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Government of India, Department of Commerce,
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi – 110001

Dated: 30.09.2023

INITIATION NOTIFICATION

Case No. OI-23/2023

**Subject: Initiation of anti-dumping investigation concerning imports of “Roller Chains”
originating in or exported from China PR.**

1. Representations have been received from the “Indian Roller Chains Manufacturers Association” (hereinafter referred to as the "IRCMA"), representing about 12 manufacturers of “Roller Chains” (hereinafter referred to as the "subject goods" or the "product under consideration") before the Designated Authority (hereinafter referred to as the "Authority") stating that there is a steep decline in production in India because of significant increase in imports from China PR (hereinafter referred to as the "subject country") at dumped prices.
2. The Authority hereby takes cognizance of the information provided by the applicant as per sub-rule 4 of rule 5 of 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").
3. Representations have been made to the Authority by the association requesting imposition of the anti-dumping duty. The participating producers have provided information on the product under consideration, production, capacity, dumping and material injury to the domestic industry and causal link thereof.

A. Product Under Consideration (PUC)

4. The product under consideration in the present investigation is “Roller Chains”, (hereinafter also referred to as the “product under consideration” or the “subject goods”). Roller chain is a type of positive drive chain that consists of a series of inner and outer links connected by rollers. The rollers ride on the teeth of a sprocket which transmits power from one shaft to another. Roller chains is one of the most common types of power transmission chains, and it is used in a wide variety of applications, including machinery, conveyors, agricultural equipment,

construction equipment, motorcycles, bicycles, and automotive applications. The raw materials for roller chains are typically high-carbon steel or alloy steel. The specific grade of steel used will depend on the desired properties of the chain, such as strength durability and corrosion resistance.

5. While the product is produced and sold in different sizes and varieties, essentially the types being sold the most are comparable in terms of weight.
6. The product under consideration is classified under Chapter 73 of the Customs Tariff Act under subheading 73151100. The customs classification may kindly be treated as indicative, and not binding on the scope of the product under consideration.
7. The goods produced by the domestic industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable and are used by consumers interchangeably.
8. The interested parties are directed to make comments on the scope of the PUC, PCNs, if any within 15 days of this initiation notification.

B. Like Article

9. The Indian producers of the PUC claim that there are no significant differences in the article produced by the domestic manufacturers and those exported from the subject country. The articles produced by the Indian producers and imported from the subject country are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The subject goods and the articles manufactured by the Indian producers are technically and commercially substitutable. The Indian producers has claimed that consumers of the subject goods are using the subject goods and the article manufactured by the Indian producers interchangeably. Thus, for the purposes of initiation of the present investigation, the article produced by the Indian producers has been *prima facie* considered as like article to the product being imported from China PR.

C. Subject Country

10. The subject goods are allegedly being dumped from China PR.

D. Period of Investigation

11. The Authority considers POI as April 2022 – March 2023 (a period of 12 months). The period 2019-20, 2020-21, 2021-22 and the period of investigation as the injury period.

E. Basis of alleged dumping

Normal Value and Export price for China PR

12. Considering the practice of the Authority and as per Article 15(a)(i) of China's Accession Protocol it is considered that the Chinese producers should be directed to show that consistent with the provisions of Article 15(a)(i), market economy conditions prevail in the industry producing the like product, with regard to the manufacture, production and sale of that product under consideration, Chinese prices or costs can be used for the industry under investigation.
13. Since the information is not available at this stage with regard to (a) the price in a market economy third country; (b) constructed value in a market economy third country; (c) the price from such a third country to other country, including India, normal value has been determined based on the price payable in India based on the cost of production information provided by four domestic producers after adjusting to include a reasonable profit margin and selling, general and administrative expenses.
14. For determination of the export price, the Authority has considered transaction wise data procured from DGCI&S and made adjustments for port expenses, bank charges, inland freight, commission etc. to determine the ex-factory export price based on best available information on CIF import price.

a. Dumping Margin

15. The normal value and export price have been compared at ex-factory level, which *prima facie* shows that dumping margin is not only above the *de-minimis* level but also significant. There is sufficient *prima facie* evidence that the subject goods from the subject country are being dumped into the Indian market by the exporters from the subject country.

F. Evidence of Injury and Causal link

16. The association has made representations before the Authority that *prima facie* evidence exists with respect to the injury suffered by the domestic industry because of the dumped imports. The volume of the subject imports from the subject country has increased significantly in absolute as well as relative terms. The price undercutting from the subject country as a whole is positive and significant. The Indian producers have also suffered injury on account of low-capacity utilisation, decline in sales volume comparative to the previous year, losses, the decline in market share, etc.

G. Initiation of anti-dumping investigation

17. The Authority takes cognizance of information provided by IRCMA and the DGCI&S import data as per Rule 5(4) of the Customs Tariff (Identification, Assessment and Collection of Anti-

dumping Duty on dumped articles and for determination of duty) Rules, 1995 (hereinafter referred to as Rules). Rule 5(4) states as under:

“Notwithstanding anything contained in sub-rule (1) the designated authority may initiate an investigation suo motu if it is satisfied from the information received from the [Commissioner of Customs] appointed under the Customs Act, 1962 (52 of 1962) or from any other source that sufficient evidence exists as to the existence of the circumstances referred to in clause (b) of sub-rule (3)”

18. Keeping in view rule 5(4) of the AD Rules, the Authority *suo motu* initiates the anti-dumping duty investigation on imports of “Roller Chains” from China PR.

H. Procedure

19. The principles as given in Rule 6 of the Rules will be followed for the present investigation.

I. Submission of Information

20. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in and adv13-dgtr@gov.in with copy to jd16-dgtr@gov.in and jd15-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format.
21. The known exporters in the subject country, the government of the subject country through their embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
22. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below on the email addresses mentioned in Para 19 above.
23. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
24. Interested parties are further advised to keep a regular watch on the official website of the DGTR, i.e., <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

J. Time Limit

25. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd16-dgtr@gov.in and jd15-dgtr@gov.in within thirty (30) days from the date of receipt of the notice as per Rule 6(4) of the Rules. It may, however, be noted that in terms of the explanation of the said Rule,

the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

26. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

K. Submission of information on confidential basis

27. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the trade notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
28. The parties making any submission (including appendices/annexures attached thereto), before the Authority including questionnaire response, are required to file confidential and non-confidential versions separately.
29. The "confidential" or "non-confidential" submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
30. The confidential version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
31. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority. The other interested parties can offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the document.
32. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied the request for confidentiality is not

warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

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

L. Inspection of Public File

35. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

M. Non-cooperation

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


(Anant Swarup)
Designated Authority