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**F. No. 7/12/2021-DGTR
Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
Jeevan Tara Building, 5, Parliament Street, New Delhi -110001**

Dated 30th August, 2022

NOTIFICATION

FINAL FINDING

(Case No. MTR – 1/2021)

Subject: Mid-term review of anti-dumping duty imposed on imports of Aluminium Alloy Road Wheels originating in or exported from China PR.

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

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter also referred to as the “Authority”) received an application dated 30th April 2021, on behalf of JJF Castings Limited, Maxion Wheels Aluminium India Private Limited and Steel Strips Wheels Limited (hereinafter also referred to as the “applicants” or the “domestic industry”) requesting initiation of mid-term review investigation of anti-dumping duty imposed on imports of Aluminium Alloy Road Wheels, (hereinafter also referred to as the “subject goods” or the “product under consideration”) to examine the need to re-evaluate and enhance the anti-dumping duty levied against imports of the subject goods when exported by the Dicastal Group, comprising of CITIC Dicastal Co Limited, SMX Dicastal Wheel Manufacture Co., Limited, Qinhuangdao Daikaxinglong wheel Manufacturing Co., Limited, Qinhuangdao Xinglong Wheels Co Limited and Binzhou Movever Dicastal Wheel Co Limited. originating in or exported from China PR (hereinafter also referred to as the “subject country”). Further, the applicants have also submitted that since the Designated Authority had resorted to sampling in the earlier investigation and the anti-dumping duty for the following producers were determined on the basis of the margins for the Dicastal group, the duty for the following also needs to be enhanced.
 - a. Zhejiang Jinfei Kaida Wheel Co, Limited
 - b. Shandong Shuang Wang Aluminium Industry Co., Limited

c. Zheliang Shuguang Industrial Co., Limited

2. Anti-dumping investigation with respect to Aluminium Alloy Road Wheels originating in or exported from China PR, Korea RP and Thailand was initiated on 10th December 2012 to examine the nature and the extent of dumping and its injurious effect on the domestic industry. The Authority vide its Preliminary Findings dated 13th January 2014 recommended the imposition of provisional duties against the imports of the subject goods from China PR, Korea RP and Thailand, which was imposed vide Customs Notification No. 15/2014 – Customs (ADD), dated 11th April 2014. Thereafter, the Authority, vide its Final Findings No. 14/7/2012 – DGAD, dated 9th June 2014, recommended imposition of definitive anti-dumping duties, which were given effect vide Customs Notification No. 21/2015 – Customs (ADD), dated 22nd May 2015 for a period of five years.
3. Before the expiry of five years, the Authority initiated a sunset review investigation on 10th August 2018. The Authority, vide its Final Findings No. 7/31/2018 – DGTR, dated 29th March 2019, recommended continuation of anti-dumping duties, which were given effect vide Customs Notification No. 17/2019 – Customs (ADD), dated 9th April 2019 for a period of five years.
4. The present mid-term review was initiated in accordance with Section 9A of the Act, read with Rule 23(1A) of the Rules. The Authority is required to review, on the basis of a duly substantiated request made by or on behalf of any interested parties, as to whether the change in circumstances warrant modification of existing anti-dumping duty.
5. In view of the duly substantiated application with prima facie evidence and in accordance with Section 9A of the Act, read with Rule 23 of the Rules, the Authority initiated mid-term review investigation vide Notification No. 7/12/2021 – DGTR dated 1st September 2021. The scope of the review was limited to examining the need for enhancement of the quantum of anti-dumping duties in respect of the subject goods exported by Dicastal Group and companies (non-sampled cooperative exporters in the preceding investigation) which were awarded duties based on the margins of Dicastal Group, originating in or exported from the subject country.

B. PROCEDURE

6. The procedure described herein below has been followed:
 - i. The Authority vide Notification No. 7/12/2021-DGTR, dated 1st September 2021, published a public notice in the Gazette of India, Extraordinary, initiating mid-term review investigation against imports of the subject goods from the subject country.
 - ii. A copy of the public notice was forwarded by the Authority to the Embassy of China in India, known producers and exporters from the subject country, known importers and other interested parties, to inform them of the initiation of the subject investigation in accordance with Rule 6(2) of the Rules.

- iii. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters, and to the Government of China, through its Embassy, and to the other interested parties who made a request in writing in accordance with Rule 6(3) of the Rules supra.
- iv. The Authority forwarded a copy of the public notice initiating mid-term review investigation to the known producers / exporters in the subject country, and other interested parties and provided them an opportunity to file response to the questionnaire in the form and manner prescribed within time limit (including the extended time limit) , as prescribed in the initiation notification, and make their views known in writing in accordance with the Rule 6(4) of the Rules.
- v. The Authority forwarded copies of the Notification and non-confidential version of the petition to the known producers/ exporters.
 - a. Advanti Manufacturing (Suzhou) Company Limited
 - b. AITL Manufacturing
 - c. Auto Parts Accessory Holding Company Limited
 - d. Baoding Lizhong Wheel Manufacturing Company Limited
 - e. Buyang Group Company Limited
 - f. China Wheel Company Limited
 - g. Chiping XinFa Aluminious Production Company Limited
 - h. CITIC Dicastal Wheel Manuafacturing Company Limited
 - i. Dare Wheel Manufacturing Company Limited
 - j. Fervent Wheel Company
 - k. Foshan Nanhai Zhongnan Aluminium Wheel Company Limited
 - l. Jiangsu Dare World Light Alloy Company Limited
 - m. Jiangsu Kaite Automobile Parts Company Limited
 - n. Kinghwa Toptrue Wheel Company Limited
 - o. Liufeng Machinery Industry Company Limited
 - p. Nanhai Anchi Aluminium Wheel Company Limited
 - q. Ningbo Baody AutoParts Company Limited
 - r. Ningbo Shenzheng Import and Export Company Limited
 - s. Ningbo YongQi Aluminium Wheel Manufacturing Company Limited
 - t. Seyen Heavy Industries (Shanghai) Company Limited
 - u. Shandong Binzhou Bohai Piston Company Limited
 - v. Shanghai Arays Hardware Manufacturing Company Limited
 - w. Shengyang Sanhua Dooray Wheel Company Limited
 - x. SMX Dicastal Wheel Manufacture Company Limited
 - y. Taiyuan Heavy Machinery (Ace)
 - z. Weihai Wangeng Auto Wheel Company Limited
 - aa. Wonder Kosei Metal Industry (Kunshan) Company Limited
 - bb. YHI Advanti Manufacturing (Shuzhou) Company Limited
 - cc. YHI Manufacturing (Shanghai) Company Limited
 - dd. Zhejiang AARVI Auto Parts Company Limited
 - ee. Zhejiang Buyang Auto Wheel Company Limited
 - ff. Zhejiang Jinfei Yada Wheel Company Limited

- gg. Zhejiang Tailong Aluminium Wheels Company Limited
- hh. Zhejiang Wanfeng Motorcycle Wheel Company Limited
- vi. The Government of China, through its Embassy in India was also requested to advise the exporters/producers from its country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the known producers/exporters was also sent to the Embassy of China along with the details of the known producers/ exporters from China.
- vii. The following producers/exporters from China PR filed response to the exporter's questionnaire:
 - a. Shandong Shuangwang Aluminium Industry Co., Limited
 - b. Zhejiang Jinfei Kaida Wheel Co., Limited
 - c. Zhejiang Shuguang Industrial Co., Limited
- viii. The Authority forwarded a copy of the Notification to the following known importers/ users of subject goods in India calling for necessary information, in accordance with Rule 6(4) of the Rules:
 - a. Enkei Castalloy Limited
 - b. Neo Wheels Limited
 - c. Aakar Castings Private Limited
 - d. Volkswagen Ind. Private Limited
 - e. Ford India Private Limited
 - f. General Motors India Private Limited
 - g. Hyundai Motor India Limited
 - h. Toyota Kirloskar Motor Private Limited
 - i. FIAT India Automobile Limited
 - j. Hindustan Motors Limited
 - k. BMW India
 - l. Tata Motors Limited
 - m. Daimler India Private Limited
 - n. Honda Siel Cars India Limited
 - o. Skoda Auto India Private Limited
 - p. Renault Nissan Technology & Business Centre India Private Limited
 - q. Sai Mag Wheels
 - r. Prestige Design
- ix. None of the importers/users have filed questionnaire response in the present investigation.
- x. The applicants had proposed the period of investigation as 1st January 2020 to 31st December 2020. However, the investigation was initiated on 1st September 2021. In accordance with the provisions of Rule 5(3A), the period of investigation cannot be more than six months old as on the date of initiation. Therefore, the Authority has included the period up to March 2021 within the period of investigation. Accordingly, the Authority has considered the period of investigation (POI) as 1st January 2020 to 31st March 2021(15 months)
- xi. Transaction-wise import data for the period of investigation and the preceding three years was procured from the Directorate General of Commercial Intelligence and

Statistics (DGCI&S) and DG, Systems. The Authority has relied upon data of DGCI&S for calculating the volume and value of imports of the subject goods in India and data of DG, systems for comparison and reconciliation with the responses filed by the exporters.

- xii. Further information was sought from the applicants and responding exporters to the extent deemed necessary.
- xiii. Since it was not possible to maintain physical public file due to ongoing COVID-19 pandemic, all the interested parties were requested to e-mail non-confidential versions (NCV) of their submissions/responses/comments filed by them to all the other interested parties.
- xiv. The non-injurious price (NIP) has been determined based on the optimum cost of production and the cost to make & sell the subject goods in India as per information furnished by the domestic industry and in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules. Such non-injurious price has been considered to ascertain whether the anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xv. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing held on 8th February 2022 through video conferencing. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.
- xvi. The submissions made by the interested parties, arguments raised, and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in these final findings.
- xvii. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of these final findings to the extent possible and verified the data/ documents submitted by the domestic industry to the extent considered relevant and necessary.
- xviii. The information provided by the interested parties on confidential basis was examined with regard to the sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to the 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.
- xix. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the investigation, or has significantly impeded the investigation, the Authority considered such interested parties as non-cooperative and recorded these final findings on the basis of the facts available.
- xx. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide disclosure statement dated 21st August 2022 and comments received thereon, considered relevant by the Authority,

have been addressed in these final findings. The Authority notes that most of the post disclosure submissions made by the interested parties are mere reiteration of their earlier submissions. However, the post disclosure submissions to the extent considered relevant have been examined in these final findings.

- xxi. *** in these final findings represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxii. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs. 74.76.

C. Submissions made by other interested parties on various issues

- 7. The following submissions have been made by the other interested parties during the course of the investigation:

Scope of Review

- a. The investigation has been initiated under Rule 23(1A), which only allows for reviewing the need for continuation or withdrawal of duties and not enhancement of duties.
- b. The grounds for review should be rejected as they are based on original and sunset review investigation and the current status of Dicastal and Ford has not been considered. Dicastal exported 98% subject goods to Ford India, which has stopped its operations; and, accordingly, Dicastal has stopped exporting to India.
- c. The present proceeding is not an appellate one, wherein the Authority can go back and make correction to the quantum of duties of non-cooperative exporters, that had cooperated in the last investigation.
- d. The concerns raised by the applicants are against Dicastal group and Ford entities and no allegation has been raised against Shandong.
- e. The scope of the review is comprehensive in re-determination of margins of all producers / exporters, as evident from the fact that the Authority called for information from all exporters. The exporters were specifically advised to cooperate in the investigation. The belated contention of the applicants that the review should be limited to only exporters identified by them cannot be accepted.
- f. Shandong fully cooperated in the original investigation as well as the present mid-term review investigation, and therefore, individual duty should be granted to it. The applicants have not shared any evidence of unreliability of export price of Shandong.
- g. Shandong did not get an individual margin in the past investigation, due to sampling, and cannot be deprived of the same in this case, when no sampling has been done.
- h. Since Rule 17 is also applicable to reviews under Rule 23, if the Authority intends to resort to sampling, a fresh sample should be drawn.
- i. The Manual of Operating Practices shows that even if application for mid-term review is filed by only one exporter, where multiple exporters were given individual rates, it is advisable to initiate the review against the subject country as a whole.
- j. Provisions of Rule 23(1A) provide that need for continuation of duties as a whole would be considered, and not for individual exporters.

- k. Zhejiang Shuguang Industrial Co., Limited and Zhejiang Jinfei Kaida Wheel Co., Limited have supplied a small volume of product in After Market, which has not caused injury to the domestic industry, and should be allowed individual margins.
- l. The contention of the applicants that where there was sampling in earlier investigation, duties in mid-term review should continue to be based on the sample is not consistent with the law and the past practice of the Authority. The decision of European Commission is not binding on the Authority.

Product under consideration

- m. If products supplied in OEM are considered different than that in After Market, the latter should be excluded from the product scope.

Confidentiality

- n. As held by the Supreme Court and High Court in various cases, Trade Notices are binding on all customs authorities and the interested parties. However, the applicants have not followed Trade Notice 1/2013, as the data provided is not indexed.
- o. The applicants have failed to show good cause for confidentiality. The justification table explaining reasons of confidentiality is not as per the prescribed format.

Normal value and dumping margin

- p. Shandong increased its prices throughout the injury period and did not adopt any discriminatory pricing leading to dumping. Data of Shandong would show that the present level of duties is too high and unwarranted.
- q. The contention to treat China PR as a non-market economy is only a strategy to claim higher dumping margin.
- r. While the domestic industry has itself stated that product sold in both markets have comparable characteristics and are used interchangeably, they have claimed that sales made in OEM cannot be compared to that in after market for purposes of dumping margin.

Dumping margin and injury margin

- s. As per lesser duty rule, the Authority is required to impose lower of dumping margin and injury margin, as also noted in the Manual of Operating Practices.
- t. The contention of the applicants that the Authority has refused to withdraw duties in a number of investigations even where margins were negative is not appropriate, since as per Rule 4, no duty is supposed to be levied where the margins are negative.

Injury and likelihood of continuation or recurrence

- u. The onus is on the applicants to show that the imports, even after imposition of anti-dumping duty, are causing injury to the domestic industry. Claim of insufficient duty

without demonstrating effects on performance cannot form a basis for enhancement of anti-dumping duty.

- v. On one hand the applicants have not provided injury data, and on the other hand, they have claimed that the domestic industry has continued to suffer injury, despite duties in force.
- w. Since the applicants have not provided injury data, their response should be rejected and best facts should be applied.
- x. As per Rule 23(1A) the Authority is required to examine the economic parameters to analyze whether the domestic industry is suffering injury or not. Thus, an indexed form of information must be shared with the interested parties.
- y. The volume of imports declined in the period of investigation as compared to the base year and the price of imports increased over the same time, thus, there is no need for enhancement of anti-dumping duty.
- z. While the applicant has claimed inflated injury margin and dumping margin, price undercutting in the present investigation is negative as per the DGCI&S data.

D. Submissions of the domestic industry on various issues

8. The following submission have been made by the domestic industry.

Scope of Review

- a. The Authority may undertake partial interim review investigation, limited to re-valuate and enhance anti-dumping duty on imports of product under consideration from CITIC Dicastal Manufacturing Company and its related/unrelated (but bunched as one) entities, along with the duties on non-sampled producers which were awarded anti-dumping duty based on Dicastal Group.
- b. In the sunset review investigation, only one producer group was considered in the sample. Further, a single margin was determined for exports by Dicastal, irrespective of whether the exported goods were procured from related and unrelated producers. In general, a common margin is determined only for related producers.
- c. 98% exports by Dicastal were made to Ford India, which had refused to cooperate in the sunset investigation, and, thus, the duties levied were extremely low.
- d. Stoppage or cessation of operations of Ford India does not mean that the exports by Dicastal have stopped, or that it is barred from exporting to any other entity in India at those low prices.
- e. The Authority has issued Office Memorandum dated 18th June 2019, specifying that the request for alteration of quantum of anti-dumping duty can be made under Rule 23. The Authority has conducted a number of mid-term review investigations for enhancement or reduction of the amount of anti-dumping duty.
- f. The anti-dumping duty on Dicastal has been determined based on exports of the product under consideration produced by related as well as unrelated entities. Since Dicastal acted as an unrelated trading company for unaffiliated producers, the dumping margin and injury margin is required to be determined separately for the two channels.

- g. There is a need to review the arrangement between Dicastal group and unrelated entities as the production for the product under consideration takes place only against specific approvals of the customers for designs. Dicastal has exported subject goods produced by unrelated entities even though it had unutilized capacities.

Product under consideration

- h. The product under consideration is cast aluminium alloy wheels or alloy road wheels used in motor vehicles, whether or not attached with their accessories, of a size in diameters ranging from 12 inches to 24 inches.
- i. The subject goods are supplied to OEMs and After-Market customers. These are mere distribution channels and do not affect the scope of the product under consideration.

Normal value

- j. China PR should be treated as a non-market economy country. In the absence of an appropriate market economy country, the normal value has been determined based on cost of production of the domestic industry duly adjusted for SG&A expenses as well as profits.
- k. Contrary to the contentions of the other interested parties, China PR should be treated as a non-market economy country unless the producers can clearly show that market economy conditions prevail in the industry producing like product. This is consistent with the view taken by the Authority in multiple investigations.

Compensatory arrangement

- l. Dicastal group has entered into a compensatory arrangement with Ford entities and is charging higher prices in India while compensating it with lower prices elsewhere. Ford has a number of entities globally but procurement for these entities is managed centrally. Due to such arrangement, Dicastal group fixes the price of the product having regard to global supplies to Ford and the group was able to continue dumping in India. The margins computed based on export price declared for exports to India was unreliable when the producer was negotiating the prices with the customer for their global supplies.
- m. Due to the compensatory arrangements, even though the Indian producers are offering significantly lower prices, Ford India continues to buy the subject goods from Dicastal.
- n. Even *** has sold material to *** by importing from *** at a price which is below the import price only because of global affiliations and relationships.
- o. The anti-dumping duty on Dicastal group as well as non-sampled producers is insufficient to protect the domestic industry from dumping.
- p. Chinese producers have continued to supply subject goods at lower prices, due to which the domestic producers are losing orders. This is evident from the fact that the applicants were forced to supply at significantly lower prices due to the offers received by ***.

Unreliable export price

- q. While the landed price of Dicastal was USD 5.48 per kg, the price of imports from other entities was USD 4.77 per kg. Thus, Dicastal has reported abnormally high prices. As the market for the product under consideration is highly competitive, these prices are not possible and reliable.
- r. The export price reported by Dicastal group is unreliable as interactions with the customers have shown that the price at which Dicastal group actually supplied is much less than the reported price. Since the market for the subject goods is based on negotiations, it is not possible that Dicastal is able to attract customers at price much higher than that of the domestic industry or the other exporters.
- s. The anti-dumping duty on Dicastal group and non-sampled producers is not appropriate as the same is based on unreliable export price.

Constructed export price

- t. The applicants have constructed export price based on target prices received by *** from ***. The applicant submitted a quotation to *** but were informed that *** was willing to buy only at prices offered by CITIC Dicastal which were much lower than prices offered by the applicant. While the applicant initially offered to provide the subject goods to *** at ₹ *** per wheel, *** stated that Dicastal is supplying at ₹ *** per wheel.
- u. The applicants have also constructed the export price based on target prices received by *** by ***. One of the applicants submitted a quotation to *** but were informed that CITIC Dicastal has offered to supply at *** proposed plant in *** at prices much below the price offered by the applicants. While the applicants offered to supply the subject goods to *** at ₹ *** per wheel, the counter offer given by *** (based on prices of Dicastal) was merely ₹ *** per wheel.
- v. The price of the subject goods is based on the quarterly LME prices of aluminium, change in LME prices lead to change in prices of the subject goods.
- w. Since aluminium accounts for 50% of the cost of production of the subject goods, the applicants have also constructed the export price based on the export price of other producers in the previous investigation, adjusted for change in LME prices.

Dumping and injury margin

- x. The dumping margin and injury margin for Dicastal Group is much higher than determined in the previous investigation.
- y. Even if the present reported export price is considered, the dumping margin and injury margin is higher than the quantum of duty levied.

Confidentiality

- z. The exporters have claimed excessive confidentiality in the response filed, due to which the domestic industry is unable to defend its interests.
- aa. Contrary to the submissions of the other interested parties, the table indicating reasons of confidentiality has been provided with the petition and the applicants have complied with the requirements of Trade Notice 1/2013 and 10/2018.

Scope of present review

- bb. As opposed to the submissions of the other interested parties, grounds in the present review are not based on the previous investigations as unreliability of export price and compensatory arrangement were not alleged in the original or sunset review investigation.
- cc. Since Dicastal group has not participated in the present investigation, the dumping margin and injury margin should be determined based on facts available.
- dd. Information on injury data and performance parameters of the domestic industry are not required, as the present investigation is a mid-term review limited to re-determination of dumping margin and injury margin. The domestic industry has, accordingly, not provided information with regards to the injury parameters.
- ee. The present investigation was initiated on the request of the applicants to review the dumping margin and injury margin for Dicastal Group. The names of responding exporters were included only because the duties applicable to Dicastal were extended to them.
- ff. As regards the contention that price undercutting is negative, it is submitted that the industry for the subject goods is price competitive and the domestic industry has been forced to reduce prices. Price undercutting is negative only because the export price reported in DGCI&S data is unreliable and higher than the actual price being charged by the exporters.

Eligibility to participate and file EQR

- gg. Anti-dumping duty on non-sampled producers can be determined only based on duties determined for sampled producer, Dicastal.
- hh. Since Dicastal did not participate in the present investigation, the response submitted by the other producers who were awarded duties based on data submitted by Dicastal cannot be examined.
- ii. Shandong Shuangwang Aluminium Co., Limited is not eligible for individual duty as the present review is limited to re-valuation of dumping margin and injury margin of the producer whose data was examined by the Authority.
- jj. The cooperating exporters are not approved OEM suppliers and have not made any significant sales to OEM in India. They have only sold odd-sized wheels in replacement market, which cannot be compared with the sales to OEM. There is a need to determine whether the volume and price of wheels supplied by these

exporters is appropriate for determination of dumping margin in the present investigation, considering the product profile, the target market, and the volume involved.

- kk. There is a difference between the subject goods supplied to the OEMs and after-markets. The subject goods supplied to OEM require approvals which take 1-3 years and are subject to strict safety and regulatory standard while those supplied to After-Market do not need any approval or conformity to safety standards. The subject goods supplied to OEM are of standard sizes subject to strict safety and regulatory standard, while those supplied by these Chinese producers in the After-Market are non-standard sizes, not conforming to safety standards, and much small in volumes.
- ll. The quantity of subject goods supplied to OEM ranges from 1-5 lakhs per annum while those supplied to after-market customers ranges from 100-1000 wheels at a time.
- mm. The sales to OEM are regular sales to limited known customers and the primary concerns of the manufacturers is long term potential of sales to the same customers while the manufacturers selling in after-market indulge in spot sales and have various unknown customers.
- nn. The overhead cost of sales for individual wheels in after-market segment is much more than that for OEM markets.
- oo. The packing costs are much different in the two markets. Each wheel in the After-Market segment is packed leading to a packing cost between ₹ 35-50 per wheel set. In OEM, the packing costs are extremely limited.
- pp. The response filed by Zhejiang Kaida Wheel Co., Limited should be rejected since the related parties of the company engaged in production of the subject goods have not participated.

Requirement of Likelihood information

- qq. In case the Authority decides to determine individual margins for the cooperating exporters, there is a need to determine whether the dumping and injury to the domestic industry is not likely to recur, if the said anti-dumping duty is removed.
- rr. In order to check the likelihood of continuation or recurrence of injury due to change or removal of anti-dumping duty, there is a need to determine dumping margin and injury margin for third country exports and post period of investigation. This has been the practice of the Authority in various investigations.

Others misc. submissions

- ss. Each and every order is necessary for the Aluminium Road Wheels Industry as stopping and restarting the plants lead to significant energy loss. Since the price is based on negotiations with the customers, the domestic industry is unable to charge prices higher than the import price.

E. Examination by the Authority

F.1. Product under Consideration and Like Article

9. The product under consideration in the present limited mid-term review investigation is Cast Aluminium 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. The product scope is the same as that in the original investigation. The product under consideration is classified under Chapter 87 under sub-heading 870970. The customs classification is indicative only and is not binding on the scope of the product under consideration.
10. In the original anti-dumping investigation, it was concluded that the scope of the product under consideration includes both subject goods supplied to OEMs and after-market as they have the same basic features and end use and are perfect substitutes of each other. In the final findings, dated 9th June 2014, issued in the original investigation, the Authority had concluded that OEM and after-market are only two channels of distribution, and not different goods per se.
11. Furthermore, the present investigation is a mid-term review, limited in scope to examining the need for re-quantification of dumping margin and injury margin, and enhancement of duty. The scope of review does not include re-examination of the product scope. Therefore, the scope of the product under consideration in the present review shall be the same as that in the previous investigations.
12. The domestic industry has submitted that the wheels supplied to OEMs are standard sizes, whereas wheels supplied in after-market are non-standard sizes. The domestic industry has also submitted that the volume of supplies made in the after-market and OEM are materially different. The Authority examined the questionnaire response of the three responding producers and noted as follows:

SN	Producers	Number of buyers	Number of export transactions	Volume	
				In Numbers	In MT
1	Shandong Shuangwang	***	***	***	***
2	Zhejiang Shuguang	***	***	***	***
3	Jinfei Kaida	***	***	***	***

13. As against the above, the domestic industry has sold *** MT to ***buyers in the POI. The Authority thus does acknowledge the fact that the volume of sales made and the size of wheels sold by domestic industry and responding producers were drastically different. However, the scope of the product under consideration includes wheels of all kinds and sizes within its scope. The Authority has not distinguished and differentiated between standard and non-standard products. Further, the difference between the cost of packing of the goods used in after-market and OEM can be adjusted appropriately for fair

comparison between the normal value and export price and determination of the dumping margin.

14. Thus, as held in the original investigation, the scope of product under consideration includes wheels supplied to OEMs as well as after-market customers. However, the Authority notes the submission of the domestic industry that for supplying in the aftermarket segments, the manufacturers have to incur significant packing costs as compared to the wheels supplied to OEMs. The domestic industry submitted that each wheel is separately packed for supplying in the after-market segment. These packing costs are not incurred to this extent in respect of wheels supplied in OEM. The domestic industry submitted that in order to have a fair comparison of the prices of the subject goods supplied to OEMs with the prices of the subject goods supplied to after-market customers, an adjustment on account of packing cost has to be made.
15. The Authority notes that the subject goods produced by the domestic industry and that imported from China are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The consumers importing the product under consideration have also purchased the same from the domestic industry. The same has not been disputed by other interested parties as well. In view of the same, Authority holds that the goods produced by the domestic industry are like article to the product under consideration imported from subject countries.

F.2. Domestic Industry and Standing

16. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as under:

“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term ‘domestic industry’ may be construed as referring to the rest of the producers”.

17. The application has been filed by JJF Castings Limited, Maxion Wheels Aluminium India Private Limited and Steel Strips Wheels Limited. Apart from the applicants, the like article is being produced in India by the following producers.
 - a. Enkei Wheels India Limited
 - b. Kosei Minda Aluminium Company Limited
 - c. Minda Kosei Aluminum Wheel Private Limited
 - d. Neo Wheels Limited

- e. Precision Auto Industries Private Limited
- f. Synergies Castings Limited

18. During the course of the investigation, the applicants, including JJF Castings Limited, were directed to furnish information and documents necessary to verify the information provided by them. However, vide letter dated 10th August 2022, the representative of JJF Castings Limited submitted that due to certain internal challenges, including resignation of the employees who had prepared the data, it was not in a position to submit information and documents required for verification of information. JJF Castings requested the Authority to consider its information and determine NIP. The Authority however considers that supporting information and documents are relevant and necessary to verify the information provided by the company, particularly when the NIP reported by the company was higher than the NIP of the other two domestic produces. Therefore, the Authority considers it appropriate to exclude JJF Castings from the scope of the domestic industry for the purpose of present investigations. The Authority examined whether the remaining applicants constitute domestic industry under Rule 2(b).
19. The Authority has examined the information on record to consider whether the applicants constitute a major proportion of the domestic production.

Particulars	POI	Share	Range
Applicants (A)	***	***	30-40%
Steel Strips Wheels Limited	***	***	
Maxion Wheels Aluminum India Private Limited	***	***	
Other Indian Producers (B)	***	***	60-70%
JJF Castings Limited	***	***	
Rockman Industries Limited	***	***	
Kosei Minda Alu. Co. Limited	***	***	
Minda Kosei Alu. Wheel P. Limited	***	***	
Synergies Castings Limited	***	***	
Neo Wheels Limited	***	***	
Enkei wheels (India) Limited	***	***	
Total Indian Production (A+B)	***	100%	100%

20. It is noted that Steel Strips Wheels Limited and Maxion Wheels Aluminum India Private Limited account for a major proportion of the total domestic production. The applicants are neither related to the subject Chinese producers or exporter nor are importers of the subject goods in India, nor have they imported the subject goods from China. Therefore, the Authority holds that Steel Strips Wheels Limited and Maxion Wheels Aluminum India Private Limited constitute domestic industry within the meaning of Rule 2(b) of the Anti-Dumping Rules.

F.3. Scope of Review

21. The present investigation was initiated as per Rule 23(1A), which, inter-alia, provides as follows:

“(1A) The designated authority shall review the need for the continued imposition of any anti-dumping duty, where warranted, on its own initiative or upon request by any interested party who submits positive information substantiating the need for such review, and a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty and upon such review, the designated authority shall recommend to the Central Government for its withdrawal, where it comes to a conclusion that the injury to the domestic industry is not likely to continue or recur, if the said anti-dumping duty is removed or varied and is therefore no longer warranted.”

22. The Authority issued an Office Memorandum dated 18th June 2019 providing for review, which, inter-alia, provides as follows

“6. Any interested party, including domestic industry, can seek a review under rule 23 and 24 of AD and CVD Rules respectively to alter the quantum or form of existing AD/ CVD duty. The changed circumstances which may warrant a review may include changes in raw material prices, costs, duty structure, exchange rate etc. The Authority would consider a fresh POI for such a review and evaluate all key parameters viz dumping margin or subsidy margin, injury margin and landed value for this chosen POI. The modified AD/ CVD, including the form, would be based on this comprehensive re-computation.”

23. The Authority notes that the present review has been initiated based on change in circumstances alleged by the applicants. The present investigation is limited to examination of whether there has been a change in circumstances which justify the enhancement of quantum of anti-dumping duty. In their application, the applicants had alleged that the export price of Dicastal was unreliable. Further, the applicants had provided prima facie evidence in their application alleging unreliability of export price because of compensatory arrangement between Dicastal Group and Ford entities, alleging that as a result, the export price is overstated in India.
24. While seeking initiation of review and increase in the quantum of duty, the applicants stated, inter-alia, as follows
- a. Since Ford has a number of global entities with centralized procurement, Ford and Dicastal have entered into a compensatory arrangement whereby the higher prices in India are compensated by lower prices elsewhere.

- b. The export price is unreliable and Dicastal is supplying at a much lower price in the Indian market. This is evident from interactions with customers, wherein it was found that prices of Dicastal are much lower than that of the domestic industry.
 - c. Despite being an importer itself, Ford Thailand has also exported the product under consideration to Ford India.
 - d. In a price competitive market, it is not possible that Dicastal is able to supply the subject goods at a price much higher than that of the domestic industry and other exporters.
25. M/s. CITIC Dicastal Co Limited or any other producer / exporter from the Dicastal Group has not participated in the present review. However, the following Chinese producers have filed questionnaire response
- a. Shandong Shuangwang Aluminium Industry Co., Limited
 - b. Zhejiang Jinfei Kaida Wheel Co., Limited
 - c. Zhejiang Shuguang Industrial Co., Limited
26. The Authority notes that the applicants had alleged unreliability of the export price due to alleged existence of compensatory arrangement only in relation to exports by Dicastal Group. Since Dicastal has not cooperated in the present review, the reliability or absence thereof of its export price does not require examination. Dicastal Group is required to be treated as “non cooperative” for the purpose of the present investigation.
27. The applicants have not alleged any compensatory arrangement between the importers and other exporters. As a result, the Authority finds that the arguments concerning reliability of export price on account of alleged compensatory arrangement do not require any examination.
28. As regards the contention that the petitioners have not substantiated the need for enhancement of duty, the Authority notes that the domestic industry provided prima facie evidence in support of its claim at the time of initiation. It is further noted that even if the argument of the domestic industry with regard to unreliability of export price is rejected, still, it would be appropriate to undertake a review to re-determine the dumping and injury margin to examine whether the anti-dumping duty is required to be enhanced.
29. Some of the interested parties have contended that since Ford India Limited has stopped operations in India and Dicastal has stopped exporting, the grounds for review no longer exist. The Authority however notes that suspension of production by a consumer does not in itself imply that the production facilities are no longer available and would not be utilised in future. Merely because Ford India has stopped operations, it does not mean the plant itself has permanently closed down or that it may never restart. Further, mere fact that Ford India has stopped production does not in itself imply that Dicastal shall no longer export the product to the Indian market. Closure of Ford entities in recent period has no relevance to the price of exports of Dicastal during the period of investigation and the issue of reliability of its price of subject goods during that period. Indeed, there is no

claim by Dicastal that it shall no longer export the product to the Indian market to other buyers/ OEMs. It would therefore be inappropriate to terminate the investigation on this account.

30. The applicants have contended that since the sampled producer in the earlier investigation, Dicastal, has not participated in the present review, the other cooperative producers cannot be awarded individual duties. The applicants have, in effect, claimed that the duties of the cooperative non-sampled producers of the previous investigation are tied to the duties of Dicastal; and thus, they shall continue to be subject to the same duties as Dicastal. On the other hand, participating exporters have argued that the scope of review includes re-determination of their margins as well, as evident from the fact that information from all exporters were called for.
31. In this regard, the Authority notes that the investigation was initiated to re-examine whether the duty quantified for Dicastal was required to be re-determined and enhanced. The anti-dumping duty for the cooperating exporters, who were cooperative non-sampled producers in the earlier investigation, was based on the duties levied on Dicastal. Dicastal has not cooperated in this mid-term review investigation. Therefore, while Dicastal is required to be treated as non-cooperative, these responding companies cannot be treated as non-cooperative on account of non-cooperation preferred by Dicastal. The cooperative exporters in the present review cannot be penalized for the failure of Dicastal Group to cooperate. The Authority notes that unless the responses filed by the cooperating exporters are examined, there is no basis to quantify the duties applicable to them. Therefore, in the light of facts of the case, the Authority finds it necessary to determine margins for the cooperative exporters based on their responses.
32. Some of the interested parties have contended that the present proceedings are not appellate in nature and therefore it is not appropriate to make correction to the quantum of duties. It is noted that such a review by the Authority is not an appellate proceeding, as contended by the interested parties, but is allowed under the provisions of Rule 23 itself.
33. Some of the interested parties have contended that a review under Rule 23 may be undertaken only to examine the need for continued imposition of duty, and not for re-quantification of duty. It is further noted that it has been the consistent practice of the Authority to vary the duty rates by either reducing or enhancing or retaining the quantum of duty during mid-term review. The Authority notes that it has conducted reviews for re-quantification of duty under Rule 23 in the past as well. One of such reviews, concerning imports of Acrylonitrile Butadiene Rubber (NBR) was challenged before the Supreme Court, and was found consistent with the provisions of Rule 23 by the Apex Court. Therefore, the present review cannot be considered to be beyond the provisions of Rule 23. Further, Rule 23(1) mentions that “any anti-dumping duty imposed under the provision of section 9A of the Act, shall remain in force, so long as and to the extent necessary, to counteract dumping, which is causing injury.” The meaning of the word “to

the extent” means the extent or degree of duty. Thus, this rule allows the Authority to vary the degree (quantum) of duty.

34. Further, the Designated Authority has vide Office Memorandum dated 18th June 2019, issued a guideline stating that any interested party, including the domestic industry, could seek initiation of a review under Rule 23 to alter the quantum or form of duty. Therefore, the applicants are justified in proceeding for an application under the provisions of Rule 23.
35. In view of the foregoing, the Authority concludes that the scope of the present review is limited only to examination of the need for re-determination of dumping margin / injury margin for Dicastal and other exporters subjected to the same duties in the earlier investigation as Dicastal. The scope of such review is governed by the provisions of Rule 23, read with Office Memorandum dated 18th June 2019. The investigation was initiated to examine whether the price of exports by Dicastal is unreliable due to the existence of any compensatory arrangement. However, in the absence of cooperation of Dicastal, it is not possible to examine the unreliability of its export price. Nevertheless, the other cooperative producers cannot be penalized for non-cooperation by Dicastal.

F.4. Confidentiality

36. With regard to confidentiality of the information, the Rule 7 of the Anti-dumping Rules provides as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

37. The Authority considers that any information which is by nature confidential or which is provided on a confidential basis by the parties to an investigation shall, upon good cause

shown, should be treated as such by the Authority. Such information cannot be disclosed without specific permission of the party submitting it.

38. Information provided by the interested parties on confidential basis was examined with regard to the sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the 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. The Authority made available the non-confidential version of the evidence submitted by the interested parties by directing the interested parties to share the non-confidential version of their submissions with each other through e-mails.
39. Some of the interested parties have contended that the domestic industry has not shown good cause for confidentiality. The Authority notes that the domestic industry has provided a justification table in the non-confidential version of the petition. The Authority has accepted the confidentiality claimed by all the interested parties after being satisfied about the same.

F.5. Normal Value, Export Price and Dumping Margin

40. The Authority notes the following relevant provisions with regard to determination of normal value for China PR. Provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules are as under:

“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner [keeping in view the level of development of the country concerned and the product in question] and due account shall be taken of any reliable information made available at the time of the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

8. (1) The term “non-market economy country” means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the

fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3)

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as market economy country which, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization.”

41. At the stage of initiation, the Authority proceeded with the presumption by treating China as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China to respond to the notice of initiation and provide information whether their data/information could be adopted for the purpose of normal value determination. The Authority sent copies of market economy treatment/

supplementary questionnaire to all the known producers/ exporters in China PR for providing relevant information in this regard.

42. Article 15 of China's Accession Protocol in WTO provides as follows:

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

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

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

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

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

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

43. The Authority notes that while the provisions of Article 15 (a)(ii) of China PR's Accession Protocol have expired with effect from 11th December 2016, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with obligation under 15(a)(i) of the Accession Protocol require criterion stipulated in Para 8 of the Annexure 1 of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming MET status. The Authority notes that no producer or exporter from China PR has submitted market economy treatment or supplementary questionnaire response. The normal value computation for these producers/exporters are thus required to be determined in terms of provisions of Para 7 of Annexure-1 of Anti-Dumping Rules.
44. Some of the interested parties have claimed that if the Authority intends to undertake sampling, the same should be based on cooperation in the present review. However, since only three exporters have cooperated in the present investigation, the Authority notes that no sampling is required to be undertaken.

Determination of the Normal Value

45. The Authority notes that none of the producers/exporters from China PR has filed the supplementary questionnaire response to rebut the presumptions as mentioned in para 8 of Annexure – I of the Rules. Under these circumstances, the Authority has to proceed in accordance with para 7 of Annexure – I of the Rules as under.

“In case of imports from non-market economy countries, normal value shall be determined on the basis if the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manne⁴ keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

46. The Authority notes that under the provisions of para (7) of Annexure – I, the normal value may be determined on the basis of price or constructed value in a market economy third country, or the price of exports from such a third country to other countries, including India. However, when such basis is not possible, only then the Authority can determine normal value on any other reasonable basis, including the price paid or payable in India.

47. In the present case, none of the interested parties have claimed or provided information with regard to price or constructed value in a market economy third country, or the price of exports from such a third country to other countries, including India.
48. In the absence of such information, the Authority has determined normal value based on other reasonable basis. For this purpose, the Authority has considered the cost of production of the domestic industry, with due adjustments, and a reasonable addition of selling, general and administrative expenses and profits. Further, since the responding exporters have supplied in the After Market, an adjustment for packing costs incurred in relation to sales in the After Market have been made.

Determination of the Export Price

49. The following producers/exporters from China PR have filed response to Exporters' questionnaire
- i. Shandong Shuangwang Aluminium Industry Co., Limited
 - ii. Zhejiang Jinfei Kaida Wheel Co., Limited
 - iii. Zhejiang Shuguang Industrial Co., Limited

Export Price for Shandong Shuangwang Aluminium Industry Co., Ltd.

50. Shandong Shuangwang Aluminium Industry Co., Limited, during the period of investigation, has directly exported *** MT of the product under consideration to India. On examining the data provided in their response, it is observed that there is substantial difference in the price of exports reported by this producer/ exporter (Rs. *** per MT) and that in the DG systems data available with the Authority (Rs. *** per MT). After verifying the records, it was found that though their sales quantity almost matched with that reported in the DG Systems data, their values did not match the values reflected in such data. The price indicated in DG Systems is much lower despite the fact that the export price reported by the exporter are largely on FOB basis, whereas the import price reported in the Indian customs data are CIF prices. This clearly shows that the exporter has reported export price which does not corroborate with the Indian customs data, despite the fact that this producer/ exporter has exported the product under consideration to India directly.
51. In view of the above fact, the Authority determines the export price on the basis of Indian Customs data. The Authority has accepted all the adjustments claimed by the exporter to arrive at the net export price.

Export Price for Zhejiang Shuguang Industrial Co., Ltd.

52. During the period of investigation, Zhejiang Shuguang Industrial Co., Limited has directly exported ***MT of product under consideration to India. On examining the

exporter's questionnaire response, it is noted that the volume of exports by the exporter is insignificant in relation to the Indian consumption and production. The Authority notes that the applicants have requested for modification and enhancement of the duty applicable on exports into India. However, the Authority finds that such low volume of exports by this producer/exporter cannot be used to examine whether there has been a change so as to warrant modification of duty. Therefore, while the Authority has found the exporter to be cooperative, the Authority does not find it appropriate to modify the duty for this producer/ exporter.

Particulars	Volume
Imports (MT)	***
Imports in relation to demand in India	Less than 1%
Imports in relation to Indian production	Less than 1%

Export Price for Zhejiang Jinfei Kaida Wheel Co., Ltd.

53. During the period of investigation, Zhejiang Jinfei Kaida Wheel Co., Limited has directly exported ***MT of product under consideration to India. On examining the exporter's questionnaire response, it is noted that the volume of exports by the exporter is negligible in relation to the Indian consumption and production. The Authority notes that the applicants have requested for modification and enhancement of duty applicable on exports into India. However, the Authority finds that such low volume of exports cannot be used to examine whether there has been a change in circumstances so as to warrant modification of duty. Therefore, while the Authority has found the exporter to be cooperative, the Authority does not find it appropriate to modify the duty for such exporter.

Particulars	Volume
Imports (MT)	***
Imports in relation to demand in India	Less than 1%
Imports in relation to Indian production	Less than 1%

Other non-cooperative exporters from China subject to investigations

54. The export price for non-cooperative producers /exporters who were specifically named in the present review (Dicastal Group, comprising of CITIC Dicastal Co Limited, SMX Dicastal Wheel Manufacture Co., Limited, Qinhuangdao Daikaxinglong wheel Manufacturing Co., Limited, Qinhuangdao Xinglong Wheels Co Limited and Binzhou Movever Dicastal Wheel Co Limited.) has been taken based on the import price available on record, considering the data provided by the cooperative producers / exporters and imports into India, in accordance with Rule 6(8) of the Rules. The export price so determined is mentioned in the dumping margin table.

Other exporters from China not subject to investigations

55. Since the scope of the present review was limited to certain producers / exporters, as identified in the Initiation Notification, other producers / exporters not specifically identified in the present review investigations are beyond the scope of the present review investigations. Therefore, the dumping margin and injury margin for such exporters have not been re-determined, and the margins as in the previous investigation shall continue to apply.

Dumping Margin

56. The normal value, export price and dumping margin determined in the present investigation are as follows:

DUMPING MARGIN TABLE

Producer/Exporter	Normal Value (USD/MT)	Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin (%)	Dumping Margin (Range)
Shandong Shuangwang Aluminium Industry Co., Ltd.	***	***	***	***	5-15
Non-cooperative/exporters (Dicastal Group)	***	***	***	***	30-40

F.6. Injury, Causal Link and Injury Margin

57. Some of the interested parties have claimed that the Authority should examine injury to the domestic industry. The Authority notes that since the present investigation is limited mid-term review initiated for re-quantification of anti-dumping duty levied on certain exporters, the Authority has re-quantified the dumping margin and injury margin applicable on said entities. Determination of injury is irrelevant for the purpose of the present mid-term review investigation. Therefore, submissions by the applicants and other interested parties concerning injury to the domestic industry have not been considered by the Authority.

58. The scope of the present review is examination of the need for re-quantification of dumping margin and injury margin, and enhancement of duty. Therefore, injury suffered by the domestic industry or lack thereof is not within the present scope of review.

59. The Authority notes that the scope of the present review is limited in its scope to examining the need for re-determination of dumping margin and injury margin, and the

modification of duty and therefore the Authority does not find it appropriate to examine the aspect of injury.

Magnitude of injury margin

60. The Authority has determined the non-injurious price for the domestic industry on the basis of the principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject country for calculating the injury margin. For determining the non-injurious price, the best utilization of the raw materials, the utilities and the production capacity by the domestic industry over the injury period have been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on the average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and is being followed.
61. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters.
62. Based on the landed price and the non-injurious price determined as above, the injury margin for the producers/exporters has been determined by the Authority and the same is provided in the table below.

INJURY MARGIN TABLE

Producer/Exporter	NIP (USD/MT)	Landed Value (USD /MT)	Injury Margin (USD /MT)	Injury Margin (%)	Injury Margin (Range)
Shandong Shuangwang Aluminium Industry Co., Limited	***	***	***	***	5-15
Non-cooperative/ exporters (Dicastal Group)	***	***	***	***	30-40

F. POST DISCLOSURE COMMENTS

F.1. Submissions by the other interested parties

- 63.. The following submissions have been made by the other interested parties post issuance of the disclosure statement.
- a. Based on the submissions of the domestic industry that it is involved only in OEM segment and that there is a difference between the wheels supplied to OEM and after-market, the Authority may discontinue the anti-dumping duty on the subject goods meant for after-market or initiate a separate review suo motu to redetermine the scope of the product under consideration.
 - b. The subject goods exported by Shandong to after-market users does not cause any injury to the domestic industry as the domestic industry is concerned with only OEM segment, and thus the duties should not continue against imports from Shandong.
 - c. Re-quantification of anti-dumping duty must be done only for OEM segment as there is no case brought forward for re-quantification of duty concerning the subject goods supplied to after-market segment.
 - d. Injury to the domestic industry has not been analyzed, especially in case of exports by Shandong.
 - e. While the Authority has proposed to increase the anti-dumping duty on Shandong, it has decided to continue the same duty on other cooperating exporters due to low volume.
 - f. The anti-dumping duty should not be enhanced on exports by Shandong as there is no evidence that the anti-dumping duty currently levied is insufficient to protect the domestic industry from injury.
 - g. The export price reported by Shandong in the response should be considered. Any inconsistency in price of the product may be due to overlap in the period of reporting. In case the exporter is provided DG Systems data relied upon by the Authority, it can corroborate the same.
 - h. Zhejiang Jinfei Kaida Wheel and Zhejiang Shuguang Industrial requested that the existing duties applicable to them be continued.

F.2. Submissions by the domestic industry

64. The following submissions have been made by the domestic industry post issuance of the disclosure statement.
- a. It may kindly be clarified whether the adjustment in packaging cost for OEM and Aftermarket segment has been made for fair comparison.
 - b. Even after exclusion of JJF Castings Limited from the scope of the domestic industry, Maxis and SSWL account for major proportion of domestic production in India and are eligible to constitute the domestic industry.
 - c. Since the price submitted by Shandong does not match the Indian customs data, it should be treated as non-cooperative, as per the consistent practice of the Authority.

Granting individual duty to the exporter will be equivalent to awarding it for submitting unreliable data.

- d. The net export price determined for non-cooperative producers has resulted in lower dumping margin and injury margin which is not consistent with the past practice of the Authority. The net export price should not be based on the price of exporters which have exported low volumes as such a price is not the market price. Price of Shandong cannot be considered for determining net export price for non-cooperative producer as the exporter has itself submitted unreliable data and has exported insignificant volumes as compared to volumes of Dicastal.
- e. The pricing criteria for the Dicastal group and the three exporters is different as the exporters supply to after-market while Dicastal supplies to OEMs.
- f. As per the calculations of the petitioners, the dumping margin and injury margin are much higher than the margins determined by the Authority. The Authority may use adverse facts available and grant higher duties to the Dicastal group.
- g. Only partial disclosure of non-injurious price has been provided to the petitioners. There is significant difference between the non-injurious price reported by the petitioners and determined by the Authority.

F.3. Examination by the Authority

- 65. The Authority has examined the post disclosure submissions made by the interested parties and notes that most of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and considered relevant by the Authority are however examined below.
- 66. The other interested parties have contended that the product scope should be modified to include only goods supplied to OEMs, which is supplied by the domestic industry. It has further been contended that since Shandong has exported only goods sold in the after-market, such goods have not competed with the goods produced by the domestic industry and thus not caused injury to the domestic industry. The Authority notes that the present investigation is a mid-term review limited in scope to examining the need for re-quantification of dumping margin and injury margin, and enhancement of duty in respect of the named exporters from China. Further, the issue with regard to the scope of the product under consideration has already been dealt with in the past investigations. In the final findings dated 9th June 2014, issued in the original investigation, the Authority had concluded that OEM and after-market are only two channels of distribution, and not different goods per se. The interested parties have not adduced any fresh evidence to demonstrate that the product supplied by the domestic industry to OEMs is distinct from the product exported to after-market. The difference in market segment cannot be construed as grounds for inclusion or exclusion of a product, when there is no difference in the products supplied themselves. The interested parties have not adduced any fresh evidence that would warrant modification of the product scope.

67. Shandong has claimed that anti-dumping duty applicable to the company should not be enhanced as there is no evidence that the anti-dumping duty currently levied is not sufficient to protect the domestic industry from injury. It has already been noted by the Authority in the relevant section of these findings that the scope of the present review is limited to the examination of the need for enhancement of duty. The Authority notes that dumping margin and injury margin determined in respect of this producer/exporter is higher than the present quantum of ADD applicable to it, and the volume of exports made by this producer/exporter is also reasonably significant. Since the quantum of anti-dumping duty is lower of the dumping margin and injury margin, both of which have increased for this producer/ exporter, the Authority finds it appropriate to increase the applicable duty based on the revised margins.
68. Shandong has contended that mismatch in the import data would be due to the overlap in the period of reporting. The Authority notes that the overlap in the period of reporting can at the most result in marginal difference in the quantity, but not so much in the unit price. Moreover, in this case, the volume of exports reported is almost the same as that in the Indian customs data but the price reported by Shandong varies substantially from the price reported in the Indian customs data. The Authority thus finds it appropriate to determine export price based on the import price reported in the Indian customs data.
69. With regards to the domestic industry's contention that the dumping margin and injury margin determined for non-cooperative producer (Dicastal group) is not appropriate, the Authority notes that since Dicastal group has chosen not to cooperate in the investigation, the Authority is required to determine dumping margin and injury margin based on the facts available. The Authority has accordingly considered all available material on record and determined dumping margin and injury margin based on facts available. It is further noted that merely because the Authority had determined the residual duty in the original investigations @ 2.15 US\$/kg, it does not imply that the Authority should consider the same level of duty for non-cooperative exporters in the present review.
70. The domestic industry has sought clarification whether adjustment has been made for packaging cost in respect of sales to OEM and Aftermarket. The contention of the domestic industry, in effect, is that such an adjustment will result in higher margin for participating exporters. However, the Authority notes that the domestic industry has not provided quantified verifiable information regarding difference in packing cost between sales to after-market and OEMs to support its claim. Accordingly, no adjustment for packing cost has been made.
71. With regards to the contention that only a partial disclosure of non-injurious price has been made to the domestic industry, it is noted that disclosure as mandated under the Rules has been made to all the interested parties.

G. CONCLUSION AND RECOMMENDATION

72. In view of the above, the Authority concludes as under.
- a. Since the Dicastal Group, comprising of CITIC Dicastal Co Limited, SMX Dicastal Wheel Manufacture Co., Limited, Qinhuangdao Daikaxinglong Wheel Manufacturing Co., Limited, Qinhuangdao Xinglong Wheels Co Limited and Binzhou Movever Dicastal Wheel Co Limited has not cooperated in the present investigation, they have been treated as non-cooperative, and their dumping margin and injury margin has been determined on the basis of facts available.
 - b. In view of the non-participation by Dicastal, the allegation with regard to unreliability of export price of Dicastal could not be investigated by the Authority and the dumping and injury margins for Dicastal were determined on the basis of facts available.
 - c. The dumping margin and injury margin for Shandong Shuangwang Aluminium Industry Co., Limited are modified on the basis of the dumping margin and injury margin determined for this producer/exporter.
 - d. Since the volume of exports by Zhejiang Jinfei Kaida Wheel Co, Limited and Zheliang Shuguang Industrial Co., Limited are quite low, it has not been found appropriate to modify the duty applicable to these producers/ exporters based on their current margins.
 - e. Since the scope of the review was limited to examination of the need for re-determination of dumping margin and injury margin, and for enhancement of duty, the Authority has not found it appropriate to examine the need for modification of the product scope, as requested by the interested parties.
73. In view of the above, the Authority determines that there is a need for enhancement of duty in respect of Shandong Shuangwang Aluminium Industry Co., Limited and Dicastal Group comprising of CITIC Dicastal Co. Limited, SMX Dicastal Wheel Manufacture Co., Limited, Qinhuangdao Daikaxinglong Wheel Manufacturing Co., Limited, Qinhuangdao Xinglong Wheels Co Limited and Binzhou Movever Dicastal Wheel Co Limited.
74. In view of the foregoing, the Authority recommends modification of the quantum of duty imposed on imports of the subject goods originating or exported from China PR vide Final Findings Notification No. 7/31/2018-DGTR dated 29th March 2019 and Notification No. 17/2019 – Customs (ADD) dated 9th April 2019, as below. Having regard to the lesser duty rule, the Authority recommends modification of definitive anti-dumping duty based on lesser of margin of dumping and margin of injury, in respect of the producers/exporters subject to the present investigation. As regards producers/exporters not subject to the present investigation, including those from Korea RP and Thailand, the anti-dumping duty imposed earlier would continue. Accordingly, the definitive anti-dumping duties on the import of the subject goods, originating in or exported from China PR, Korea RP and Thailand, incorporating above recommendation of the Authority in the instant mid-term review investigation, shall be as indicated in Col

7 of the duty table below. Such duties shall continue for a period of five years from the date of issuance of Notification No. 17/2019 – Customs (ADD) dated 9th April 2019:

DUTY TABLE

SN	Tariff Item	Description of Goods	Country of origin	Country of export	Producer	Duty Amount	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Zhejiang Jinfei Kaida Wheel Co., Ltd.	0.08	USD/KG
2.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Zhejiang Shuguang Industrial Co., Ltd.	0.08	USD/KG
3.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Shandong Shuangwang Aluminium Industry Co., Ltd.	0.34	USD/KG
4.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including 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.	1.073	USD/KG
5.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any other country including China PR	Any producer other than at serial no. 1, 2, 3 and 4	2.15	USD/KG
6.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	Any country other than China PR, Korea RP and Thailand	China PR	Any	2.15	USD/KG

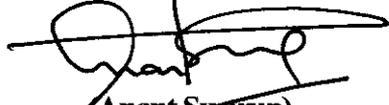
7.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	Korea RP	Any other country including Korea RP	Any	1.18	USD/KG
8.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	Any country other than China PR, Korea RP and Thailand	Korea RP	Any	1.18	USD/KG
9.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	Thailand	Any other country including Thailand	Any	1.06	USD/KG
10.	8708 70	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	Any country other than China PR, Korea RP and Thailand	Thailand	Any	1.06	USD/KG

**Cast Aluminium 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.*

75. 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.

H. FURTHER PROCEDURE

76. An appeal against the order of the Central Government arising out of this recommendation shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.


 (Anant Swarup)
 Designated Authority