation or recurrence of dumping and injury are as follows:

I. Present and continued Dumping

- i. Dumping margin determined in the original case as well as the present case is significant which shows continuation of dumping in the event of expiry of present duties.
- ii. Current dumping and injury level indicates obvious likelihood of dumping and injury in the event of expiry of present duties. The DI is seriously vulnerable to dumping and consequent injury on account of dumped imports from subject countries.

II. Post POI Imports

i. The imports in the post POI period were taken from DGCI&S published data and the same is as below:

Subject Countries	POI (April 17- March 18)	Post POI (April 18-Sept. 18)
China P.R.	16,501 MT	9,634 MT
Thailand	3,686 MT	1,808 MT
Korea R.P.	854 MT	342 MT

ii. The above table indicates a clear increase in the six months of the post POI period as compared to the POI.

III. Excess Surplus Production Capacities

i. China PR has the largest capacity in the world to produce the subject goods. Apart from existing excess capacities, there are large new capacities coming up though the markets to cater the same remains the same with strict barriers to counteract unfair trade practices by Chinese producers of ARWs.

ii. Based on EU Findings, China PR has a spare production capacity of about 4, 56,846 MT against an Indian demand of 65000 MT to 67000 MT. In such a situation it cannot be believed that dumping will stop in the event of expiry of duties when Chinese producers continued to dump the PUC in India even after AD duties. The EU finding shows as follows;

Type of Company	No. of Companies Concerned	Production Capacity (units)	Spare Capacity (units)
All cooperating responding exporters	21	91804845	12355052
Sampled exporters	4	62589289	
Responding but non cooperating exporters (publicly available information)	31	51700000	15510000
Others (publicly available information)	28	46696776	14009033
Total	84	190201621	41874085

iii. The details as per EU finding with regard to excess capacity in China PR can be converted as follows in terms of MT/KG as per the average weight of wheels given in the EU finding itself;

Production capacity (units)	190201621
Spare capacity (units)	41874085
Production capacity (MT- Average wheel weight considered as 10.91 Kg as per Para 33 of the EU Finding read with foot note therein)	2075100

Spare capacity (MT)	456846
Indian Demand (MT)	65000-67000

- iv. The data shows existence of about 4.5 Lac MT excess capacities to produce subject goods in China PR whereas the Indian demand is in the range 65000 to 75000 MT only. Since the PUC in the EU Finding and India is at comparable levels, the data on excess capacity in the EU finding is of high evidentiary value.
- v. The information (collated based on bonafide market research reports as procured by the DI) shows there are many new capacities coming up in China PR apart from the existing producers which is at least about 67 in number. The detail of certain new capacities which may include motorcycle wheels also is given below. The data suggests spare capacity will only increase in the near future:

No.	Project	Production capacity (10,000 pieces)	Remarks
1	Liufeng Machinery Hubei Xiantao Project	200	Construction
2	Zhongqin Xinglong Industrial Park Project	300	Phase I put into production
3	Xiamen Sunrise Group Project	25	Phase I construction
4	Anyang Gaojing Aluminium Project	150	Construction
5	Jiangsu Boran Co., Ltd Peixian Project	50	Construction
6	Jiangxi Benhao Cars Project	200	Construction
7	Linzhou Jierun Aluminium Project	500	Construction
8	Xinjiang Shihezi Project	1000	Construction
9	Chongqing Chaoqun Industrial Co, Ltd Project	200	Construction
10	Hubei Daye Hanlong WheelsCo., Ltd Project	300	Construction
11	Huayufeng Laiwu Magnesium Alloy Wheel Project	100	Construction
12	Chongqing Jieli Project	1200	Construction
13	Hebei Meilun Project	500	Partly in production
14	Zhejiang Jili Investment Co.,Ltd Project	500	Signed the contract
15	Henan Jinrui Wheel Project	100	Plan
16	Guizhou Huayufeng Wheel Project	300	Construction
17	Wanfeng Auto Intelligence Project	220	Announcement
18	Guangyuan Anyu Project	150	Construction
19	Taizhou Beisite Huainan Project	60	Signed the contract

20	Zhejiang Jili Decoration Materials Co., Ltd Anhui Mengcheng Project	500	Signed the contract
	Total	6555	

vi. The evidence shows existence of excess capacity in China PR. Such is the situation in case of Korea RP and Thailand as well. The increase in imports from these countries coincides with a reduction in prices signifying the compulsions on the exporters to export more in view of excess capacities.

vii. The petitioners understand that Korea RP and Thailand have also set up capacities targeting markets like India and likelihood of dumping is evident from these countries from the fact that dumping continued even after duties and in fact the prices from Korea RP and Thailand declined over the bases year by increasing the volume.

IV. Export orientation

The available information on Thailand shows that the producers in Thailand have high export orientation (about 70% of the production is exported) and the industry expects to clock 800000 units in the domestic market and 1200000 units in the export market. Information further shows that producer like Thai Alloy Manufacturing Co Ltd alone have about 1.2 Million units capacity and there are many other large producers of ARWs in Thailand which indicates Thailand has significant excess capacity which can be diverted to robust market like India in the event of expiry of present AD duties.

V. Inventories with the exporters

The subject goods under investigation are such that the buyers are OEMs who go through a process of involving the producers in the manufacturing process of the finished product i.e. automobiles, and the subject goods are then designed and developed as per the requirement and orders of the OEM. In view thereof the levels of inventory with the producers' exporters become irrelevant.

VI. Anti-dumping duties in other markets

- i. There are anti-dumping duties by EU and Australia imposed against exports of ARWs from China PR which is now been extended after SSR. Any expiry of duty in India will benefit the Chinese producers to increase the exports to India.
- ii. The following finding in the EU- SSR of ADD on ARWs from China PR [Commission Implementing Regulation (EU) 2017/109 dated 23 January 2017] is very relevant in the context of present matter also which says as follows;

(75) The PRC exports significant quantities of aluminium wheels to third countries other than the Union, in particular to the US, Japan, Mexico, Canada and India. The same applies to the four cooperating groups. Their export volumes to these markets cover almost 89 % of their total export sales to third countries during the review investigation period.

(78) *In the case of export prices from the PRC to Canada, India, Japan and Mexico (together covering roughly 40 % of the total export of the four Chinese sampled groups during the review investigation period) the average sales prices were lower for product types representing around 22 % of the total quantity exported to these countries than their sales prices to the Union. This also points to a likely re-orientation of Chinese exports to the Union if measures were to expire. Re-orientation from India is particularly likely since this country has introduced definitive anti-dumping measures in May 2015, i.e. in the middle of the review investigation period.*

(240) *Several parties claimed that there is no likelihood of recurrence of injury because the Union industry would benefit from the growth of the consumption of ARW globally and in the Union, regardless of an increase in Chinese imports to the Union. In addition, it was claimed that the forecasted increase in consumption would allow Chinese exporting producers to increase their exports to the Union market without exerting any price pressure.*

(241) *The investigation showed that significant volumes of Chinese exports are likely to be re-directed to the Union given its attractiveness (recitals 75 to 88). In addition there are high spare capacities in China that could also be directed to the Union market. Therefore the Chinese exporting producers will be able to take over not only the increased consumption but also sales volumes of the Union producers. Consequently even under the scenario of increased consumption there is a high likelihood that the Chinese exports would take over sales volumes and market share to the detriment of the Union industry. Moreover, concerning prices, these are likely to be at a level lower than Union industry's prices between 8 to 30 % as described in recital 191 and with the effects described in recital 192 that is resulting in a likely recurrence of material injury for the Union industry. This claim is therefore rejected”.*

- iii. Apart from EU, Australia also found likelihood of dumping and injury in case of imports of ARWs from China PR. The relevant findings says as follows;

“9.3.8 Conclusion- Taking the above analysis into account, the Commission considers there is sufficient evidence to suggest that:

- *dumping by identified exporters has continued during the inquiry period;*
- *export pathways into the market have been maintained, and for one exporter the volume exported has noticeably increased since the measures were imposed on 5 July 2012;*
- *there is substantial excess capacity in China;*
- *Chinese exporters have dumped in other markets, likely due to the same economic factors that encourage consistent production volumes; and*
- *exporters in China that supply aftermarket retailers do not experience the same limitations in switching destination markets as those supplying OEMs.*
- *As a result, the Commission considers that, if the anti-dumping measures are not continued, there is sufficient evidence to suggest that the dumping of aluminium road wheels from China is likely to continue*
- *9.7 Conclusion- Taking the above analysis into account, the Commission considers there is sufficient evidence to conclude that:*

- *import volumes from China are likely to continue and, in the absence of anti-dumping measures, would increase;*
 - *because of GOC influence, Chinese exporters of aluminium road wheels will continue to have a competitive advantage over Australian manufacturers;*
 - *competing on price will be a major requirement for Arrowcrest to secure an increased volume of aftermarket (retail) sales after 2017;*
 - *the goods exported from China are likely to be dumped and subsidized; and*
 - *the Australian industry will be significantly weakened by the fundamental change in the OEM segment, and therefore any injury to the Australian industry that continues or recurs from dumping and subsidization, if the measures are removed, is likely to be material”.*
- iv. Apart from anti-dumping duties, Australia has also imposed CVD duties which are also in force. These impact the exportability of producers/exporters from China PR to such countries at unfair price to get rid of the volume pressure.
- v. Also, USA has imposed additional trade tariff of 10% on imports of ARWs from China PR which may be increased to 25% later. USA is one of the largest markets for Chinese ARW producers and the duties by USA will lead to increased exports to India in the event of expiry of present duties. It would not be viable for China PR to maintain its exports to USA in view of such retaliatory trade measures and any expiry of Indian ADD will certainly be incremental for China PR to export more to India.

VII. Attractiveness of Indian Market

- i. The evidences show, India will remain a large export destination for subject countries especially Chinese producers and domestic industry of ARWs in India remains seriously vulnerable to such dumped imports. Should the present ADD be allowed to expire, dumping will continue and the DI will continue to suffer even aggravated level of material injury.
- ii. It was asserted by one of the exporters in the hearing that Indian market looks lucrative for them and they want to serve the Indian users. There is no illegality if Chinese exporters find Indian market a lucrative one and wishes to export to India. But the issue is that Chinese exporters have been adopting unfair practice like dumping to capture and dominate the growing market like India and if such practices are allowed, the annihilation of Indian production base for ARWs will not take much time.
95. Domestic Industry has stated that continued dumping and injury from the subject countries, substantial excess capacities available with the producers in the subject countries with the potential to be diverted to India in the event of expiry of present duties, additional duties by USA and the price difference between dumped imports and the domestic industry’s price clearly show that the expiry of the existing anti-dumping duty is likely to lead to recurrence of dumping and injury to the domestic industry.
96. None of the responding parties adduced any evidences to refute the submissions of the DI concerning likelihood aspect. Some of the responding producers provided details of their own capacities but no comprehensive information for the country have been provided. The

Authority should collect information such as capacity third country export details etc from all the responding exporters irrespective of the sampling adopted.

viii. Conclusions on Likelihood of dumping and injury

97. The essential facts gathered in this investigation shows that dumping of subject goods from subject countries continued and as a result the domestic industry continued to suffer injury as can be seen from the performance of the domestic industry in POI and in the injury period. The information on record also shows that there are significant excess capacities in countries like China PR and producers/exporters from China PR are subject to various trade measures like Anti-dumping duties, Countervailing duties, Additional Customs Tariff in major export market like EU, Australia and USA respectively. Such excess capacities coupled with trade barriers may lead to increased level of exports at dumped price to India in the event of expiry of present duties. More so, when dumping and injury from subject countries continued while the duties are in force. Thus, it is seen that there is a likelihood of dumping and consequent injury to the domestic industry in the event of cessation of anti-dumping duties.

M. POST DISCLOSURE COMMENTS

98. The post disclosure submissions have been received from the domestic industry and the opposing interested parties . The issues raised by these interested parties are largely repetitive. The issues raised therein had been raised earlier during the investigation and also addressed appropriately. However, for the sake of clarity, the submissions by the interested parties are being examined as below:

Views of the domestic industry

99. Submissions made by the domestic industry post issuance of disclosure statement are summarized as under:
- i. In the original investigation, the DA had calculated NIP for the domestic like product i.e. ARWs which covers chrome plated wheels also and present investigation being an SSR, the DA should follow the same procedure. It is also seen that the Authority has excluded accessories from the cost of production of DI. Similarly, while deriving the landed price of imports, price of all accessories, if any, needs to be deducted. While calculating the NFA the authority has excluded capital work in progress and amalgamation reserve. The same was not supposed to be deducted.
 - ii. The lower dumping margin determined for Citic shows that the company have claimed a higher export price. Citic is primarily supplying to Ford and the DI is also supplying to Ford. If the export prices of Citic are true, then Ford is paying very high price for the PUC from Citic whereas DI is forced to supply to them at a lower price. Import of PUC by Ford from Citic attracts ADD of \$2.15 per KG. To examine the credibility of price claimed by Citic, the Authority must conduct examination of price undercutting including ADD for Dicastal. The question arises why Ford would import from Dicastal after paying \$2.15 per KG ADD and why not purchase from Indian producers.
 - iii. We further understand Citic sells Forged wheels to Ford for some of the Models. Normally forged Aluminum wheels are high priced as compared to cast aluminium

wheels. There is a possibility of Dicastal has included both Forged as well as cast aluminum wheel in order to take advantage of the pricing. This bolsters our doubt that export price of Citic cannot be true.

- iv. Apart from the disclosure on Chengdu plant, the details of following at least three producers of PUC is not disclosed to the Authority;
 - a. Dicastal KSM Chengdu Auto Parts Co., Ltd-
 - b. MX Dicastal Wheel Manufacturing Co., Ltd.-
 - c. Tianjin Dicastal Auto Parts Co., Ltd/ Tianjin Dicastal Car Parts Co., Ltd

Views of the Opposing interested parties

100. On behalf of producer exporters namely, M/s CITIC Dicastal Co., Ltd, M/s Binzhou Movever Dicastal Wheel Co Ltd, Qinhuangdao Dicastal Sinolion Wheels Co Ltd, Qinhuangdao Xinglong Wheels Co Ltd, SMX Dicastal Wheel Manufacturing Co Ltd, from China PR, the comments have been filed beyond the prescribed time limit.i.e. on 27th March at 5:50 pm (PDF version) and the same on 28th March at 11:19am in word format.
101. The comments made by the importer M/s. Ford India Pvt. Ltd. on post issuance of disclosure statement are summarized below:
 - a. There are issues regarding DI standing;
 - b. There is differentiation in PUC manufactured by domestic industry and PUC imported by the importer in terms of specifications and quality;
 - c. There is no likelihood of recurrence of injury to the domestic industry;
 - d. there is no material injury suffered by domestic industry and there is no likelihood of continuation or recurrence of the injury as well as there is no causal link between the claimed injury and dumped imports

Examination by Authority

102. The comments filed on behalf of cooperating exporter from China PR were beyond the time prescribed and authority has decided to not consider the comments, however all the earlier submissions filed during the course of the investigation were accepted and duly considered.
103. The comments of DI regarding NIP were examined and necessary modifications wherever relevant and applicable have been made.
104. The comments of DI regarding the product identification and the import price were examined and have already been analysed with due verification during the course of the investigation. Further the CITIC group entities involved in production of PUC and exports to India were also duly confirmed.
105. The comments of the importer regarding injury and likelihood of injury to DI along with causal link have already been examined in detail in the above relevant paragraphs.

N. CONCLUSION

106. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in the above findings and on the basis of the above analysis, the Authority concludes that:
- a. The product under consideration continues to be imported at the dumped prices from the subject countries;
 - b. The domestic industry has suffered continued injury on account of dumped imports;
 - c. The continued injury to the domestic industry is on account of dumped imports and is likely to continue if the anti dumping duties from subject countries cease to exist;
 - d. The information on record clearly shows likelihood of continuation of dumping and injury in case the ADD in force is allowed to cease at this stage;
 - e. Some Producer exporters from China PR have responded during the review investigation and cooperative producer exporters (who have filed complete response) have been sampled. The sampled producers have exported through a single exporter to India below the normal value (constructed), and dumped imports are causing the material injury to the DI.
 - f. None of the producers exporters from Korea RP have co-operated in the present review investigation. The information submitted by responding producer exporter from Thailand was incomplete and hence declared non co-operative. The data available indicates that exports from these countries have been made at prices below the normal value.

O. RECOMMENDATIONS

107. Having concluded that there is positive evidence on the aspect of dumping, injury and causal links, likelihood of dumping and injury, if the existing anti-dumping duties are allowed to cease, the Authority is of the view that continuation of duty is required against all the subject countries.
108. Having regard to the lesser duty rule, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry in case of the co-operative producers exporters from China PR and extend the earlier duty in respect of all other non-responding entities. Accordingly, the Authority recommends imposition of definitive anti-dumping duties on the import of the subject goods, originating in or exported from China PR, Korea RP and Thailand, as indicated in Col 7 of the duty table below, for a period of 5 years from the date of notification to be issued in this regard by the Central Government:

DUTY TABLE

Sr. No	Tariff Item*	Description of Goods	Country of Origin and/or Export	Producer	Exporter	Duty Amount	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	8708 70	Cast Aluminum Alloy Wheels or Alloy Road Wheels” (ARW) used in Motor Vehicles, whether or not attached with their accessories , of a size in diameters ranging from 12 inches to 24 inches	China PR	CITIC Dicastal Co Ltd, / SMX Dicastal Wheel Manufacture Co., Ltd., / Qinhuangdao Daikaxinglong Wheel Manufacturing Co., Ltd., / Qinhuangdao Xinglong Wheels Co., Ltd., / Binzhou Movever Dicastal Wheel Co. Ltd.	CITIC Dicastal Co., Ltd.	0.08	USD/KG
2	China PR		Zhejiang Jinfei Kaida Wheel Co., Ltd	Zhejiang Jinfei Kaida Wheel Co., Ltd.	0.08	USD/KG	
3	China PR		Shandong Shuang Wang Aluminium Industry Co Ltd,	Shandong Shuang Wang Aluminium Industry Co Ltd,	0.08	USD/KG	
4	China PR		Zhejiang Shuguang Industrial Co., Ltd	Zhejiang Shuguang Industrial Co., Ltd	0.08	USD/KG	
5	China PR		Any other than above	Any other than above	2.15	USD/KG	
6	Korea RP		Any	Any	1.18	USD/KG	
7	Thailand		Any	Any	1.06	USD/KG	

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

109. The duty rates as recommended above are applicable for exports of subject goods manufactured by specified producer mentioned in column (5) and exporters mentioned in column (6) above. The Customs should verify the name of the producer and exporter at the time of clearance of subject goods.

110. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.
111. The applicant domestic industry and the responding producers are required to inform the Authority regarding any change in constitution/ ownership of the manufacturing facility, along with relevant documents substantiating the said change, for the subject goods against which Anti-Dumping Measures are being recommended. The information should reach the Authority within 60 days of the said change, if any.
112. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Sunil Kumar)
Additional Secretary & Director General