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**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
4th Floor, Jeevan Tara Building, Parliament Street**

NOTIFICATION

New Delhi-110011
Dated the 11th September 2015

FINAL FINDING

Subject:- Sunset Review (SSR) Anti-dumping investigation concerning imports of 'Front Axle Beam' and 'Steering Knuckles' meant for heavy and medium commercial vehicles originating in or exported from China PR.

No.15/11/2014-DGAD: Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as the Rules) thereof;

A. Background of the Case

2. WHEREAS, on the basis of an application filed by certain domestic producers of the 'Front Axle Beam' (FAB) and 'Steering Knuckles' (SK) meant for heavy and medium commercial vehicles (herein after referred to as subject goods), the Designated Authority (herein after referred to as the Authority) had initiated an antidumping investigation into the imports of the subject goods originating in or exported from China PR vide Notification No. 14/19/2008-DGAD dated 8th December 2008. The Preliminary Finding was issued by the Authority vide Notification No. 14/19/2008-DGAD dated 24th April 2009 and the provisional anti-dumping duties were imposed by the Department of Revenue, Govt. of India, vide Notification No. 65/2009-Customs dated 15th June 2009. The Final Finding was notified by the Authority vide notification No. 14/19/2008-DGAD dated 5th March 2010, recommending imposition of definitive antidumping duties on the subject goods originating in or exported from China PR. On the basis of the recommendations made by the Authority in the final findings, definitive anti-dumping duties were imposed by the Department of Revenue vide Notification No.

50/2010-Customs dated 12th April 2010 on the imports of the of the subject goods, originating in or exported from China PR.

3. Whereas, in pursuance to the orders of the Hon'ble Customs Excise and Service Tax Appellate Tribunal (CESTAT), vide order No. AD/31-51/2011-AD dated 11th August, 2011, a post-decisional hearing was held on 23rd January, 2012, and after examining the submissions of the interested parties, the Authority confirmed its earlier recommendation for imposition of the definitive anti-dumping duties on the subject goods, from the date of notification issued in this regard by the Central Government, on all imports of the subject goods originating in or exported from the subject country vide Order No. 14/19/2008-DGAD dated 10th April 2012.
4. Whereas, M/s Bharat Forge Ltd., the domestic producer of the subject goods, filed a duly substantiated application before the Authority, in accordance with the Act and the Rules, alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from China PR and consequent injury to the domestic industry and requested for initiation of a sunset review investigation for continuation and enhancement of the anti-dumping duties, imposed on the imports of the subject goods, originating in or exported from China PR.
5. On the basis of duly substantiated application filed on behalf of the domestic industry and in accordance with section 9A (5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority initiated this sunset review investigation vide Notification No. 15/11/2014-DGAD dated 13th June 2014 to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
6. The validity of the antidumping duty on the imports of the subject goods from the subject country was extended by the Central Government up to 14th June 2015, vide Notification No. 30/2014-Customs (ADD) dated 23rd July 2014. On the request of the Designated Authority, the Central Government had extended the time for completion of the above Investigation by three months, i.e., up to 12th September, 2015, in terms of Rule 17 of the AD Rules.
7. The scope of the present review covers all aspects of the previous investigation concerning imports of the subject goods, originating in or exported from the subject country.

B. Procedure

8. The procedure described below has been followed with regard to the subject investigation:

- a) In terms of sub-Rule 5 of Rule 5, the Authority notified the Embassy of the subject country in India about the receipt of the application for initiation of sunset review antidumping investigation.
- b) The Embassy of the subject country in New Delhi was also informed about the initiation of the investigations in accordance with Rule 6(2).
- c) The Designated Authority sent copies of initiation notification dated 13th June 2014 to the Embassy of the subject country in India, known exporters from the subject country, known importers and other interested parties, and the domestic industry, as per the information available with it. Parties to this investigation were requested to file questionnaire responses and make their views known in writing within prescribed time limit. Copies of the forwarding letter, petition and questionnaire sent to the exporters, were also sent to the Embassy of subject country along with a list of known exporters/ producers with a request to advise the exporters/producers from the subject country to respond to the questionnaire within the prescribed time.
- d) Copies of the non-confidential version of the petition filed by the domestic industry were made available to the known exporters and the Embassy of the subject country in accordance with Rules 6(3) supra.
- e) Exporters' Questionnaires were sent to the following known exporters from subject country in accordance with the Rule 6(4) to elicit relevant information.
 - (i) M/s Hubei Tri-Ring Forging Co Ltd.
 - (ii) M/s Hubei Tri-Ring Auto Axle Co Ltd.
 - (iii) M/s Hubei Tri-Ring Motor Steering Co. Ltd.
- f) The People's Republic of China being a Non Market Economy Country, the Authority informed the known exporters from China PR to furnish necessary information/ evidence, as mentioned in sub-paragraph (3) of paragraph 8 of the Annexure-1 to the Rules to enable the Authority to consider whether market economy treatment should be granted to such cooperating exporters/producers who could demonstrate that they operate under market economy conditions.
- g) The following producers/exporters exporting the subject goods originating in or exported from the subject country have filed questionnaire responses:

- (i) M/s Hubei Tri-Ring Forging Co Ltd.
- (ii) M/s Hubei Tri-Ring Auto Axle Co Ltd.

h) Questionnaires were sent to the following known importers and consumers of subject goods in India calling for necessary information in accordance with Rule 6(4):

- (i) Ashok Leyland Ltd.
- (ii) Mahindra Trucks and Buses Ltd.
- (iii) VE Commercial Vehicles Ltd.
- (iv) Tata Motor Ltd.
- (v) AMW Motors Ltd.

i) Only M/s Ashok Leyland Ltd has filed the importer's questionnaire response as well as certain legal submissions.

j) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of imports of subject goods for the injury period, including the POI. The Authority has relied upon the transaction-wise import data reported by DGCI&S source in the present investigation.

k) The Authority made available non-confidential versions of the evidences presented by interested parties in the form of a public file kept open for inspection by the interested parties. Pursuant to the Judgment of the Hon'ble Delhi High Court in the SanDisk matter, and without prejudice to the Appeal filed by the Authority against the said judgment in the Hon'ble Supreme Court, transaction-wise data received from DGCI&S has been placed in the public files after deleting the details of the importers.

l) Optimum cost of production and cost to make and sell the subject goods in India, based on the information furnished by the petitioner and on the basis of Generally Accepted Accounting Principles (GAAP), was worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry;

m) The confidentiality claims of various interested parties in respect of the data submitted by them have been examined. The information, which is by nature confidential or which has been provided on a confidential basis by the interested

parties, along with non-confidential summary thereof, has been treated as confidential.

- n) The Authority held a public hearing on 05.03.2015 to hear the interested parties orally, which was attended by representatives of the domestic industry and other interested parties. The interested parties were asked to file their written submissions and rejoinders thereon. The written submissions and rejoinders received from interested parties have been considered in the findings to the extent they are relevant and supported by evidence.
- o) Consequent upon the change in the Designated Authority another public hearing was held on 11th August 2015 to provide an opportunity to all interested parties to present their views before the new Designated Authority and views expressed by the parties to the investigation in their written submissions subsequent to the public hearing and rejoinders thereon have been taken on record and considered to the extent they are relevant and supported by evidence.
- p) The Authority carried out verification of the data submitted by the domestic industry as well as the responding exporters in the subject country through on-the-spot verification to the extent considered necessary and feasible.
- q) In accordance with Rule 16 of the Rules supra, the essential facts/basis considered for the findings were disclosed to known interested parties on 28.09.2015 and comments received on the same have been considered in the Final Findings
- r) Investigation was carried out for the period starting from 1st April, 2013 to 31st March, 2014 (POI). However, the injury investigation covers the period 2010-11, 2011-12, 2012-13 and the POI.
- s) *** in this disclosure represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.
- t) The Authority has taken weighted average exchange rate for the POI (April 2013- March 2014) as Rs 60.85= 1 US\$.

C. Scope of Products under consideration and Like Article

- 9. The products under consideration in the original investigation and as notified in the initiation notification in this review investigation are “Front Axle Beams (FAB) and

Steering Knuckles (SK) used in medium and heavy commercial vehicles, whether forged or machined".

10. Front axle beam is a safety critical item as it carries the load of the vehicle and also keeps the steering in place. The function of the Front axle beam is to carry the front weight of the vehicle, to carry the horizontal and vertical loads on bumpy roads and acts as a cushion through spring leaves for a comfortable ride. The steering knuckle is a very critical component and fits on the axle beam through the arms to control the steering of the vehicle.
11. Front axle beam and Steering knuckles are in the category of "parts or accessories of vehicles" falling under Chapter 87 of the Customs Tariff Act under subheading 8708.10.90. These products can also be imported under several other customs classifications also. Therefore, the customs classifications given here are only indicative, and are no way binding on the scope of the investigation.
12. The products, FAB and SK, are first forged out of the steel billets/bars and then machined into the finished product to be fitted into the vehicles. However, the products are sold to the vehicle manufacturers both in forged or machined conditions. While the machined products go directly to be fitted in the vehicles, if the product is supplied in forged conditions, the customer / vehicle manufacturer has to get the forged product machined before fitting into the vehicles. The only difference between the forged and machined product types is the additional machining which is done on the forged product.
13. Responding exporter has submitted that the product under consideration and the like article should be selected in such a manner that an apple-to-apple comparison is possible. It has been argued that domestic industry's data shows no imports of forged FAB and forged Steering Knuckles, therefore, it is not understood on what basis the same is included in the product under consideration and how the domestic industry is suffering any injury in absence of any imports of the forged products. It has been further argued that the Designated Authority should examine if the domestic industry is actually producing machined FAB and machined Steering Knuckles. If the domestic industry is not even producing machined subject product, then the entire assertion of injury due to imports of machined subject product is frivolous and should be rejected. The Designated Authority may decide on the correct product scope in light of the above arguments.
14. In their post disclosure submissions the exporters and importers have reiterated their position that the forged and machined products cannot be treated as

technically and commercially substitutable and therefore, not like products. It has been further argued that the products are custom made as per users' requirements and the domestic industry and the imports cater to different customers.

15. The petitioner has claimed that the goods are produced by each producer based on the specifications given by the consumers / automobile manufacturers. There is no significant difference between the products manufactured by them and the subject goods imported from the subject country, which can have any impact on price, usage, quality etc. The petitioner also claims that there is no material difference in the production process between the petitioner and exporters from the subject country. Therefore, the domestic industry has claimed that imported product under consideration and the goods manufactured by the domestic industry are "like articles" within the meaning of the term as per the Rules. It has been claimed that the Designated Authority has come to the same conclusion in the final findings of the original investigation and the present investigation being a sunset review investigation the scope of the products under consideration should be the same as that of original investigation.
16. The Authority notes that the domestic industry produces and supplies both forged as well as machined FABs and SKs though during the POI only machined products have been imported. The Authority also notes that the subject goods are first forged and then machined before being used in the medium and heavy commercial vehicles. Some consumers/OEMs buy the forged goods and machine them into finished goods in house or buy the machined product and directly fit them into automobiles. Therefore, forged products are basically one prior stage of the finished machined products and both forged and machined goods are technically and commercially substitutable to that extent. It is a fact that the products are customs made depending upon the models of the vehicles where it is required to be fitted. Depending upon technical and commercial considerations the user industry buys the forged or machined products either from the domestic producers or imports the same. Therefore, irrespective of whether the goods are imported in forged form or machined form they would replace the market for the domestically produced goods. In the earlier investigations the domestically produced and imported goods were treated as like articles *inter se*. Therefore, the Authority holds that front axle beams and steering knuckles manufactured and supplied by the domestic industry and imported from the subject country are like articles for the purpose of this sunset review investigation.
17. Front Axle Beams and Steering Knuckles are supplied by the producers and consumed in the automobiles in terms of numbers. However, weight of various

types of FABs and SKs vary depending upon type of Automobiles and design specifications and therefore, the cost per piece/unit varies to a very significant extent though per unit cost in terms of weight tends to remain more or less same. Therefore, the Authority had, in the earlier investigation, considered weight as the appropriate common unit of measurement for the purpose of various determination and fair comparison. Same method has been adopted in this investigation also.

D. Domestic Industry and Standing

18. The petition has been filed by Bharat Forge Ltd., Pune. The applicant is one of the leading manufacturers of the subject goods in India and supplies the goods to several countries. Other than the petitioner, Tata Motors and Amtek India also produce Front axle beams. In case of Steering Knuckles, the other Indian producers are Mahendra CIE Automotive Ltd., Amtek India and Happy Forging.
19. The responding exporters and importers, in their submission, have argued that as per Rule 23(3) read with Rule 11 of the AD Rules, the Designated Authority is required to determine injury to the 'domestic industry'. A prerequisite to this determination is that there exists domestic industry as defined under Rule 2(b) of the AD Rules. Satisfaction of this prerequisite is necessary in a sunset review. Therefore, Designated Authority may examine the standing of the domestic industry in the present case.
20. Further responding exporter has argued that production of captive producers cannot be excluded from total Indian production. Captive producers are also domestic producers for the purposes of Rule 2(b) of the AD Rules and what is of importance is the production of the product concerned and not what a producer does with such production. It is immaterial if producer captivity uses its production. In this regard, the exporters have drawn attention to the WTO Appellate Body affirmative ruling in United States - Cotton Yarn case, wherein it has been held that captive producers cannot be excluded from the definition of the domestic industry merely because they chose not to sell their full production in the domestic market but used it for their internal consumption.
21. It has been further argued by the exporters that Petitioner's production does not constitute major proportion of the total domestic production of the subject product and therefore, cannot be regarded as comprising major proportion in the total Indian production for the purposes of Rule 2(b) of the AD Rules. The responding exporters have reiterated their position in their post-disclosure submissions.

22. Authority notes that this a sunset review and the requirement under the Rules is to determine the likelihood of continuation or recurrence of injury with respect to the 'domestic industry'. Therefore, the proportion of the domestic producer before the Authority has been examined in the light of the above arguments.

23. The petitioner domestic producer is one of the major producers of the subject goods in India. Tata motor is also a major producer of the subject goods but consumes the entire production captively in its automobile line. The subject goods produced by Tata Motors do not enter the commerce of the country and therefore, are not affected by the alleged dumped imports. Therefore, an injury determination with reference to this producer would not carry any meaning. However, without prejudice to this, even considering the captive consumption of Tata motors the share of production of the petitioner company in the total domestic production accounts for over 75% for FAB and over 40% for SK. No other domestic producers of the subject goods in India, captive or otherwise, have opposed the petition. Therefore, the petitioner clearly commands a major proportion of the domestic production without any opposition from any other domestic producer for the review application. Accordingly, for the purpose of examination of injury and likelihood of continuation or recurrence of injury the petitioner i.e. M/s Bharat Forge Limited has been held to constitute domestic industry in terms of Rule 2(b).

E. Interested Parties to the investigation

24. The Authority notes that response to exporter's questionnaire and market economy treatment questionnaire has been submitted by the following two producers from China:

- (i) M/s Hubei Tri-Ring Forging Co Ltd.
- (ii) M/s Hubei Tri-Ring Auto Axle Co Ltd.

25. Ashok Leyland Ltd. has filed importer's questionnaire and certain legal submissions. The authority has considered petitioner, the two Chinese producers-exporters and Ashok Leyland as the interested parties participating in the present investigations.

F. Miscellaneous issues raised by the interested parties

26. The interested parties to this investigation have raised several general issues with regard to the procedural as well as substantive determination in this investigation. For the sake of brevity the general issues have been summarized below and have been examined to the extent they are relevant. Other issues have been dealt in relevant sections in this disclosure.

F.1 Views of the exporters and importers (other interested parties)

27. The exporters and importers (other interested parties) and the domestic industry have raised several issues with respect to the present investigation, including methodologies of dumping determination and injury claims of the domestic industry. While the issues regarding the dumping and injury determination have been dealt in the appropriate places in this disclosure, the general issues raised by the parties to the investigation have been examined hereunder. For the sake of brevity, the submissions of the parties and issues raised therein have been summarized as follows:

28. M/s Lakshmikumaran & Sridharan, representing the responding exporters and importer in this case, have *inter alia* raised the following legal and other issues:

- a) That the anti dumping duty in the present case, which expired on 14.06.2014, could not have been revived after its expiry by Notification No. 30/2014-Customs (ADD) dated 23 July 2014, 40 days after expiry of the anti-dumping duty. It has been argued that the parent notification did not contain any saving clause. It did not automatically extend duty by virtue of any provision in the notification. It has been further argued that Delhi High Court judgment in Kumho Petrochemicals Co. Ltd. v. Union of India, 2014 (306) ELT 3 (Del.) has expressly conforms to the above legal principle with regard to extension of anti-dumping duty pending a sunset review. Thus, the notification expired with efflux of time. This investigation is possible, only when there is an anti-dumping duty in force, whose expiry may lead to recurrence. However, where there is no anti-dumping duty in existence, there can be no examination of likelihood of recurrence of dumping and injury.
- b) In their post disclosure submissions the interested parties have argued that even though there is a stay on the Hon'ble Delhi High Court's ruling, the principle of law that emanates from the Hon'ble Supreme Court's ruling in *Babu Verghese & Ors. v. Bar Council of Kerala & Ors.*, AIR 1999 SC 1281 is still applicable. In the said case Supreme Court categorically held that if a specified time period is to be extended, then an order of extension of time must be passed before the expiry of the original term in order to maintain continuity. It has been argued that in the said matter the Hon'ble Supreme Court further held that on the expiry of the specified time period, any jurisdiction that was previously vested ceases to exist and therefore, the extension is invalidated. This legal principle is squarely applicable in the present case, as the Ministry of Finance had lost its power to

extend the anti-dumping duty after expiry of the parent notification on 14 June 2014.

- c) That the petition is not duly substantiated since the petition does not contain any evidence with respect to Normal Values and Export Prices. As against express requirement under the law, Petitioner has 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. Without any submissions on the price or constructed normal value in a market economy third country, the application was clearly incomplete.
- d) That the Designated Authority acted in violation of Article 5.3 of the WTO ADA by not examining the sufficiency of evidence presented along with the petition and accepting the claims of the domestic industry in respect of construction of the normal value.
- e) That the consumption norms of the participating exporters must be considered in the present investigation for determination of normal value.
- f) That the Petitioner has not provided any post POI data to indicate continuance of dumping or injury being caused to it, in order to claim likelihood of recurrence of dumping and injury. Designated Authority may direct Petitioners to file post POI information, and the Designated Authority may examine the same, while carrying analysis on likelihood of continuation or recurrence of injury.
- g) That no evidence has been provided by the petitioner with respect to various deductions/adjustments for estimation of export prices.
- h) That the petitioner has stated in the petition that the imports of the subject products are in numbers but the same has been converted into weight. However, no explanation on the methodology adopted in sorting import data and converting import statistics for subject product from numbers to weight has been provided by the petitioner.
- i) That if the Designated Authority relies on other sources of import data in this investigation, such as DGCI&S or DG Systems, then raw and sorted import data from such sources should also be placed in the public file and provided to interested parties in MS Excel format for proper examination and comments. In this connection these parties have drawn the attention of the Authority to the

recent judgment of the Hon'ble Delhi High Court in SanDisk International Ltd. v The Designated Authority & Others case.

- j) That the petitioner has refrained from providing any meaningful summary of information provided by it on confidential basis. In addition, the petitioner has failed to provide a statement of reasons why information provided on confidential basis is not susceptible to summarization. This has restrained the respondent in providing meaningful comments on the injury aspects.
- k) That information in Format A and Format CI can easily be provided in indexed form so as to indicate a trend for POI and previous years. Certain parameters in Proforma IVA such as investment, net worth, and capital investment for expansion, sale value and cost of sales for exports have been kept confidential and no indexed figures have been provided for such parameters.
- l) That no information is provided in the petition with respect to non-injurious price or price underselling analysis. It is very much likely that Petitioner has not determined non-injurious price based on principles enunciated under Annexure III of the AD rules.

F.2 Views of the Domestic industry

29. The domestic industry, in its various submissions, has refuted the arguments of the interested parties. The submissions of the domestic industry have been summarized as follows:

- a) That the contentions of the interested parties, such as insufficient disclosure in the petition or consideration of surrogate country or insufficiency of evidence/information in the petition etc., are preliminary issues and should have been raised while responding to the initiation notification. The opportunity of post hearing written submissions cannot be used to raise these issues for the first time. These issues were not raised in the oral hearing. This is clearly an abuse of the liberty for written submissions granted by the authority. Therefore, the Authority should reject all such submissions. In this connection the domestic industry has drawn the attention of the Authority to the WTO Panel decision in US-Hot Rolled Steel matter in which the Panel observed that the 'ample' and 'full' opportunities guaranteed by Articles 6.1 and 6.2, respectively, cannot extend indefinitely and must, at some point, legitimately cease to exist. This point must be determined by reference to the right of investigating authorities to rely on deadlines in the conduct of their investigations and reviews.

- b) That the judgment of the Delhi High Court on the issue that the duty cannot be extended after expiry of existing duty, has been challenged in the Hon'ble Supreme Court and has been stayed.
- c) That the investigations were initiated on the basis of duly substantiated request for initiation of a sunset review. The law certainly does not require the domestic industry to provide such detailed information which is required for final determination at the stage of application or initiation. Only *prima facie* evidence of dumping, injury and causal link is required for initiation of investigations or reviews. The Designated Authority is not required to have in record all such information as is required for making a determination at the stage of initiation itself. It has been further argued that in certain jurisdictions the Authorities initiate the investigations *suo moto*. Such being the case, there is no substance in the arguments.
- d) That both the exporter and the importer have responded to the Authority. It is not the argument of the exporter or importer that the volume and price of imports reported by the petitioner is exaggerated. In fact, the factual position would perhaps be that these are understated, as it is normally found that the volume of imports reported in Indian data sometimes does not include some import transactions.
- e) As regards the contention that the petitioner has not specified the weight adopted by petitioner, the import data enclosed with the petition clearly contains information with regard to both numbers and weight.
- f) That the petitioner has claimed only such information as confidential, confidentiality of which is protected under the law.
- g) That the Designated Authority should direct the exporter and importer to disclose import information to all interested parties on actual basis with respect to Import date, Import description, Import volume, Import value and Port. Further, any party can seek information from DGCI&S under RTI. The domestic industry can also seek the above information from DGCI&S after obtaining consent of the Designated Authority. Such being the case, there is no basis for claiming this information as confidential information.
- h) With regard to the contention that Section VI Costing information has been claimed confidential, the petitioner submits that the exporter has also claimed all these information as confidential.

- i) That as far as investment and net worth are concerned, petitioner has provided information with regard to capital employed and return on capital employed. The parameter laid down under the law is return on capital employed and that information has been provided by the petitioner. As regards sale value, the same as injury parameter is not adopted by the Authority. As regards cost of sales for exports, the same is entirely irrelevant for injury assessment. As regards capital employed for expansion, the petitioner has made submissions in this regard.
- j) That the application performa nowhere requires the petitioner to provide information with regard to non injurious price and price underselling. The application Performa merely requires the petitioner to provide costing information. In fact, non injurious price is required to be determined by the Authority and not by the domestic industry in the same manner as the exporter questionnaire does not require the exporters to determine dumping margin. Even if the petitioner had determined injury margin in the petition, the same does not create an obligation on the domestic industry to determine the same at every stage of the proceedings.
- k) That as regards the standard of evidence at the time of initiation, in many jurisdictions the sunset reviews are initiated *suo moto* by the Authorities concerned without any substantiated petition and do not prescribe an elaborate procedure for initiation of such investigations. Therefore, the arguments of the interested parties are frivolous and without merit.

F.3 Views of the Authority

30. Various miscellaneous issues raised by the interested parties have been examined and addressed as follows:

- a. The interested parties have contended that anti dumping duty cannot be continued by Ministry of Finance after expiry of existing anti dumping duty. The Authority notes in this regard that the decision of Hon'ble Delhi High Court was challenged before Hon'ble Supreme Court and the Hon'ble Court has granted an interim stay on the operation of the orders of the Hon'ble Delhi High Court. In the present case, the investigation was initiated before expiry of the duty. In similar situations the Hon'ble Delhi High Court has upheld initiation and continuation of the sunset review investigations. As far as the application of the ratio of the judgment in Babu Verghese case, as cited by the interested parties in their post disclosure statements, is concerned, the Authority notes that the matter is

pending before the Hon'ble Supreme Court and this issue may be agitated by the interested parties before the Hon'ble Court.

- b. As regards, the contention that the petition was not duly substantiated and did not contain the evidence of normal value in market economy third country, the Authority notes that there was sufficient *prima facie* evidence in the petition showing continued dumping of the product under consideration and likelihood of continuation of dumping and injury to justify initiation of the sunset review investigation.
- c. As regards import data and the methodology applied for sorting the import data, Authority notes that the producer /exporter from China and the importer in India are participating in the present investigation. Majority of the import transaction pertains to the exports made by Chinese producer/exporter and Indian importer. The description mentioned in the import data enclosed in the petition should have itself enabled these parties to offer their comments on the volume and value of imports. However, the Authority has taken note of the actual volume and value of imports reported by the responding producer/exporters in the subject country for the examination. Transaction-wise import data used by the Authority has also been placed in the public folder, notwithstanding the appeal pending before the Hon'ble Supreme Court in this regard, which has provided adequate opportunity to the Authority to comment on the volume and value of imports.
- d. As regards the contention that the petition did not contain the conversion factor used for converting imports on weight basis, it is noted that import data submitted by the petitioners shows both numbers and weight and therefore, it was possible for the interested parties to know the conversion factor adopted by petitioner and comment on it. In any case the unit weights of the products as reported by the cooperating exporters have been used for such conversion.
- e. As regards submissions of both opposing parties concerning confidentiality of information, the Authority notes that the claims of confidentiality, by the parties supplying information, have been admitted considering the legal provisions in this regard, and justification given by the parties claiming confidentiality and the past practice of the Authority in this regard. The information which is by nature confidential or disclosure of which will adversely affect the interests of the party supplying the same have been treated as confidential.
- f. As regards absence of NIP figures in the petition, the authority notes that NIP claimed by the petitioner is confidential business information of the domestic

industry which could not have been disclosed by the petitioner. Final NIP is determined by the Authority taking into account the principles laid down in the Rules even though the domestic industry has liberty to make a claim in this regard.

- g. As regards historical return on capital employed, the Authority notes that the historical return on capital employed earned by the domestic industry is in fact significantly higher than the actual return earned by the domestic industry in the POI and reasonable return on capital employed allowed by the authority. Both domestic industry and opposing parties have claimed adoption of the past return on capital employed. The Authority has however, adopted 22% return on capital employed as per its consistent practice.
- h. As regards the contention that the petition has frivolous basis for normal value, export price and dumping margin, the Authority notes that this being a sunset review investigation what is material is the likelihood of continuation or recurrence of dumping and injury. The petition contained sufficient information with regard to continuation of dumping and injury to justify initiation of sunset review. The quality of data and standard of determination improves as the investigation progresses.
- i. As regards various price adjustments claimed in the petition, the Authority notes that even if the preliminary information provided by the petitioner were estimated values, these expenses have now been considered on the basis of questionnaire response filed by the Chinese producer/exporter. It is noted in this regard that petition contains only *prima facie* information and evidence to allow Authority to determine whether there is sufficient justification for initiation. Final determination is based on factual information made available to the Authority by the interested parties during the course of the investigation.

31. All other issues raised by the parties to the investigation have been dealt in the respective sections in this finding to the extent they are relevant.

G. Methodology of Determination of current Dumping

G.1 Legal Positions

32. Section 9A (5) of Customs Tariff Act, 1975 provides that:-

“The anti dumping duty imposed under this Section shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition:

Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension;

Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the Anti dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.”

33. Accordingly, in a sunset review investigation the Authority is required to examine:

- Whether the dumping continues after imposition of the antidumping duty and if so, whether it is likely to continue;
- In cases where dumping did not continue, whether the dumping would recur in the event of revocation of anti dumping duties;
- Whether the domestic industry continued to suffer material injury and if so, whether injury to the domestic industry is likely to continue if the duties are removed;
- In cases where the domestic industry has not suffered continued injury, whether injury to the domestic industry is likely to recur in the event of revocation of anti dumping duties.

34. Therefore, the Authority has first proceeded with the examination whether dumping of the subject goods continues from the subject countries and whether the domestic industry continues to suffer material injury on account of such dumped imports before examining whether dumping is likely to continue or recur if the duties are revoked, and injury is likely to continue or recurrence in such a situation.

G.2. Examination of Continuation of Dumping: Determination of Normal Values, Export Prices and Dumping Margins

35. The Authority notes that two producing exporters from China have submitted their questionnaire responses and have claimed market economy status. The views of the exporters with regard to determination of dumping margins have been summarized below.

G.2.1 Views of exporters and Importers / other Interested Parties

36. The responding exporters and importers, in their various submissions, including their post disclosure submissions, have disputed the claims of dumping and methodology proposed by the domestic industry and adopted by the Authority for determination of normal value in China and have *inter alia* argued as follows:

- (a) That though the responding exporters demonstrated their market economy status in the original investigation the Designated Authority decided not to grant MET status to Responding exporters on two grounds i.e., there is significant State share-holding in the Hubei Group and therefore Government interference cannot be ruled out; and Price of steel in China PR does not reflect market values. It has been argued that a mere Government shareholding would not by itself mean that the Government is interfering in the affairs of the company. The WTO Appellate Body in the case of *United States - Definitive Anti-dumping and Countervailing Duties on Certain Hot Rolled Products from China, DS379/AB/R* dated 11.03.2011 has categorically held that a mere shareholding by Chinese government in an enterprise does not by itself prove that there existed government control in the enterprise.
- (b) That the phrase 'state interference' in the statute should be interpreted to mean interference of the Government as a Legislator. The Chinese Government, in holding shares in the exporter companies, is acting as an investor and not as a legislator. The fact that the Chinese Government has appointed directors in its capacity as an investor and not as a legislator shows that there was no legislative interference in appointment of directors.
- (c) That the price of steel in China PR reflects market values. In fact, in earlier investigations, the Designated Authority has regarded the prices of steel in China PR to be at par with international prices and accorded market economy treatment to Chinese producers that use steel as raw material.
- (d) that Hon'ble Supreme Court in *Shenyang Matsushita S. Battery Co. Ltd. v. Exide Industries Ltd. and others, (2005)* observed with affirmation that the Designated Authority can resort to the last alternative in Para 7 of Annexure I of the AD Rules, only when the first two methods have been exhausted. Therefore, the Designated Authority is mandated to arrive at normal value in cases of exports from non-market economy countries such as China in this case, by first exhausting the main options of using the price or constructed value in a market economy third country or the price from such a third country to other countries including India. Only when the first two options have been exhausted, the Designated Authority may apply any other reasonable basis to arrive at the

normal value including prices paid or payable in India giving due account to reasonable adjustments.

G.2.2. Views of the Domestic Industry

37. The petitioner domestic industry has submitted that China being a non market economy, normal value of the subject goods in that country cannot be determined on the basis of price prevailing in that country and therefore, needs to be constructed. With regard to determination of a normal value in China the domestic industry has *inter alia* argued that:

- a. China is a non-market economy and has been treated as such by European Union and United States as well as by this Authority in the past three years. Even China agreed in the accession treaty that WTO Members could use an NME presumption till December 11, 2016.
- b. That AD Rules have prescribed certain conditions that have to be satisfied in order to establish the claim of market economy treatment. It is to be noted that each and every condition must be fulfilled by a responding exporter in order to claim market economy treatment. Except where the responding Chinese exporters confirm to each of these standards, the Designated Authority is required to determine normal value in accordance with Para 7 of Annexure-I to the AD Rules.
- c. That based on various pronouncements relating to examination of market economy status by India and other investigating authorities, certain jurisprudence has clearly emerged and Market economy status cannot be granted unless the responding exporters satisfy/establish certain conditions, which *inter alia* include:
 - i. That there is no major state ownership/control;
 - ii. That the prices of major inputs substantially reflect market values prevailing in the international market;
 - iii. That their books are audited in line with international accounting standards
- d. That market economy status cannot be granted to a responding exporter in China unless Chinese exporters pass the test in respect of each and every parameter laid down under the rules. It is for the responding Chinese exporters to establish that they are operating under market economy conditions. Market economy status cannot be granted unless the responding company and its group as a whole make the claim. If one or more companies forming part of the group have not filed the response, market economy status must be rejected.

- e. That in the original investigations, two exporters, Hubei Tri-ring Auto-Axle Co., Ltd. (manufacture and exporter of 'Front axle beam') and Hubei Tri-Ring Forging Co., Ltd. (manufacture and exporter of 'Steering knuckles'), had responded and claimed market economy treatment. However, the Authority had not granted market economy to these exporters in view of significant State-share holding, inability of the Chinese companies to establish that inputs price substantially reflect the market values and also considering that prices of steel in China cannot be stated to be reflecting the market values. The factual matrix remains the same since the original investigations. Therefore, the Chinese companies should be considered as not entitled for market economy treatment.
- f. That in the original investigations, the Authority had not granted market economy treatment to these exporters from China and determined the normal value in China on the basis of the constructed normal value based on the estimated cost of production of the subject goods in China with reasonable profit in terms of Para 7 & 8 of the Annexure 1 to the said Rules as amended. Authority should consider the same methodology to calculate the normal value for China PR in the current investigation.
- g. That the Authority further noted in the previous investigation that while disputing the claim of the domestic industry to treat Chinese producers as non market economy, the Chinese producers, or importers or any other interested party made no claim nor advanced any evidence either with regard to price or constructed value in a market economy third country.
- h. Price actually paid in India could not have been considered for the reason that the same were below cost of production. Thus, the only option with the Authority is to consider cost of production in India, duly adjusted, to reflect international raw material prices and optimum conversion costs, selling, general & administrative expenses and reasonable profit. This approach has been upheld by the appellate Tribunals and Courts. Therefore, there is no merit in the arguments of the interested parties.
- i. That the petitioner has not stated that the Designated Authority should not adopt cost or price in market economy third countries. Petitioner has in fact proposed market economy third countries.
- j. That in the original investigation the Authority noted that Prices from market economy third country to India could also not be adopted for the reasons that (a) the product under consideration involved a number of different types which vary in associated costs & prices; (b) price adjustments to determine ex-factory prices

were not available, (c) these prices could not be considered representative given the claims that prices from third countries to India were inappropriate due to dumping from China.

- k. That the Authority had provided adequate opportunity to the interested parties to provide information for determination of Normal value as per alternative methods in the Rules. None of the interested parties has provided any positive information in this regard. Therefore, the conduct of the interested parties is clearly to impede the process of investigations rather than cooperating with the Authority in this regard.
- l. Therefore, normal value in China can be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit. Normal Value in China should be determined on the basis of cost of production in India, duly adjusted.
- m. The normal value in China may be constructed by considering international price of the raw material and adopting the consumption norms and conversion cost as per the best information available, including that of the domestic industry.
- n. The domestic industry has strongly disputed that the consumption norms of the exporters must be accepted. It has been submitted that this argument is highly flawed unless the Authority comes to a conclusion that the exporter is entitled to market economy treatment.
- o. As regards various adjustments the domestic industry has submitted that petitioner has provided information on the basis of estimates as the relevant information is with the exporter or the importer and is therefore not publically available. It is absurd to expect such evidence from the domestic industry when the relevant documents are in possession of the exporter or importer.
- p. The petitioner has estimated separate dumping margins for forged and machined products owing to significant cost and price difference between the two. However, both the products have been imported in machined form only in the current injury period and the dumping margins are significant and above *de minimis* levels.

H. Examination of the issues and Determination of Normal Value

- 38. The Authority notes that as per the import data analyzed, China has exported only 279 MTs of Front Axle Beam (Machined) and 181 MTs of Steering knuckles

(Machined) to India during the POI. M/s Hubei Tri-ring Forging Co. Ltd. (HTRF) has filed the questionnaire response as an exporter of Steering Knuckles and M/s. Hubei Tri-ring Auto Axle Co. Ltd. (HTRA) has filed a questionnaire response as exporter of Front Axle Beams. Both the producing exporters are related and have filed Market Economy Treatment Questionnaire Response claiming MET and determination of normal value on the basis of sales in the home market. During the POI HTRF has exported ****MT of Steering knuckles to India and HTRA has exported ****MT of Front axle beam to India. The responding producing exporters in their submissions have inter alia claimed that

- a. They are the largest producers in China in respect of FAB and SK. Though exports to India have reduced due to imposition of antidumping duty, Indian customers continue to import the product under consideration from the exporter because of better quality of the product and inability of the Indian producers to meet the demand.
- b. Their manufacturing process differs from the petitioner's manufacturing process.
- c. HTRA has claimed that they combine 'roll forming' with 'hot press' to manufacture FAB on a large scale. The difference in product exported to India and sold in domestic market or to other countries by HRTA is in respect of material, load, weight or difficulties of process.
- d. HTRF has claimed that the investment required for the process used by them to manufacture Steering Knuckles is lower and the cost is also lower. HTRF has also claimed that they use advance die repair method using different welding material that enhances the life of the die resulting into lower running cost per unit of finished product. Further, the steel specification used by Indian manufacturer is costlier.

39. Verification of the Market economy claims of both the producing exporters and other data submitted by them was carried out through on-spot investigation.

H.1 Examination of Market Economy Claims of the responding exporters

40. As per Paragraph 8, Annexure I to the Anti Dumping Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China provide(s) information and sufficient evidence on the basis of the criteria specified in

sub paragraph (3) in Paragraph 8 and prove to the contrary. The cooperating exporters/producers of the subject goods from People's Republic of China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-

- a) The decisions of concerned firms in China PR 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.

41. The Authority notes that these two producing exporters are related and operate under common ownership. These Companies had claimed market economy treatment in the original investigations also. But they were not granted market economy status treatment because of several reasons. However, Market economy claims of the responding exporters in this investigation have been examined afresh with reference to the above Rules.

(i) M/s Hubei Tri-ring Auto Axle Co., Ltd., China PR (HTRA)

42. The market economy claims of HTRA have been examined and it has been noted that during the POI, two major shareholders i.e., M/s Hubei Tri-ring Heavy Industry Co. Ltd. and M/s Tri-ring Group Company Ltd. owned ***% and ***% shares of HTRA respectively. It is further noted that Tri-ring Group Company Ltd. wholly owns Hubei Tri-ring Heavy Industry Co. Ltd. Tri-ring Group Company Ltd. in turn is a state owned company. Individuals owned the remaining ***% shares of TRA. However, post POI, this situation has changed, as Hubei Tri-ring Heavy Industry Co. Ltd and Tri-ring Group Company Ltd. now own ***% shares of TRA. Post POI, Hubei Tri-ring Heavy Industry Co. Ltd owns ***% shares of TRA, as it bought ***% shares that

were earlier held by individuals. But Tri-ring Group Company Ltd. still maintains ***% shares in TRA. Therefore, the Company is now a wholly State owned enterprise. It is also noted that out of 7 Directors on the board of TRA six are appointed by Tri-ring Group Company Ltd. which is a State Owned Enterprise. Therefore, the Company is fully owned and controlled by the Government. It is also further noted that the major raw material i.e., steel is procured by HTRA from two related State-owned entities along with other unaffiliated private entities.

(ii) M/s Hubei Tri-ring Forging Co., Ltd., China PR (HTRF)

43. The Authority notes that during the POI, M/s Hubei Tri-ring Heavy Industry Co. Ltd. owned ***% shares in HTRF and the labour union of HTRF owned ***% shares in HTRF. It is further noted that M/s Tri-ring Group Company Ltd. wholly owns Hubei Tri-ring Heavy Industry Co. Ltd. Tri-ring Group Company Ltd. in turn is a state-owned company. Individuals owned the remaining ***% shares in TRF. This situation has not changed Post POI. It was also noted that out of seven directors on HTRF's board, six were appointed by Tri-ring Group Company Ltd. The seventh director, a private individual, owns certain shares and is also the chairman of the board. Therefore, the Authority notes that the Company continues to a State controlled and managed company though few shares are in the hands of one private individual as per records.

44. The major raw material for production of SK is alloy steel bar and one of the major suppliers for this is M/s ***Co., Ltd. who is the agent of M/s ***Co., which is the subsidiary of Tri-ring Group Co., Ltd. The company is responsible for cooperating with another related company M/s *** Co., Ltd to purchase raw materials for Group subsidiaries. Two other Private Companies also supply the steel bars to TRF. However, the procurement of raw materials is skewed in favor of the State-owned related companies.

45. The above examination shows that both the responding exporters are under state ownership and control. The Authority notes the arguments of the interested parties that mere State holding *per se* would not amount to State interference in the affairs of the Company. It has also been argued that earlier the Authority had accorded market economy status to certain Steel producers in China. Therefore, it cannot be held that the main raw material in China does not reflect true market condition.

46. In this connection the Authority notes that examination of market economy condition is an overall assessment taking into account several factors including ownership and decision-making process of the Company and other such other issues such as

prices of raw material prices etc. Though the ownership *per se* is not the determining factor, it is an important factor which is examined along with the decision making process in the commercial activities. In the instant case the board is overwhelmingly occupied by the Govt. nominees without any independent member. The Authority also notes that in the recent investigation in hot rolled steel products the producers in China have not been given market economy status thereby clearly establishing that the raw material prices in China does not reflect true market condition. The exchange rates and interest rates continue to be largely managed by the Government and do not reflect true market condition.

47. In view of the above the Authority notes that there is significant State control in the responding producing exporters and the prices of major raw materials used in the production of the subject goods by the above Companies does not reflect true market values due to affiliated purchases as well as existence of general non-market economy condition in the country. Therefore, the Authority holds that the cost and prices of the Company in the domestic market do not reflect market economy condition and cannot be used for determination of normal values of the subject goods in China. These arguments reiterated by the exporters in their post disclosure submissions have not been found to be tenable in view of the above analysis.

H.2. Determination of Normal Values

48. Since the Authority holds that the cost and prices of the responding exporter in the domestic market do not reflect true market situation the Authority turns to the other alternative provisions in the Rules for determination of the Normal Values in China.

49. Para 7 of the Annexure I to the Anti-dumping Rules. Para 7 of Annexure-I reads as follows:

“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 the 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 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.”

50. In this connection the Authority notes the arguments of the interested parties that the Authority should first examine the first and second option in Para 7 of Annexure-I of the AD Rules before exercising the third alternative. In this regard the Authority notes that none of the interested parties have provided any meaningful information for selection of an appropriate third country as a surrogate for construction of the normal value on the basis of cost and prices in that country or price from such country to other countries, including India, as the normal value in China as per the first two alternatives in the Para-7 referred above. The Authority also notes that there is no import of the subject goods from any other country during the POI. Therefore, prices from no other country could be adopted for determination of the Normal value in China as per the above provision.

51. In view of the above, the Authority has determined the normal value in China as per the third alternative provided in the Rules referred above. The Authority notes that the domestic industry has argued that the consumption norms of the exporter cannot be considered for construction of cost of production and normal value unless the exporter is granted full market economy treatment. In this connection the Authority notes that the consumption is a factor of technology used and efficiency achieved and has nothing to do with the commercial aspects which are affected by non-market economy condition. Therefore, if the consumption norms of the responding exporter are found to be properly documented and verified from the records of the exporter it cannot be ignored while constructing the costs by adopting the other factors from other sources.

52. The Authority notes that the responding exporters have claimed certain difference in production process used by them compared to the production process adopted by the domestic industry. HTRA employs pre-rolling in the production process, which brings the hot round bar into a preliminary shape of an axle beam. Thereafter, at pressing stage, only 2500 MT press is employed to bring the hot bar to the final shape. It has been claimed that this roll forging process significantly reduces the requirement of using a heavy press during pressing stage and also reduces the consumption of material due to less scrap generation in the form of trimmings. HTRF's production process of the subject goods involves use of a 250 KJ program-controlled hydraulic hammer. TRF has claimed that there are three advantages of using hydraulic hammer for forging: (i) A wide product range of steering knuckles could be forged in hammer forging; (ii) It uses lesser energy; and (iii) Investment required for the process is low compared to conventional press forging process.

53. As regards contention of the exporter concerning the difference in manufacturing process, the Authority notes that though the production process used by the responding exporter has certain differences as outlined above it could not be demonstrated whether it actually translates to savings in terms of unit cost of production. However, the savings in terms of less wastage as verified and reflected in its consumption norms has been considered for determination of the normal values. To that extent the differences in production process have been given due consideration. In any case, the normal value has been determined in terms of per kg for fair comparison and there is not much difference in the input/output ratio/consumption norms of the domestic industry and the exporter.

54. In their post disclosure submissions the exporters have argued that the consumption norms and raw material prices of the responding exporters should be considered for construction of the normal value as the domestic industry also procures the raw materials from the same suppliers in China. It has also been argued that interest costs and packaging costs should be excluded from the construction of the normal values. In this regard the Authority notes that the normal values have been constructed as per the consistent practice of the Authority. As far as raw materials is concerned, if the domestic industry procures the goods from the same supplier in China at similar prices the raw material prices of the exporters have been captured in the constructed normal value to that extent.

55. Accordingly, the Normal value of the product types of FAB and SK imported during the POI has been determined after due consideration of the consumption norms of the responding exporters and the domestic industry's most efficient norms achieved during the injury period for the imported FAB and SK in machined conditions. Wherever, a particular model was not produced by the Domestic Industry during the POI consumption norms of the exporter have been adopted. Main raw material used in the production of the subject goods is carbon steel/alloy steel of specific grades for which reliable international prices were not available. Therefore, the raw material purchase prices of the domestic industry have been adopted. Cost of utilities has been considered as per the best consumption norms of the domestic industry. All other elements of cost are based on the optimum production of the domestic industry. A normal profit of 5% on constructed cost has been provided to arrive at the Constructed Normal Value as per the consistent practice of the Authority.

56. During the period under consideration the exporters from China had exported only two types of FAB and SK i.e., FA90 and FA99 in machined form. Since only machined products have been exported during the POI normal values for these two

types of FAB and SK in machined form have been determined for like to like comparison with the export products. The constructed normal values have been worked out as follows:

CNV USD/Kg	SK (Machined) FA90	SK (Machined) FA99	FAB (Machined) FA90	FAB (Machined) FA99
	US\$/Kg	US\$/Kg	US\$/Kg	US\$/Kg
Raw Material cost as per International Prices	***	***	***	***
Cost of Utilities	***	***	***	***
SGA including Interests (net of credit of scrap value)	***	***	***	***
Cost to make and sale	***	***	***	***
Profit	***	***	***	***
Constructed Normal Value (US\$/Kg)	***	***	***	***

H.3. Export Prices

Export Price of M/s Hubei Tri-ring Auto Axle Co., Ltd., China PR (HTRA)

57. During the POI HTRA had exported only Machined Front Axle Beams directly to only one customer in India i.e., Ashok Leyland Ltd. and 3915 Pcs of FAB weighing 331.210MT were exported to India. Two different types of FABs have been exported to India during this period i.e., FA90 and FA99/FVDP. The transactions were in CNF term. The transactions and the adjustments required to bring them to ex-works were verified during the on-spot investigation. It is noted that VAT refund rate on export of the subject goods is 17%. Therefore, no adjustment towards VAT is required. Accordingly, the net ex-works export price for FAB has been determined as follows:

Product Code	Sum of Quantity in Kgs Net weight	Sum of Net invoice value USD	Sum of Inland transp ort (USD)	Sum of Port and other export related expenses USD	Sum of Non-returnable wooden packing cost (USD)	Sum of Ocean Freight (USD)	Sum of Bank Charg es USD	Sum of Credit cost (USD)	Net Realisa tion in USD	Net EP USD/ Kg
FA90	***	***	***	***	***	***	***	***	***	***
FVDP/ FA99	***	***	***	***	***	***	***	***	***	***
Grand Total	***	***	***	***	***	***	***	***	***	***

58. In their post disclosure comments the exporter has submitted that Designated Authority is requested to adopt inland transportation, ocean freight and bank charges

as reported by the cooperating exporter in determining the ex-factory export price for FAB. In this connection the Authority notes that the direct selling expenses, as reported by the exporter and verified has been duly converted to US\$ adopting daily exchange rate as reported in the questionnaire response and the same has been correctly adopted for determination of the export prices.

Export Price of M/s Hubei Tri-ring Forging Co., Ltd., China PR (HTRF)

59. During the POI TRF had exported only Machined Steering Knuckles to only one customer in India i.e., M/s Ashok Leyland Ltd. *** Pcs of Steering Knuckles weighing ***MT were exported during the POI. Two types of Knuckles i.e., FA90 and FA99 were exported to India during this period. The transactions were in CNF term. The transactions and the adjustments required to bring them to ex-works were verified during the on-spot investigation. It is noted that VAT refund rate on export of the subject goods is 17%. Therefore, no adjustment towards VAT is required. Accordingly, the net ex-works export price for Steering Knuckles has been determined as follows:

Row Labels	Sum of Product weight (kg)	Sum of Net invoice value (USD)	Sum of Inland transportation (USD)	Sum of Packing expenses (USD)	Sum of Port and other export related expenses (USD)	Sum of Ocean Freight (USD)	Sum of Bank charges (USD)	Sum of Credit Cost (USD)	Net Export Value USD	Net EP USD/Kg
FA90 Steering Knuckle	***	***	***	***	***	***	***	***	***	***
FA99 Steering Knuckle	***	***	***	***	***	***	***	***	***	***
Grand Total	***	***	***	***	***	***	***	***	***	***

H.4. Dumping Margin

60. The ex-works constructed normal values and the net-ex-works export prices, so determined, have been compared to determine the dumping margin for the responding exporters from China as follows:

Dumping Margin TRA

Product Type	Qty in Kgs	NV US\$/MT	EP US\$/MT	DM US\$/MT	DM value	DM%	DM Range
FA90	***	***	***	***	***	***%	
FA99	***	***	***	***	***	***%	
Total	***	***	***	***	***	***%	10-20%
Dumping Margin TRF							

Product Type	Qty in (kg)	NV US\$/Kg	EP US\$/Kg	DM US\$/Kg	DM Value	DM %	DM Range
FA90 Steering Knuckle	***	***	***	***	***	***%	
FA99 Steering Knuckle	***	***	***	***	***	***%	
Grand Total	***	***	***	***	***	***%	0-10%

H.5. Dumping Margin for other Exporters from China

61. Dumping Margins for other exporters from China PR has been determined on facts available basis as follows:

	NV US\$/MT	EP US\$/MT	DM US\$/MT	DM%	DM Range
FAB	***	***	***	***%	40-50%
SK	***	***	***	***%	5-15%

62. The current dumping margins determined for both the products are above *de minimis* and significant.

I. Methodology and Determination of Injury and Causal Link

63. As noted earlier, in a sunset review investigation, with regard to injury examination, the Authority is required to examine:

- Whether the domestic industry continued to suffer injury and if so, whether injury to the domestic industry is likely to continue;
- In cases where the domestic industry has not suffered continued injury, whether injury to the domestic industry is likely to recur in the event of revocation of anti dumping duties.

64. The domestic industry has *inter alia* submitted that there is continued dumping of the product under consideration from China PR though the volume of dumped imports has declined as a result of current anti-dumping duties and dumping is likely to intensify should the current anti-dumping duty be revoked.

65. Therefore, the Authority has first examined whether the domestic industry continues to suffer material injury on account of dumped imports from the subject country before proceeding to examine the likelihood of continuation or recurrence of injury to the domestic industry in the event of revocation of the duties from the subject country. Examination of material injury to the domestic industry is in accordance with the Article 3 of the AD Agreement and Annexure II to the AD Rules, 1995.

66. 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.

67. The Authority notes that the application for continuation of antidumping duty has been filed by M/s Bharat Forge Limited, who commands a major proportion of total production of the subject goods in India. In terms of Rule 2(b) of the Rules, the petitioner has been treated as the domestic industry for the purpose of this investigation. Therefore, for the purpose of this determination the cost and injury information of the petitioner, constituting the domestic industry, as defined in Rule 2(b), has been examined.

I.1. Views of the responding Exporters and Importers on the injury claims of domestic industry

68. The responding exporters and importer, in their various submissions, have *inter alia* argued

- That in a sunset review the focus of the entire investigation is on the fact whether revocation of anti-dumping duty will lead to recurrence of dumping or injury to the domestic industry. Thus, it is not the present level of dumping and injury, which is important but the likely dumping and injury, which is more essential in a sunset review investigation. Thus, an investigating authority has to conduct an analysis of future events to determine likelihood of dumping or injury. However, in the present investigation, petitioner has not provided any post POI data to indicate continuance of dumping or injury being caused to it, in order to claim likelihood of recurrence of dumping and injury.
- That the petitioner has failed to substantiate likelihood of recurrence of dumping & injuries in future, if the anti-dumping duties are revoked.
- That the DA should determine non-injurious price based on principles enunciated under Annexure III of the AD rules. The DA should consider the best capacity utilization over the past three years and period of investigation, while arriving at

the non-injurious price. Further, it would be quite unjustified on the part of the domestic industry to claim an exorbitant rate of return and the Designated Authority to allow such return. Only historical return of the domestic industry should be considered to determine the RoCE which should be adopted in arriving at the non-injurious price. Only those loans that relate to or may be apportioned to subject product should be taken into account while determining non-injurious price.

- That the import data on Front Axle Beams and Steering Knuckles makes it abundantly clear that imports of the subject product are declining sharply and there is no indication that this trend will change. Imports of Front Axle Beams comprise a meager 3.12% of domestic sales and only 1.48% of total Indian demand in the POI. Similarly, imports of Steering Knuckles comprise only 1.98% of total Indian demand in the POI. It is not understood how such low volumes of imports can cause injury to the Domestic Industry.
- That the data from the petition clearly reveals that prices of imports have been rising both for Front Axle Beams and Steering Knuckles. However, it is surprising that the Domestic Industry is not able to increase its prices despite low volume and high prices of imports. It is inconceivable to think that extremely low volumes of the subject product had anything to do with the low prices of the Domestic Industry.
- That there is no causal link with respect to low imports volume and the prices of the Domestic Industry. Respondents submit that only due to certain intrinsic factors, the Domestic Industry is suffering injury. But such injury cannot be attributed to imports of the subject product. Further, the Domestic Industry has already admitted that it was due to recession that demand of the subject product reduced. Injury due to recession cannot be, therefore, attributed to imports of the subject product.
- That the Petitioner's Profit/Loss, cash profit and PBIT are declining even though imports of the subject products have considerably declined over the injury period. In light of the above, causal link is not established in the subject investigation. Further, other domestic producers have taken considerable share in the domestic market, thereby reducing Petitioner's market share considerably.
- That the Petitioner continues to focus on export markets, while it could have taken steps to increase its market presence in India. Petitioner cannot take the

plea that it is disposing its inventories in the export market because Petitioner does not have any inventory of the subject product, as the subject product is made to order.

- That there is a high burden upon the Designated Authority to discharge with regard to fulfilling the standard of analysis required under Article 11.3. More specifically, post POI data must be taken into consideration while undertaking an analysis under Article 11.3. It is crucial that this requirement is complied with in the present matter because no injury has been proven to exist and the Designated Authority must carry out the due projections to justify any extension of duty. Any review carried out without fulfilling this basic requirement in the present matter would be a contravention of all regulations and laws pertaining to sunset reviews.
- That the petitioner has failed to demonstrate certain other additional factors that could have caused injury and therefore, DA should examine those factors such as decline in production and sales due to recession; and exchange rate considerations.
- That despite adequate protection, the Domestic Industry is deceptively claiming likelihood of recurrence or continuation of dumping and injury in the present case without any supporting data. Domestic Industry does not require any unfair protection and therefore, the Designated Authority should terminate the present sunset review.
- That the injury, if any, is either due to *inter se* competition in the Indian market or due to reasons intrinsic to the Domestic Industry. Other Indian producers are able to maintain their sales steadily over the injury period and have, in fact, captured the market share of the Domestic Industry.
- That another reason for Domestic Industry's declining sales is recession in the automobile sector. Decline in sales of machined subject product is due to weak demand for machined subject product.
- That the Domestic Industry's claim of injury due to imports of forged subject product is unfounded and should be rejected, as there are no imports of forged subject product.
- The prevailing exchange rate is higher than that of POI. Imports into India currently are priced significantly higher than what they used to be during the POI.

It is important that prevailing exchange rate is considered for an accurate picture of the level of price undercutting and price underselling.

I.2. Views of the domestic industry

69. The domestic industry, in its submissions, has *inter alia* argued as under:

- That the dumped imports are suppressing the prices of the domestic industry and preventing the price increases that would have occurred in the absence of dumping.
- That performance of the domestic industry has deteriorated in terms of production, domestic sales, profits, return on investments, cash flow, etc.
- That the performance of the domestic industry continues to be fragile. Impact of dumping is coupled with decline in demand owing to recession in the automobile sector which has already caused injury to the domestic industry.
- That the producers/exporters in China are having excessive production capacities. In case of cessation of the present duty, dumping from China would definitely increase and ultimately cause intensified volume and price injury to the Domestic Industry.
- That Dumping Margins determined in previous investigations and estimated in the present investigation are significant and clearly show likelihood of dumping and consequent injury in the event of cessation of anti dumping duty.
- That in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling subject goods to third countries at substantially lower prices.
- That the price undercutting without anti dumping duty is quite significant. Significant price difference between the domestic and imported product would motivate the consumers to once again look for Chinese imports in large scale. Given the significant demand in India and significant unutilized capacities with the Chinese producers, the Chinese producers would readily supply large scale volumes in the Indian market at dumped prices.
- That cessation of anti dumping duty shall lead to continuation and intensified injury to the domestic industry. Given that price undercutting is positive, the

domestic industry shall be forced to reduce the price in a situation of cessation of duty, or loose sales volumes. If the domestic industry reduces its price, it shall imply intensified price injury in the form of deterioration in profits, return on capital employed and cash flow. If the domestic industry does not reduce the prices, it shall imply loss of sales volumes and consequently, adverse effect on production and capacity utilization.

- That demand for products under consideration has declined in India and globally because of significant recession in automobile industry. Under these circumstances, should the present duty cease, it is evident that the injury to the domestic industry shall intensify.
- That even if domestic industry is suffering injury from some other source or due to some other factor, the Authority is required to examine whether injury to the domestic industry shall continue in the event of cessation of anti dumping duty. Thus, the legal requirement with regard to continuation of injury implies continuation of injury that is being already suffered by the domestic industry.
- That the importer has given contradictory and misleading submissions. While Ashok Leyland has been asking for "better prices", in the legal submissions made on their behalf surprise has been expressed as to why the petitioner has not been able to increase its prices.
- That there is a direct link between import volumes and the price of domestic industry. Since the domestic industry offered a low price, the import volumes declined to low levels.
- That the fact that petitioner has significant exports does not imply that the petitioner is not entitled to protection under dumping law. In fact, the Designated Authority has held in the past that even EOU and SEZ units are entitled to protection under the law.
- That the Designated Authority may kindly consider (a) capacity with the exporter, (b) their domestic consumption and (c) current exports. This alone will clearly establish significant likelihood of injury in the event of cessation of anti dumping duty.
- That the rules do not have any additional condition that the Designated Authority is required to determine whether Domestic Industry has received adequate protection since the imposition of provisional duty in the original investigation.

The domestic industry has sought protection against unfair dumping. It is for the exporter to justify that they have not resorted to dumping. If the price at which goods have been exported to India is below the normal value, it must be held that the exporter is resorting to unfair practice of dumping.

- With regard to the contention that the exchange rate has fluctuated since the POI, it is submitted that the fact of dumping causing injury is determined for the period of investigation and, therefore, information prevalent in the period of investigation alone is relevant.
- That the Designated Authority has established practice of considering 22% return on capital employed. If the Designated Authority wishes to adopt return based on past return, the Designated Authority may kindly adopt the past best achieved ROCE for the purpose of determination of non injurious price.
- The rules provide for information of capacity utilization only if Designated Authority finds that the domestic industry has suffered injury due to inefficient utilization of production capacities." In the instant case, there is no inefficient utilization of production capacities.
- The Designated Authority may kindly examine reasonableness of interest cost, details of term loans, cash credit limits, short term loans, deposits and other borrowings taken by the company and determine price undercutting and injury margin after including excise duty.
- That the anti dumping duty is required to be extended further for a period of five years and enhanced taking into account the revised dumping and injury margins and the form of measure is required to be kept as fixed quantum.

I.3. Examination of the issues raised

70. The Authority notes the arguments of the other interested parties and various issues raised therein with regard to the claims of injury and causal link and the counter arguments of the domestic industry on the issues raised by the interested parties. All the issues have been addressed hereunder and in relevant places in the finding to the extent relevant.

- As regards the contention that the petition did not contain evidence of likelihood of injury, the Authority notes that post POI data analysis is not a mandatory requirement under the law. The developments in the injury investigation period

and the period of investigation are relevant in an antidumping investigation. However, the information for the post POI period becomes relevant and looked into in a situation where the information for the POI establishes no dumping & no injury and no likelihood of dumping & injury, to make an assessment of the likely scenario taking into account these developments. In a situation where the information for the POI is sufficient to determine likelihood of continuation or recurrence of dumping and injury, information for the post POI is not relevant and therefore, not required to be mandatorily examined. However, the Authority has examined the post POI information to the extent necessary and relevant.

- b. As regards the contention that the present volume of imports is low and does not support the need for continuation of anti dumping duty, the Authority notes that the legal requirement at the stage of sunset review is likelihood of continuation or recurrence of dumping and injury. Even if import volumes are low at present, the same does not imply absence of any likelihood of dumping and injury in the event of cessation of anti dumping duty.
- c. As regards the contention that injury to the domestic industry is due to *inter se* competition between the domestic producers the Authority notes that there is no such evidence provided by the interested parties. It is noted in this regard that Ashok Leyland is a major consumer of the products and therefore, was in a position to assist the Authority in establishing existence of *inter-se* competition to demonstrate the lack of causal link. However, no such information has been provided by Ashok Leyland.
- d. As regards increase in market share of other domestic producers, the Authority notes that in a scenario of declining demands, changes in market share does not provide a clear position with regard to *inter se* competition. The Authority also notes that the domestic industry has not claimed that it has suffered injury solely because of Chinese imports in India. The present investigation is to examine the likelihood of continuation or recurrence of dumping and injury in the event of cessation of anti dumping duty taking into account all other factors also which has been addressed adequately.
- e. As regards absence of causal link claimed by the interested parties, the Authority notes that absence of causal link in the present period is relevant only in a situation where the Authority concludes that the present injury to the domestic industry is because of current dumped imports into the country. The findings in the succeeding sections would establish that the investigation focuses on the likelihood of injury to the domestic industry in the event of cessation of anti

dumping duty. Therefore, what is relevant in the present investigation is whether situation of the domestic industry is likely to deteriorate in the event of cessation of anti dumping duties. Accordingly, the Authority has examined whether cessation of anti dumping duty shall lead to continuation or recurrence of dumping and deterioration in performance of the domestic industry.

- f. As regards the arguments that petitioner's main focus is exports, the Authority notes that though the petitioner has significant exports of the product the petitioner has retained its leading position in the domestic market also. It has not been established that the domestic industry has not been able to supply the product because of its export commitments. Further, the data indicates that overall capacity utilization of the domestic industry declined very significantly though it maintained its export performance thereby indicating that the domestic industry could have undertaken significant sales in the domestic market without sacrificing /compromising on its exports.
- g. As regards the arguments of the interested parties that the current exchange rate should be used in all computations, the Authority notes that average exchange rate of the period of investigation is considered for conversion of various values in injury investigation for a fair comparison of cost and prices during that period as a consistent practice of the Authority. Adoption of current exchange rate for conversion of cost and prices of the POI would distort these figures for comparison and therefore, is not appropriate.

71. All other issues raised by the interested parties have been addressed in the relevant sections in this finding.

I.4 Post Disclosure Comments of Domestic industry and other interested parties

72. In their post disclosure comments the exporters/importers and other interested parties have further submitted that

- That the correct legal position as per Section 9A(5) of Customs Tariff Act, 1975 is that anti-dumping may be continued pursuant to a sunset review only when (a) **dumping and injury** is continuing, or (b) there is a likelihood that **dumping and injury** will recur if the anti-dumping duties are revoked. Anti-dumping duty can be continued in the present case only when the above legal standard is met.

- That there is a significant *inter se* competition between different Indian producers which is evident from the data submitted by Ashok Leyland. It has been argued that other producers in India are actually offering the subject product at very low prices and Ashok Leyland has in fact purchased significant quantities from Indian producers other than the domestic industry at prices much lower than the prices offered by the petitioner domestic industry. Therefore, other Indian producers are severely undercutting the prices of the domestic industry rather than imports, and therefore, injury to domestic industry is due to severe *inter se* competition and not imports of the subject product. The other Indian producers have aggressively captured the market share of the domestic industry.
- That in light of the decline in the domestic industry's sales due to recession in the automobile sector as admitted by the domestic industry and correctly observed by the Authority and severe *inter se* competition, it would not be correct to state that injury to the domestic industry is due to imports when imports have been minuscule (only 2% in demand) during the POI. The domestic industry itself has admitted that the reason for injury is other factors. Blaming imports for injury to the domestic industry will not alleviate or change the domestic industry's position.
- That it is an undisputed fact that share of the domestic industry has reduced for FAB, as other Indian producers have been aggressively capturing this market. Further, it is an undisputed fact that the domestic industry's market share for steering knuckles has improved despite recession in the automobile sector and stiff competition from other Indian producers. These aspects are relevant to demonstrate that the domestic industry is actually facing *inter se* competition from other Indian producers for both FAB and steering knuckles and not imports of the subject product, which comprise merely 2% of the Indian demand during the POI. In fact, if market share of imports had been increasing in a situation of declining demand, then, it would have made sense to continue the anti-dumping duty. However, when the market share of imports is declining in a situation of falling demand, it shows that imports are not able to make a place for them in the Indian market and are not able to cope up with Indian producers. Therefore, market share is an important parameter which cannot be ignored in injury analysis.
- That for the purpose of price undercutting and underselling analysis Designated Authority should adopt landed value based on the data submitted by the cooperating exporters or Ashok Leyland and not the DGCI&S Data.

- That the argument that domestic industry is not able to increase its prices because of alleged dumped imports would stand only if the domestic industry and the exporters from the subject country were catering to the same buyers. In this case, cooperating exporters from the subject country are catering to only one buyer in India, Ashok Leyland.
- That the only one reason for price depression/price suppression is the *inter se* competition between the domestic industry and other Indian producers and this should be taken into account in the injury analysis. It has been further argued that the import volumes are too low for causing price suppression or depression.
- That many of the injury parameters of the domestic industry show improvement and domestic industry remained in profits despite decline in demand due to recession in the automobile sector and aggressive *inter se* competition. Further, the domestic industry's return on capital employed has also remained healthy throughout the injury analysis period. The domestic industry was making exceptional profits till 2011-12, and then its profits slightly declined in the subsequent period. It has to be appreciated that the domestic industry itself has attributed this fall in profits to decline in demand due to recession in automobile sector. *Inter se* competition is also the reason of decline in profits after 2011-12. Therefore, any comparison of profitability for the POI with 2011-12 will only give a skewed picture.
- That there does not appear to be any likelihood or recurrence of dumping and injury to the domestic industry if anti-dumping duty is revoked. In this regard, Imports of steering knuckles during the POI have in fact been at prices above the non-injurious price of the domestic industry. Therefore, it is incorrect to state that the subject products have been entering the Indian market at dumped prices when the reality is opposite.
- That as per the post POI analysis carried out by the interested parties the domestic industry's profitability has significantly improved in the post POI period; its performance across all economic parameters has also improved. The domestic industry's claim of injury due to sluggish demand has also been alleviated as demand for the subject product has significantly increased due to better demand of medium and heavy commercial vehicles in the post POI period.
- That imports caused no injury to the domestic industry and there is a strong likelihood that imports will not be at dumped prices and shall not cause any injury to the domestic industry if the ant-dumping duty is revoked. The present facts

also do not indicate recurrence of dumping and injury if the anti-dumping duty is revoked.

- That the Authority has erred in arriving at the volume of imports for steering knuckles and its corresponding prices. As per Respondents' analysis, import volume of steering knuckles is low in the post POI period, while landed value of imports of steering knuckles is very high as compared to the analysis conducted by the Designated Authority. In light of this, the Designated Authority is requested to re-examine the post POI data for volume and value of imports of the subject product.
- That it is evident from the statement given by the petitioner in its Annual Report for 2014-15 that the Petitioner is thriving as a result of resurgence in the demand of medium and heavy commercial vehicles in India and abroad. Petitioner's financial performance has also considerably improved.
- That the present sunset review be terminated, as there is no injury to the domestic industry due to alleged dumped imports and dumping and injury is neither continuing nor is there any likelihood of dumping and injury if anti-dumping duty is revoked.
- That without prejudice to the above, if the Designated Authority decides to continue anti-dumping duty in the present case, the Authority should levy anti-dumping duty based on the lower of dumping margin or injury margin calculated in this sunset review and not at the rate calculated at the time of original investigation.

73. In its post disclosure comments the domestic industry has *inter alia* submitted as follows:

- a) That the original investigation has shown that market share of Chinese imports in case of FAB increased from 0% in 2006-07 to 23.78% in that POI and 61.80% in post POI. Similarly, market share of steering knuckle increased from 0% in 2006-07 to 17.47% and 19.98% respectively in POI and post POI of that case. The domestic industry lost market share to the proportionate extent very rapidly and the profitability of the domestic industry declined steeply over the injury period. In the present case the price undercutting are significant while the demand for the products has declined in the current injury period. Therefore, if the anti dumping duties ceases, the domestic industry shall suffer significant adverse volume and price effects.

- Though the products are produced and sold in numbers, for the purpose of cumulating different types of PUC, the Authority considered, at the time of original investigations, that it was appropriate to express different types of PUCs on weighted average basis. While it may be appropriate, in fact necessary/imperative, to express various types of product on weight basis, the price analysis on weight basis is now quite misleading. Therefore, the dumping margin and injury margin are now required to be determined after converting the data back to numbers before comparison. This is for the reason that in this investigation, the Chinese producers have sold two types of steering knuckle and two types of Front Axle Beams. While petitioner has sold both types of Front Axle Beams, the petitioner has not supplied FA-99 type of steering knuckles either in forged or in machined form. Further, the raw and finished weight of FA-99 knuckles is significantly different. Even the consumption of raw materials significantly differs depending on the type of knuckle.
- Since there is no inefficiency in production process the NIP should be determined by considering the actual cost of production. At worst the incidence of overhead costs may be adjusted for the lower production in the present POI.
- In the absence of actual disclosure how Authority has determined capital employed, petitioner is not in a position to comment on the appropriateness of the figures relating to capital employed adopted for determining NIP. It is, however, very clear that the Authority has adopted very low level of profits for determining NIP.
- That the Authority has substantially reduced the SGA expenses and has adopted an amount which is substantially lower than the amount of SGA reported by the petitioner.
- That it is evident that the Authority has excluded some expenses which are not disclosed in the disclosure statement. Now that the DA has specific Rule laid down for determination of NIP, it would be grossly inappropriate to go beyond the Rules and exclude some expenses, exclusion of which is not specifically provided under the rules.
- That Imports from China PR have continued to enter at dumped prices after imposition of antidumping duty. The volume of imports has declined drastically, which is due to the duty imposed. The low volume of imports clearly establishes that the current import volumes and prices are not representative of the likely situation in the event of cessation of ADD and the Chinese producers are likely to

intensify dumping - both in terms of volume and price - in the event of cessation of ADD.

- That in a peculiar demand decline situation like this and sporadic imports during the injury investigation period, the higher import price or lower market shares are not sufficient and appropriate indicators of the situation of the domestic industry in the event of cessation of ADD.
- That though the landed prices of the dumped imports have increased over the injury investigation period they have remained significantly below the selling prices of the domestic industry throughout the injury investigation period.
- That the performance of domestic industry during the investigation period was adverse, both, in terms of volume and price parameters. Therefore, cessation of ADD shall result in intensified injury to the domestic industry, given significant price difference between the domestic and imported product. There is no reason why a large consumer such as Ashok Leyland will give higher prices to the domestic industry and place orders for the same volumes when they can source the product at much lower prices.
- That the volume of imports from the subject country has declined to low levels because of ADD. Such low volumes will not be reflective of the likely dumping margin or injury margin in the event of revocation of duties. The anti-dumping duty based on such margins will not be able to curb dumping and consequent injury to the domestic industry.
- That the purpose of the sunset review is to consider likely situation in the event of cessation of ADD and therefore, the present prices are not reflective of likely situation. Even the Chinese exporter and Indian importer/consumer have heavily contended throughout the course of the investigations that the volume of imports during the present period has been negligible. ADD quantum cannot be based on negligible volumes.
- That imposing anti-dumping duty on the basis of the margins determined in the original investigation, when the volume of imports was significantly high would be more appropriate and reflective to their actual price and would be able to curb dumping.

- That the exporters and producers should not be rewarded with the lower anti-dumping duty which would result in intensified dumping.
- That the Rules provide for a determination of whether the anti dumping duties should be extended further. This implies a decision on whether or not to extend the duties further. While the Designated Authority in practice has also utilized this opportunity to modify the quantum of anti dumping duties, such opportunity is not available where the case is based on likelihood of dumping and injury. In the present case, extension of ADD is based on the grounds of likelihood and therefore in any case the volume and price of imports should not be benchmark for deciding on the quantum of ADD.
- That the practice being followed by third countries such as Canada, US and Europe is to decide whether or not to extend the anti dumping duties. These countries do not at all alter the quantum of anti dumping duties even if there are significant imports in the POI and the dumping margin & injury margin (EC) is quite lower than existing anti dumping duties.
- That there is past precedence available wherein the Designated Authority has extended the same quantum of duty as has been recommended in their respective original investigations in spite of dumping margin in review cases being lower than what was been determined in the original investigations. Therefore, the quantum of duty should remain same as has been recommended by the Designated Authority in the original investigation.
- That the duty may be continued to be expressed as fixed quantum of anti dumping duty expressed as duty in US\$/kg.

74. For the sake of brevity the issues raised in the post disclosure comments of the parties have been addressed in the respective sections in this finding and therefore, not being repeated here.

J. Examination of current Injury and Causal Link

75. Annexure-II of the AD Rules provides for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like articles; and (b) the consequent impact of these imports on domestic producers of such articles. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped

imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.

76. For the examination of the impact of the dumped imports on the domestic industry in India, 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 or investments have been considered in accordance with Annexure II of the Rules. All economic parameters affecting the Domestic Industry as indicated above have been examined as under:

J.1 Volume Effects of Dumped imports

(a) Import volumes & market share

77. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. The Authority has examined the volume of imports of the subject goods from the subject country and other countries based on the transaction-wise import data provided by DGCI&S.

78. The Authority notes that DGCI&S reports the imports of the subject goods in numbers. As per the questionnaire response filed by the cooperating exporters from China, who are reportedly the only exporters from that country, only machined products have been exported to India during this period. Therefore, the import weight has been converted taking into account the unit weight of the machined products as reported by the exporters. Accordingly, volume of imports of the subject goods are as follows:

Volume of Imports	Unit	2010-11	2011-12	2012-13	POI
Front Axle Beam					
Subject Country-China	MT	2,143	2,143	1,417	279
Other Countries	MT	-	-	-	-
Total Imports	MT	2,143	2,143	1,417	279
Steering Knuckles					
Subject Country-China	MT	669	1,089	790	181

Other Countries	MT	-	-	-	-
Total Imports	MT	669	1,089	790	181

79. The DGCI&S import data when compared to the export data of the cooperating exporters show some variation in quantities apparently due to the time lag between the exportation from the subject country and importation into India. Therefore, the DGCI&S data has been adopted for this investigation. The data indicates that the subject goods are being imported only from China and the imports have significantly declined after imposition of anti dumping duty over the injury period after imposition of duties.

(b) Assessment of Demand/Apparent Consumption

80. Demand or apparent consumption of the product in India has been assessed based on the domestic sales of Indian producers, and imports from all sources. The estimated consumption of the captive producers has also been considered. Accordingly, estimated demand of the subject goods in the domestic market is as follows:

Product- Front Axle Beam	Unit	2010-11	2011-12	2012-13	POI
Sales of Domestic Industry	MT	20,191	19,175	11,531	9,233
Subject Country- China	MT	2,143	2,143	1,417	279
Sales of other Indian producers	MT	3,338	3,020	3,704	2,780
Demand/consumption excluding captive	MT	25,672	24,338	16,652	12,292
Demand/consumption excluding captive	Trend	100	95	65	48
Estimated Captive Consumption	MT	5,901	6,065	4,809	6,199
Demand/consumption including captive	MT	31,573	30,403	21,461	18,491
	Trend	100	118	84	72
Product- Steering Knuckles	Unit	2010-11	2011-12	2012-13	POI
Sales of Domestic Industry	MT	718	1,048	1,285	1,250
Subject Country- China	MT	669	1,089	790	181
Sales of other Indian producers	MT	5,904	5,873	4,257	3,333
Demand/consumption excluding captive	MT	7,291	8,010	6,331	4,764
Demand/consumption excluding captive	Trend	100	110	87	65
Estimated Captive Consumption	MT	5,764	6,634	4,461	3,902
Demand/consumption including captive	MT	13,055	14,644	10,792	8,666

Trend	100	112	83	66
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81. The above data indicates that the demand for both the products have declined significantly over the injury period. The petitioner has submitted that this decline in demand is due to decline in the consumption pattern of the automobile industry in India. The petitioner has further submitted that production and sales of heavy and medium commercial vehicles has declined globally over the injury period due to general macroeconomic factors and significant recession in automobile industry leading to decline in the demand for the products under consideration. Under these circumstances, should the present duty ceases, the injury to the domestic industry shall intensify. In this connection the data on production and sale of commercial vehicles in last 4 years have been presented as given below.

Particulars	Unit	2010-11	2011-12	2012-13	2013-14
Local Sales	Nos	323,059	348,701	268,689	200,627
Export Sales	Nos	28,349	27,917	19,524	28,813
Total Sales	Nos	351,408	376,618	288,213	229,440
Production	Nos	345,818	383,277	280,677	221,626

Source: SIAM (Society of Indian Automotive Manufacturers)

82. The above data indicates a significant drop in production and sale of commercial vehicles in India. Therefore, the decline in demand for the subject goods, which are major fitment items in automobiles have also declined during this period. The responding exporters have contended that the injury, if any, suffered by the domestic industry is due to this decline in demand and recession in Automobile industry and has nothing to do with the imports from China which is very insignificant. The Authority recognizes the fact that decline in demand in auto-industry is a global phenomenon and some of the injury suffered by the domestic producers is because of this demand situation. But impact of the dumped imports and likelihood of increased dumped imports from the subject country, on the face of decline in global demand, needs to be addressed, while not attributing the injury caused by decline in demand to dumped imports.

(c) Market Share in demand

83. Effects of the dumped imports on the domestic sales and market shares have been examined as follows:

Front axle beam	Unit	2010-11	2011-12	2012-13	POI
Market Share in Demand- excluding Captive					

Sales of Domestic Industry	%	79%	79%	69%	75%
Subject Country-China	%	8%	9%	9%	2%
Other Producers	%	13%	12%	22%	23%
Market Share in Demand- including Captive					
Sales of Domestic Industry	%	64%	63%	54%	50%
Subject Country-China	%	7%	7%	7%	2%
Other Producers	%	29%	30%	40%	49%
Steering knuckles	Unit	2010-11	2011-12	2012-13	POI
Market Share in Demand- excluding Captive					
Sales of Domestic Industry	%	10%	13%	20%	26%
Subject Country-China	%	9%	14%	12%	4%
Other Producers	%	81%	73%	67%	70%
Market Share in Demand- including Captive					
Sales of Domestic Industry	%	6%	7%	12%	14%
Subject Country-China	%	5%	7%	7%	2%
Other Producers	%	89%	85%	81%	83%

84. It is noted that the demand of the subject goods has declined during the injury period. As far as FAB is concerned, the market share of the petitioner as well as the imports have declined whereas the share of the other producers has increased though in absolute term the sale of other producers has also declined. However, in case of Steering knuckles the market share of the domestic industry has increased from the base year to the POI while the share of others has declined. The Authority notes that in a peculiar demand decline situation like this and sporadic imports during the injury investigation period, the market shares may not be an appropriate indicator of the situation of the industry.

85. The interested parties, in their post disclosure submissions, have argued that there is a severe *inter se* competition in the domestic market and other domestic producers are selling the goods at competitive prices, thereby capturing the market share of the petitioner domestic industry. However, this argument is not borne out of above data. In case of FAB the market-share of the other producers, without considering captive consumption, has increased, but at the cost of imports from China. The petitioner commands 75% of the commercial sales in the domestic market. In case of SK the other producers have significantly lost market share and the petitioner domestic industry has in fact gained that share. Therefore, the arguments of the interested parties that the *inter se* competition and price undercutting by the other producers is the main cause of injury, if any, to the domestic industry do not stand.

86. It has been further argued by the interested parties that if market share of imports had been increasing in a situation of declining demand, then it would have made sense to continue the anti-dumping duty. However, when the market share of imports is declining in a situation of falling demand, it shows that imports are not able to make a place for them in the Indian market and are not able to cope up with Indian producers. Therefore, market share is an important parameter which cannot be ignored in injury analysis. The Authority notes that the decline in volume of imports and market share of the dumped imports indicate that the antidumping duty imposed was effective in checking the impacts of dumped imports and if the duties are removed it may adversely affect the domestic industry.

J.2. Price Effect of the Dumped imports on the Domestic Industry

87. With regard to the effect of the dumped imports on prices, the Designated Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. Therefore, both price undercutting and underselling effects of dumped imports have been examined though the volume of import is low.

88. The domestic industry, in its post disclosure submissions, has argued that all price related comparisons must be carried out on piece basis for the reasons that the goods are sold in pieces and weighted average comparisons in terms of weights are throwing up skewed results as the domestic industry has not produced and sold certain product types. The Authority notes that in the previous investigation and in the current investigation the analysis of dumping and injury were carried out in terms of weight as suggested by the domestic industry. Therefore, the basis of comparisons cannot be changed at this late stage of investigation only because it might be giving certain skewed results in respect of certain product types because of various factors.

89. The exporters, in their post disclosure submissions, have argued that the Authority should adopt the landed value of the responding exporters instead of the landed values as per DGCI&S data for the price analysis. In this connection the Authority notes that the price effect analysis is done based on the volume and value of dumped imports entering the market of the importing country, not the dumped exports leaving the exporting country, during the period of investigation. Therefore, it is necessary to analyse the total volume and value of imports during this period. Accordingly, DGCI&S data has been adopted for this analysis.

(a) Price undercutting

90. For the purpose of examination of the price undercutting effect of dumped imports the net sale realization of the domestic industry for both the products have been compared with the landed values of imports of the corresponding products as per DGCI&S data. In determining the net sales realization of the domestic industry, the rebates, discounts and commissions offered by the domestic industry and the central excise duty paid have been rebated. Only machined form of the products have been imported from China and therefore, selling price of machined products produced and sold by the domestic industry has been considered for determining price undercutting. The price undercutting effect of dumped imports from the subject country have been examined as follows:

Front axle beam- Machined	Unit	2010-11	2011-12	2012-13	POI
Landed price without ADD	Rs/Kg	94.80	106.36	116.01	118.44
Net Selling Price of DI	Rs/Kg	***	***	***	***
Price Undercutting without ADD	Rs/Kg	***	***	***	***
Price Undercutting	Range	25-35%	15-25%	10-20%	10-20%
Landed price with ADD	Rs/Kg	110.96	123.21	135.14	139.74
Price Undercutting	Rs/Kg	***	***	***	(***)
Price Undercutting with ADD	Range	15-25%	5-15%	0-10%	(0-10)%

Steering knuckles- Machined

Particulars	Unit	2010-11	2011-12	2012-13	POI
Landed price Without ADD	Rs/Kg	140.29	148.24	163.66	185.79
Net Selling Price of DI	Rs/Kg	***	***	***	***
Price Undercutting without ADD	Rs/Kg	***	***	***	***
Price Undercutting	Range	20-30%	10-20%	10-20%	5-15%
Landed price with ADD	Rs/Kg	169.84	179.05	198.64	224.73
Price Undercutting with ADD	Rs/Kg	***	(***)	(***)	(***)
Price Undercutting	Range	5-10%	(0-10)%	(0-10)%	(5-15)%

91. The above data indicates that though the landed prices of the dumped imports have increased over the injury investigation period they have remained significantly below the selling prices of the domestic industry throughout the injury investigation period. Price undercutting has been significant both in absolute and in percentage term. The duty-paid landed values have negative undercutting. This indicates that while the antidumping duty paid imports do not have undercutting effect on the domestic

prices the import without duty continues to be significantly below the selling price of domestic industry. In this connection the Authority notes that it is important to examine whether the domestic prices are already suppressed in response to these import prices leading to negative undercutting of the duty paid imports.

92. The interested parties have argued that while prices of imports have been rising both for Front Axle Beams and Steering Knuckles it is surprising that the Domestic Industry is not able to increase its prices despite low volume and high prices of imports. The domestic industry contends that while the buyer, i.e., Ashok Leyland has been asking for better prices, arguments have been made on behalf of the same importer as to why the petitioner has not increased its prices. The interested parties have further argued in their post disclosure submissions that the other domestic producers are offering lower prices and thereby actually affecting the prices of the domestic industry. These arguments of the interested parties are mutually contradictory. The Authority notes that as long as the dumped imports continue to significantly undercut the domestic prices it would be difficult for the domestic producers, including the petitioner domestic industry, to increase the prices. In fact low volume of imports could be because of tight price policy adopted by the domestic industry in order to retain its market share.

(b) Price underselling effects of dumped imports

93. For the purpose of price underselling determination the landed prices of imports of both the products from subject country as per DGCI&S data have been compared with the Non-injurious selling price of the domestic industry for the corresponding products determined in accordance with the norms prescribed in Annex-II to the Rules. Price underselling effects of dumped imports are as follows:

Particulars	UOM	FAB	SK
Weighted Average NIP	Rs/Kg	***	***
Weighted average Landed Price without ADD	Rs/Kg	118.44	185.95
Price Underselling	Rs/Kg	***	(***)
Price Underselling	%	0-10%	(0-10)%
Weighted Average Landed Price with ADD	Rs/Kg	139.74	223.90
Price Underselling	Rs/Kg	(***)	(***)
Price Underselling	%	(5-15)%	(25-30)%

94. It is seen that the imports of FAB from the subject country are entering the Indian market significantly below the non-injurious price of the domestic industry indicating significant price underselling. However, with the antidumping duty in force the price

underselling is negative. As far as SK is concerned, the price underselling without duty is marginally negative and with duty the underselling is significantly negative. The Domestic industry has argued that the price underselling is becoming negative because of the skewed comparison on weight terms since they have not produced and supplied one product type of steering Knuckles. The Authority notes that in the absence of matching product types only reasonable method available is to compare it with the closest product type or resort to weighted average comparison which has been adopted in this case. However, price underselling factor may not be deterministic and needs to be examined along with the price suppression/depression analysis as noted earlier.

(c) Price suppression/depression

95. To examine the price suppression or depression effects of the dumped imports on the domestic prices the trend of net sale realization of the domestic industry has been compared with the cost of production of the domestic industry and the landed price of the dumped imports as follows:

Product- Front axle beam- Machined

Particulars	UOM	2010-11	2011-12	2012-13	POI
Cost of sales	Rs/Kg	***	***	***	***
	Trend	100	85	88	88
Selling Price	Rs/Kg	***	***	***	***
	Trend	100	99	103	102
Landed Price	Rs/Kg	95	106	116	118
	Trend	100	112	122	125
ADD Paid landed price	Rs/Kg	111	123	135	140
	Trend	100	111	122	126

Product- Steering knuckles- Machined

Particulars	UOM	2010-11	2011-12	2012-13	POI
Cost of sales	Rs/Kg	***	***	***	***
	Trend	100	90	92	105
Selling Price	Rs/Kg	***	***	***	***
	Trend	100	97	105	111
Landed Price	Rs/Kg	140	148	164	186
	Trend	100	106	117	132
ADD Paid landed price	Rs/Kg	170	179	199	225
	Trend	100	105	117	132

96. The above data indicates that in case of FAB the cost of production has considerably declined during the injury investigation period by about 12% compared to the base year. The landed price of imports, which was extremely low in the base

year, have gone up by about 25% compared to the base year but still remains significantly below the cost of sales as well as the selling price of the domestic industry. The selling price has marginally improved.

97. As far as Steering Knuckles is concerned, the cost of sales of the Domestic industry has marginally increased by about 5% compared to the base year. The landed value of imports which was very low during the base year has improved by about 32% over the base year but still continues to be significantly below the cost of production of the domestic industry. Selling price has improved but remains below cost of sales.

98. Interested parties have argued that such small volume of imports could not have suppressed or depressed the prices of the domestic industry and the only one reason for price depression/price suppression is the *inter se* competition between the domestic industry and other Indian producers. However, the data indicates that the domestic industry is apparently holding on to the price line as the import prices are still far below its costs and prices. Since the domestic industry is apparently holding on to the price line and not increasing the prices in response to the increase in landed values the undercutting and underselling margins are negative. That could be reason for the volume of imports not increasing. Domestic industry has argued that if the duties are revoked the landed price of imports shall continue to be significantly lower than the cost and selling price of the domestic industry and therefore, shall lead to further price suppression and financial losses.

J.3 Examination of Economic parameters relating to the domestic industry

(a) Actual and Potential Impact on Capacity, Production, Capacity Utilization and Sales

99. Information on capacity, production, capacity utilization and sales volume of the domestic industry is given in the table below:

Particulars	Unit	2010-11	2011-12	2012-13	POI
Capacity	MT	240,000	240,000	240,000	240,000
Total Production- Plant	MT	162,930	189,036	144,987	145,333
Plant Capacity Utilization	%	68%	79%	60%	61%
FAB					
Production	MT	34,522	44,885	30,859	32,566
Domestic Sales	MT	20,191	19,175	11,531	9,233
Demand excluding captive	MT	25,672	24,338	16,652	12,292
SK					
Production	MT	5,459	6,360	5,303	5,282
Domestic Sales	MT	718	1,048	1,285	1,250

Demand excluding captive	MT	7,291	8,010	6,331	4,764
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100. The Authority notes that the domestic industry does not have capacities dedicated for the product under consideration alone. The capacities are common to a number of forging and machining products. Therefore, the authority has considered capacity and capacity utilization after including all the products which are sharing common production capacities. The above data indicates that while the plant capacity to produce all forged and machined products has remained same the production has declined by about 10% compared to the base year after a significant increase in 2011-12. Capacity utilization of the plant increased in 2011-12 and declined thereafter. However, the plant capacity and production shown above is for all products manufactured in the said plant and therefore, may not reflect a correct picture about the product under consideration.

101. As far as production is concerned, the data indicates that the production of both FAB and SK, after a substantial jump in 2011-12, has declined to marginally below the base year level. However, the sales of the FABs in the domestic market show a significant decline during this period while sale of Knuckles, after some improvement in 2012-12, has remained flat. The Authority notes that the demand for both the products have declined during this period.

102. The Authority notes that since the volume of imports of the subject goods during the injury investigation is low actual impact of imports on the above parameters may not be significant. But the data also indicates that if the volume of imports increases in a scenario where there is a significant decline in demand, it will seriously impact the production and capacity utilisation as well as sales of the domestic industry.

(b) Actual and Potential Impact on Profitability, Profits, return on investment and cash flow

103. On the basis of the detailed examination of the cost of production and other associated costs as well as selling prices carried out by the Authority, profits earned by the domestic industry from the sales of the subject goods in the domestic market has been worked out as follows: -

Front axle beam	Unit	2010-11	2011-12	2012-13	POI
Profit/loss	Rs/Kg	***	***	***	***
Trend		100	112	89	68
Cash Profit	Rs/Kg	***	***	***	***
Trend		100	109	95	86
Profit before Interest	Rs/Kg	***	***	***	***

Trend		100	112	99	79
Return on Capital Employed	%	20-30%	25-35%	15-25%	15-25%
Trend		100	125	96	95
Steering knuckles	Unit	2010-11	2011-12	2012-13	POI
Profit/loss	Rs/Kg	***	***	***	***
Trend		100	476	457	96
Cash Profit	Rs/Kg	***	***	***	***
Trend		100	180	175	77
Profit before Interest	Rs/Kg	***	***	***	***
Trend		100	245	245	89
Return on Capital Employed	%	5-15%	25-35%	25-35%	5-15%
Trend		100	348	320	127

104. The interested parties have argued that the domestic industry's return on capital employed has remained healthy throughout the injury analysis period and the domestic industry itself has attributed this fall in profits to decline in demand due to recession in automobile sector. Inter se competition is also the reason of decline in profits after 2011-12. The above data indicates that in case of FAB profit, cash profit, profit before interest and return on capital employed increased up to 2011-12 and then declined over the injury period. The domestic industry continues to earn a good return on capital employed. In case of Steering knuckles profit, cash profit, profit before interest and return on capital employed have shown significant improvement up to 2011-12 and then declined over the rest of the injury period. Though the domestic industry is still earning profit in this segment the profit margins and return on capital employed has significantly declined in the period of investigation.

(c) Actual and potential impact on Market Share

105. As indicated earlier market share of the domestic industry in demand for Front Axle beam has declined and for Steering Knuckles has increased from the base year to the POI. The Authority notes that the volume of imports from China has been very low during the injury investigation period due to imposition of antidumping duty. The demands of the product also show a significant decline. In this situation market shares of various players in the domestic market, as a parameter of injury, may not give a clear indication of the position of the domestic industry.

(d) Actual and potential impact on Employment, Productivity and Wages

106. The Authority notes that the domestic industry being a multi-product company, producing several products in the same unit, impact of dumping of the subject goods

may not be reflected in employment and wage factors of the domestic industry. As far as productivity is concerned, it has moved in the same direction as that of production.

Employment and Wages	Unit	2010-11	2011-12	2012-13	POI
No of Employees	Nos	***	***	***	***
Trend		100	115	101	99
Salaries & Wages	Rs. Lacs	***	***	***	***
Trend		100	125	127	142
Wages per Unit of Production	Rs./Kg	***	***	***	***
Trend		100	98	141	150
Productivity per employee	MT	***	***	***	***
Trend		100	112	90	96
Productivity per day	MT	109.54	140.40	99.07	103.69
Trend		100	128	90	95

(e) Actual and potential impact on Inventories

107. Since the products under consideration are made to order items, the domestic industry does not have significant inventories of the product and inventories is not a relevant parameter in the facts of the present case.

(f) Factors affecting domestic prices

108. The examination of data indicates that the dumped imports from the subject country, though low in volume, are still entering the Indian market at prices much below the cost of production and selling prices of the domestic industry causing significant price undercutting and underselling in the Indian market. The cost of production of the domestic industry has also undergone change. The domestic industry, in order to prevent significant erosion of its sales volume in the domestic market, appears to have maintained its price line. There is a significant decline in demand due to general conditions of the automobile sector globally. Therefore, decline in demand owing to recession in the automobile sector for the product, coupled with potential effects of dumping, appears to have affected the prices of the domestic industry.

(g) Actual and potential impact on Growth

109. The Authority notes that in a situation of significant decline in demand growth in various physical and financial parameters would not provide any meaningful

guidance on determination of injury on account of dumped imports. However, the Authority notes that the performance of domestic industry during the investigation period has been adverse, both, in terms of volume and price parameters. Growth with regard to sales, production, market share, profits, return on investments and cash flow was significantly negative during this period.

(h) Ability to raise capital investments

110. The Authority notes that the petitioner is a multi product company covering several forged and machined products across sectors. Therefore, their ability to raise capital is not affected by the performance the production line of the subject goods. However, the company's capacity for fresh investment and expansion of the production line of subject goods is likely to be affected in the current and potential scenario of dumping, coupled with the recession in the auto sector.

(i) Level of dumping & dumping margin

111. The margin of dumping as a factor for determination of injury indicates that dumping margins of the dumped imports determined for the subject country are above *de minimis* level and significant.

K. Overall Assessment of current Injury and Causal links

112. The above analysis of various factors indicate that Physical performance of the domestic industry in terms of production and domestic sales of the subject goods as well as profits in their domestic operations improved in 2011-12 compared to the base year but all the parameters have deteriorated thereafter indicating injury. However, the interested parties have argued that this injury to the domestic industry is on account of other factors such as recession in the Automobile sector and has nothing to do with the imports from China. Therefore, the Authority has examined the other mandatory factors in the light of the issues raised by the interested parties to see if other factors are responsible for the injury to the domestic industry.

(i) Volume and prices of imports from other sources

113. Import data examined shows that the subject goods have been imported from the subject country only. Therefore, imports from other countries are not causing or likely to cause injury to the domestic industry.

(ii) Contraction in demand and / or change in pattern of consumption

114. As noted earlier demand scenario and pattern of consumption for the subject goods in the domestic market shows there has been a significant decline in demand of the products concerned over the injury period which has been attributed to recession in the automobile sector. The interested parties have argued that the injury, if any, is due to the decline in the demand and not because of insignificant import from the subject country. The Authority notes that there was a global slowdown in the automobiles industry and production and consumption of the commercial vehicles in India has also declined during the injury investigation period leading to a decline in demand for the subject products. Therefore, demand is one of the major factors affecting the physical performance of the domestic industry in terms of production volume and sales.

115. The Authority also notes the arguments of the petitioner that cessation of anti dumping duty would significantly intensify injury to the domestic industry in a situation where the demand for the products at present are low, both in the Indian and international markets. It has also been argued that given that there is a significant difference between Indian and Chinese prices the consumers in India would switch over to importing the products from China once the duties are revoked.

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

116. The Authority notes that there are few other producers of the subject goods in India who are also producing and selling in the domestic market or consuming the subject goods captivity. The interested parties have argued that the Injury, if any, is either due to *inter se* competition in the Indian market or due to reasons intrinsic to the Domestic Industry. It has been argued that other Indian producers are able to maintain their sales steadily over the injury period and have, in fact, captured the market share of the Domestic Industry. However, the data analyzed in the previous sections does not support this. The data indicates that the sales of other Indian producers have also declined substantially during this period. There is no allegation of unfair competition between these producers or any trade restrictive practices in the domestic market which could have contributed to the injury to the domestic industry. The Authority notes that foreign producers are also competing in the domestic market and allegation of dumping has been established against them.

117. In their post disclosure submissions the interested parties have reiterated their arguments that the injury, if any, to the petitioner domestic industry, is on account of *inter se* competition from other domestic producers and not because of the dumped imports from the subject country and it has been argued that the other producers are

offering lower prices in the domestic market and thereby undercutting the prices of the domestic industry and capturing the market share of the petitioner. However, as noted earlier this assertion is not supported by the data as recorded earlier. Therefore, the arguments of the interested parties in this regard are not sustainable.

(iv) Development in technology

118. Technology for production of the products has not undergone any change nor are there any likely changes in the coming future. No argument has been made by any interested party alleging technology as a factor affecting the domestic industry. Certain difference in production process claimed by the Chinese producers have been duly considered and it has been found that the technology and production process used by the Indian producer is an established technology and could not be considered as a cause of injury. Development in technology is, therefore, not a factor causing injury.

(v) Export performance of the domestic industry

119. Petitioner has significant export of the products under consideration during the injury investigation period as per the table given below. The interested parties have argued that the Petitioner continues to focus on export markets, while it could have taken steps to increase its market presence in India. It has been argued that the petitioner cannot take the plea that it is disposing its inventories in the export market because petitioner does not have any inventory of the subject product. The subject products are made to order. The interested parties have reiterated these arguments in their post disclosure submissions. In this connection the Authority has examined the export performance of the domestic industry as follows:

Exports	Unit	2010-11	2011-12	2012-13	POI
Front Axle Beams	MT	***	***	***	***
Trend	Index	100	180	133	167
Forged	MT	***	***	***	***
Machined	MT	***	***	***	***
Steering Knuckles	MT	***	***	***	***
Trend	Indexed	100	114	86	86
Forged	MT	***	***	***	***
Machined	MT	***	***	***	***

120. The data above indicates that the exports of FAB produced by the petitioner has increased substantially in POI compared to the base year though there is about 10% drop compared to 2011-12. In case of Steering Knuckles however, there is about

14% drop in exports compared to the base year. The Authority notes that in export sales transactions the petitioner continues to have better profit compared to the domestic sales. In a scenario where the domestic demand is low and the price is affected by dumped imports, the domestic industry perhaps has no other option but to tap the export market to maintain production level and recover fixed costs. However, the Authority notes that the injury examination of the domestic industry is restricted to its domestic operations only and losses and injury caused on account of export operations, if any, have not been taken into account.

121. Apart from these mandatory non-attribution factors the interested parties have argued that the Authority should address other factors relevant to this case such as decline in production and sales due to recession; and exchange rate considerations. The impact of recession in auto sector has already been addressed in the previous sections. As far as exchange rate fluctuation is concerned, the Authority notes that examination of various factors during the POI is a snapshot examination as per the conditions existed at that time. Therefore, the exchange rate prevailing at that time is the correct exchange rate to be used in the determinations.

122. The above analysis shows that the performance of the domestic industry has been impacted by the decline in demand due to recessionary trend in the auto industry and the price effects of the dumped imports in a scenario of declining demand though the volume of import is low. The dumped imports continue to undercut the domestic prices. It appears that the domestic industry has kept the prices suppressed to prevent potential influx of dumped imports from the subject country in a demand decline situation, leading to injury in terms of decline in profitability.

L. Magnitude of injury and injury margin

123. Having regards to the lesser duty Rule followed by the Authority, the margins of injury with respect to the importation of the subject goods from the subject country have also been determined. For determination of injury margin the Authority has determined the Non-Injurious Price (NIP) for the domestic industry as per the procedures laid down in Annexure III of the Anti Dumping Rules. The interested parties have argued that for the purpose of determination of NIP the Authority should not grant a return higher than what was achieved by the domestic industry. The Authority notes that as per consistent practice the procedures laid down by Annexure III of the Anti Dumping Rules have been followed while determining Non Injurious Price. However, the Authority notes that actual return earned by the domestic industry in the past is higher than reasonable return allowed by the authority while determining the Non-Injurious Price.

124. In its post disclosure comments the domestic industry has raised several issues regarding the determination of non-injurious price as recorded in the previous section. In this respect of the arguments of the domestic industry that the raw material cost and utilities cost of the domestic industry should be accepted and the overhead cost should be adjusted on the basis of below normal capacity utilization, the Authority notes that such an approach is not permissible as per the antidumping rules. Further the basis of allocation of Net fixed Assets and SGA expenses, as per the consistent practice of the Authority have also disclosed to the domestic industry on confidential basis. Therefore, the arguments of the domestic industry in respect of Non-injurious price have not been found to be tenable.

125. Non injurious Price of the subject goods has been determined by adopting the verified information/data relating to the cost of production for the period of investigation in respect of applicant domestic industry in terms of the principles outlined in the Annexure III to the AD Rules. Since only machined products have been imported during the POI, for the purpose of fair comparison NIP for those specific product types have been determined taking into account corresponding products manufactured by the domestic industry.

126. The Non-injurious price so determined has been compared with the weighted average landed value of the goods imported during the POI as per DGCI&S data. Accordingly, the margins of injury for the products under consideration imported from the subject country are as follows:

Particulars	UOM	FAB	SK
Weighted average NIP	US\$/Kg	***	***
Weighted average Landed Price as per DGCI&S data	US\$/Kg	1.946	3.040
Injury Margin	US\$/Kg	***	(***)
Injury Margin	%	***%	(***)%
Range		0-10%	(0-10)%
Landed Prices of TRA and TRF	US\$/Kg	***	***
Injury Margin	US\$/Kg	***	(***)
Injury Margin	%	***%	(***)%
Range		0-10%	(5-15%)

127. The Authority also notes that the total volumes of imports from the subject country as well as volume exported by the responding exporters during the period of investigation were low and therefore, the landed prices may not be representative enough for assessment of dumping and injury margins during this period. Therefore, the Authority has also examined the volume and value of exports to the third

countries to analyze the price levels to assess the likely levels of dumping and injury margins. However, the volume of exports of the responding exporters to third countries is also very low for giving any meaningful indication of price levels. The Authority notes that this being a sunset review investigation while the duties were in force, the current injury margin may not provide a clear indication of the future level of injurious imports because the dumping margins estimated are significantly positive though volumes are low. Therefore, the Authority has looked at the likelihood aspects of continuation or recurrence of dumping and injury through various other parameters in the following paragraphs.

M. Examination of Likelihood of Continuation or Recurrence of Dumping and Injury

128. The Authority notes that the subject goods continue to enter the Indian market at substantially dumped prices though volume of imports have significantly declined after imposition of duties. Rules require the Authority to examine if the dumping is likely to continue or recur if the duties are revoked and whether the injury to the domestic industry is likely to continue or recur.

M.1 Views of the Domestic Industry

129. The domestic industry, in its submissions, has argued that

- That there is continued dumping of the products under consideration from China and though the volume of dumped imports has declined, the dumping margin is significant and dumping of the products under consideration is likely to intensify from the subject country should the current anti dumping duty be revoked.
- That the producer/exporters in China have significant surplus capacities and if the duties are revoked the exporters would use the surplus capacity to intensify dumping in India.
- That concern of the domestic industry is against unfair dumping practices resorted by Chinese producers because of government support i.e. availability of steel to the industry in China at artificially lower prices.
- That their contention in the original investigation that prices of steel in China are lower than international price has not been refuted and the fact is that the price at which steel is available in China is not the price at which steel can be imported from China. The price is different even for domestic and exports. Therefore, the dumping is likely to continue if the duties are revoked.

- That the condition of the domestic industry is vulnerable and their performance has been adversely affected due to the presence of dumped imports from the subject country even when the antidumping duty is in force and dumping and consequent injury to the domestic industry is likely to continue and intensify further, should the current anti dumping duty ceases.
- That though the volume of imports from the subject country declined after the imposition of duty the extent of imports is significant in the investigation period and is likely to increase significantly in the event of cessation of anti dumping duty.
- That the prices at which subject goods are being imported are substantially lower than the price at which the goods are being sold in the domestic market. Therefore, in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excess capacities and are in fact selling subject goods to third countries at substantially lower prices.
- That the imports from the subject country would cause severe price undercutting in the absence of anti dumping duty. Significant price difference between the domestic and imported product would lead to significant increase in the imports of the products under consideration. Therefore, in the event of cessation of current antidumping duty, the domestic industry will have to either reduce the price to maintain sales volumes, or if the domestic industry maintains the current selling price, the domestic industry would lose significant volumes. In either case, it will suffer material injury.
- That cessation of anti-dumping duty would have significant adverse effect on the prices in the market and injury to the domestic industry would continue and intensify.

130. In its post disclosure submissions the domestic industry has reiterated its position with respect to likelihood of continuation or recurrence of dumping and injury.

M.2 Views of other interested Parties

131. The other interested parties, in their various submissions, have argued

- That in a sunset review the focus of the entire investigation is on the fact whether revocation of anti-dumping duty will lead to recurrence of dumping or injury to the domestic industry. Thus, it is not the present level of dumping and injury, which is important but the likely dumping and injury, which is more essential in a sunset review investigation. Thus, an investigating authority has to conduct an analysis of future events to determine likelihood of dumping or injury. However, in the present investigation, Petitioner has not provided any post POI data to indicate

continuance of dumping or injury being caused to it, in order to claim likelihood of recurrence of dumping and injury.

- That it has been held in the case of *Indian Spinners Association v. Designated Authority* 2004 (170) E.L.T. 144 (Tri. - Del.) that 'existence of surplus production capacity cannot be taken as posing a clearly foreseen and imminent threat of injury'. Petitioner has not drawn a link between the alleged presence of excess capacities and the recurrence of injury. Even if the Designated Authority were to presume that there existed excess capacities, the presence of such data itself cannot be a ground for the extension of anti-dumping duties as has been held by the Authority in the sunset review investigation of Aniline from USA and Japan, final findings dated 17th January 2012.

132. In their post disclosure submissions the other interested parties have argued that as per their post POI analysis the domestic industry's profitability has significantly improved in the post POI period and injury due to sluggish demand has also been alleviated as demand for the subject product has significantly increased due to better demand of medium and heavy commercial vehicles in the post POI period. It has been argued that imports caused no injury to the domestic industry and there is a strong likelihood that imports will not be at dumped prices and shall not cause any injury to the domestic industry if the ant-dumping duty is revoked. The present facts also do not indicate recurrence of dumping and injury if the ant-dumping duty is revoked.

M.3 Examination by the Authority

133. The present investigation is a sunset review of anti-dumping duties earlier imposed on imports of the products under consideration from China PR. Under the Rules, the Authority is required to determine whether there is a likelihood of continuation or recurrence of dumping and injury if the duties are revoked. The examination in the earlier sections has established that the subject goods are entering the Indian market at dumped prices in spite of the duty being in force and the domestic industry is suffering injury due to the presence of dumped imports coupled with a situation of significant decline in demand. Therefore, the Authority is required to examine whether cessation of anti dumping duty is likely to lead to continued dumping of the product and consequent continuation of injury to the domestic industry.

134. The Authority notes that as per the information submitted by the responding exporters from China in their questionnaire responses it has been established that

the goods are still continuing to be exported from that country at dumped prices though volume is low. In fact the responding exporters, in their submissions, have stated that they are the largest producers of the subject goods in China and though their exports to India have reduced due to imposition of antidumping duty, Indian customers continue to import the product under consideration from them because of better quality of the product and inability of the Indian producers to meet the demand.

135. Examination of the capacities and production of the cooperating exporters, who are the known major producers of the subject goods in China and also exporters to India, shows that these producers have significant (about 15%) spare capacities for manufacturing both forged and machined products which can be used to produce and export the subject goods if the market in India opens up. The selling pattern of the goods of the exporters also indicates that the producers are mainly dependant on their domestic market and exports to third countries are very negligible. The domestic sales of the exporters during the period of injury investigation are also very flat or shows marginal decline. There was a weak demand in the global market due to poor performance of the auto industry in the world during this period.

136. The Authority notes that the duties in force on the subject goods exported by the responding exporters were as follows:

Exporter	Product	Duty
HTRA	FAB	0.35 USD/Kg
HTRF	SK	0.64 USD/Kg

137. The current price levels of the subject goods indicate that even if the prices increase to the extent of the current antidumping duty level, after revocation of the duties, the goods could still be exported at dumped prices and at those prices it would still continue to undercut and undersell the domestic industry. The Authority notes that the landed price of the goods exported to India is significantly undercutting the domestic selling prices without application of anti dumping duties.

138. **Volume and value of exports to other countries:** The export volumes and values of the products to third countries, as per the information submitted by the responding exporters, are minuscule. Therefore, with a low domestic demand the producing exporters in China will have greater propensity to export to India once the antidumping duties are removed.

139. As far as likelihood of continuation or recurrence of injury is concerned, the Authority notes that the domestic industry continues to suffer injury due to decline in demand coupled with the price pressure of dumped imports. The price at which the

subject goods are being exported by China PR to India is an indicator of the likelihood of the price at which the goods are likely to be exported from China in the event of cessation of anti dumping duty. The landed price of the goods exported to India is significantly undercutting the domestic selling prices without anti dumping duty.

140. **Post POI Demand Scenario:** The Authority notes that the domestic industry is a leading global supplier of the subject goods and enjoys the commanding position in the domestic market. As per the information available in the website of the domestic industry both global and domestic demands for medium and heavy commercial vehicles on which the subject goods are mounted have registered significant increase in post POI period. As per information available, the US trucks sales have increased by about 20% in 2014 over 2013. The demand for the commercial vehicles in India also shows upward swing. The growth of truck sales in India in 2014-15 was about 21% over 2013-14. Therefore, though the performance of the domestic industry was affected by the slump in demand in the injury investigation the outlook is positive as per the post POI trends.

141. The interested parties have argued that the since the demand scenario has improved in the post POI period as per their own admission the domestic industry is not likely to be injured if the duties are removed. The Authority notes that the previous investigation has clearly established that in a scenario of good global demand also the volume of dumped imports had increased significantly cornering a significant share of the domestic market and thereby injuring the industry. Though the volume of imports during the POI was low it was at significantly dumped prices. The low volume was clearly because of the duty in force. Once the duty is revoked there is no reason why the volume of imports would not increase significantly given the price level. At that price level and without duty protection the domestic industry will be forced to suppress its prices further leading to material injury.

142. **Demand scenario in China and likely effect:** The Authority notes that the responding exporters are the major producers and suppliers of the subject goods in China and over 95% of their output was sold in the domestic market during the POI. India is the only other major market to which almost 15% of their output was sold in the beginning of the injury investigation which has drastically come down to less than 5% in the POI. Exports to other countries are negligible. Therefore, the major producer in China is largely dependent upon its own domestic market and Indian market. The information available on the demand for commercial vehicles in China indicates that the growth of commercial vehicle market in China remained depressed due to slower pace in infrastructure and project construction. China Commercial

Vehicle Industry Report and Global Review of the Auto Industry Sector indicate only moderate or low growth projections for this sector in China during 2014-17 because of continuous structural adjustments of China's macro economy and the infrastructure sector in China is not expected to revive soon. Therefore, with a depressed domestic demand scenario the only attractive market for the producers in China would be the Indian market in which they already have significant presence and a substantial volume of their output was dedicated to the Indian market. As the only major market outside China for the Chinese producers, it would be too attractive for the exporters from China to export to India at dumped prices in increasingly large volumes if the duties are revoked. This is likely to have significant volume effect on the domestic producers in India. After the removal of duty the price line may change significantly if the depressed market scenario in China continues as projected. Therefore, it may also lead to significant price effect on the domestic producers leading to recurrence of injury.

143. Volume and value of imports in the post POI period: The post POI import data has also been looked at to see the trends of imports and likely scenario in the event of revocation of duty. The interested parties have pointed out certain errors in the post POI import data. Accordingly the import data for the period April to September 2014 has been corrected and the data is as follows:

		April to Sept'14			
Particulars	Qty	Values	Prices	Landed Price	Landed Price
	MT	Rs Lacs	Rs/Kg	Rs/Kg	US\$/Kg
FAB	44	46	106	117	1.91
SK	148	244	165	182	2.97

Data source: IBIS

144. The Authority notes that antidumping duties were in force during this period and therefore, the trend in imports during this period may be affected by the duty. But it establishes the fact that the imports continue to enter the Indian market and the prices are not significantly different.

145. Thus, with the cessation of anti-dumping duties, the Indian prices are likely to be attractive to the exporters in the subject country and there is a strong likelihood that Indian consumers would import substantially due to increase in demand witnessed in the post POI period as recorded above. The exporters would also be encouraged to channelize their output in the Indian market as they have excessive capacities and are already selling their products at low prices. The above analysis indicates that if

the present antidumping duty is allowed to cease, dumped imports from the subject country is likely to increase significantly because of the increase in demand in India as per the trends indicated above, price attractiveness of the Indian market, spare capacities available with the exporters and lack of sufficient third country market as is evident from their current export performances.

146. The price at which the subject goods are being exported by China PR to India is an indicator of the likelihood of the price at which the goods are likely to be exported from China in the event of cessation of anti dumping duty. The above factors clearly establish the likelihood of continuation or recurrence of dumping from the subject country in the event of revocation of the duties.

147. As far as likelihood of continuation or recurrence of injury is concerned, the Authority notes that the performance of the domestic industry has deteriorated due to decline in demand, coupled with the price pressure of dumped imports. The landed price of the goods exported to India has suppressing effect on the domestic selling prices and without anti dumping duty the landed prices continue to undercut the domestic prices. In that scenario, if the present antidumping duty is allowed to cease, performance of the domestic industry is likely to decline materially in respect of price parameters as the domestic industry would be forced to further suppress the prices to match import price. Should the domestic industry sells the products at import parity prices, in the event of cessation of ADD, the domestic industry's profitability is likely to drop further leading to material injury.

148. In view of the above the Authority concludes that there is continued dumping from China, though low in volume, and performance of the domestic industry has declined in the current injury period due to the impact of current dumping coupled with decline in demand owing to recession in the automobile sector. The dumping is likely to continue and the performance of the domestic industry is likely to deteriorate, should the present anti dumping duty is revoked leading to material injury.

N. Conclusions:

149. After examining the issues raised and submissions made by the interested parties and facts made available before the Authority, as recorded in this finding, the authority concludes that:

- (i) The subject goods have continued to enter the Indian market from the subject country at prices less than their normal values and the dumping margins are substantial and above *de minimis*, though the volume is low;
- (ii) The performance of the domestic industry has declined due to decline in demand and presence of dumped imports during the injury investigation period but the domestic industry has not suffered material injury during the period of investigation due to the dumped imports;
- (iii) The goods are likely to be exported at dumping prices in the event of cessation of anti dumping duty and dumping is likely to continue or recur; and
- (iv) There is a strong likelihood of recurrence of Injury to the domestic industry in the event of cessation of anti dumping duty because of continued dumped imports from the subject country;

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150. The Authority notes that the subject goods are imported by the automobile manufacturers and the cost of the subject goods constitute a very small component of the cost of the heavy and medium commercial vehicles. Therefore, continuation of antidumping duty will not significantly impact the auto sector or the general consumers whereas it will eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the subject goods to the consumers.

P. Recommendations

151. The Authority notes that this sunset review investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information and verifiable evidence on various aspects of dumping, injury and causal links and likelihood of continuation of dumping and injury in the event of cessation of the duties. Having conducted the investigation as per the procedure prescribed and having established that dumping is continuing, and dumping and injury are likely to continue or recur if the duties are revoked, in the factual matrix of the case the Authority considers it necessary and appropriate to recommend continued imposition of the anti-dumping duty on imports of subject goods originating in or exported from the subject country as notified under Customs Notification No. 50/2010-Customs dated 12th April 2010,

for a further period of 5 years from the date of notification to be issued in this regard by the Central Government.

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

153. The Authority may review the need for continuation, modification or termination of the definitive measure as recommended herein from time to time as per the relevant provisions of the Act and public notices issued in this respect from time to time. No request for such a review shall be entertained by the Authority unless the same is filed by an interested party as per the time limit stipulated for this purpose.

A. K. Bhalla
Designated Authority