

To be published in Part-I Section I of the Gazette of India - Extraordinary**F. No. 7/5/2026-DGTR****Government of India****Ministry of Commerce & Industry****Department of Commerce****Directorate General of Trade Remedies****4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001****Dated: 22nd October, 2026****FINAL FINDINGS****Case No. AD (SSR) – 02/2026****Subject: Sunset review investigation of anti-dumping duties imposed on imports of “Axle for Trailers” originating in or exported from China PR.****A. BACKGROUND OF THE CASE**

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 “Anti-Dumping Rules” or the “Rules”);

1. Whereas, the original anti-dumping investigation concerning imports of “Axle for Trailers” (hereinafter also referred to as the “product under consideration”, the “PUC” or the “subject goods”) originating in or exported from China PR (hereinafter also referred to as the “subject country”) was initiated by the Designated Authority (hereinafter also referred to as the “Authority”) vide Notification No. 14/17/2015-DGAD dated 28th December 2015. The Authority recommended imposition of anti-dumping duty vide final findings dated 30th September 2016, and the duty was imposed by the Central Government vide Notification No. 54/2016-Customs (ADD) dated 29th November 2016.
2. And whereas, an anti-circumvention investigation was initiated vide Notification No. 4/11/2020-DGTR dated 15th September 2020. By final findings dated 14th September 2021, the Authority recommended extension of the existing duty to imports of “Axle for Trailers in Completely Knocked Down/Semi Knocked Down condition”, and the duty was so extended vide Notification No. 69/2021-Customs (ADD) dated 13th December 2021, co-terminus with the duty on the product under consideration.
3. And whereas, the first sunset review was initiated vide Notification No. 7/7/2021-DGTR dated 19th April 2021. The Authority recommended continuation of the duty vide final findings dated 27th October 2021, and the Central Government continued the duty for a further period of five years vide Notification No. 04/2022-Customs (ADD) dated 24th January 2022. The duty is in force up to 23rd January 2027.
4. The duty presently in force is US\$ 0.16 per kg on the subject goods produced by Guangdong Fuwa Heavy Industries Co., Ltd. and US\$ 0.31 per kg on the subject goods of any other producer. It applies to “Axle for Trailers” falling under tariff item 8716 90 10, including Axle

for Trailers in Semi Knocked Down/Completely Knocked Down condition, that is, in an unassembled, unfinished or incomplete form.

5. And whereas, M/s York Transport Equipment (India) Pvt. Ltd. (hereinafter also referred to as the “applicant” or the “domestic industry”) filed a duly substantiated application before the Authority in accordance with Section 9A(5) of the Act read with Rule 23(1B) of the Rules, alleging that expiry of the duty is likely to lead to continuation or recurrence of dumping and injury, and requesting a second sunset review and continuation of the duty.
6. And whereas, having satisfied itself on the basis of the prima facie evidence submitted by the applicant, the Authority initiated the present sunset review vide Notification No. 7/5/2026-DGTR dated 20th March 2026 (Case No. AD (SSR)-02/2026), published in the Gazette of India, Extraordinary, to review the need for continued imposition of the duty and to examine whether its expiry is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
7. The scope of the present review covers all aspects of the final findings dated 27th October 2021. In terms of Rule 23(3), the provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 apply mutatis mutandis to this review.

B. PROCEDURE

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

8.1 Initiation

- i. In accordance with Rule 6, upon examination of the application and finding prima facie evidence of dumping, injury, likelihood and causal link, the Authority issued an initiation notification dated 20th March, 2026, published in the Gazette of India Extraordinary, initiating the sunset review anti-dumping investigation concerning the imports of the product under consideration from the subject country.
- ii. In accordance with Rule 5(5), prior to initiation of the investigation, the government of the subject country was notified through their embassy in India about the receipt of the present anti-dumping application.
- iii. In accordance with Rule 6(2), the interested parties were informed of the initiation of the investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject country, known importers of the subject goods in India and other interested parties, as per the information made available in the application.

8.2 Period of investigation and injury period

9. The period of investigation (POI) for the purpose of the present review is 1st October 2024 to 30th September 2025 (12 months). The injury period covers the financial years 2022-23, 2023-24, 2024-25 and the period of investigation.

8.3 Import data

10. Request was made to DG Systems to provide the transaction-wise details of imports of the subject goods for the injury period, including the period of investigation. The Authority has

relied upon the DG Systems data for the computation of the volume and value of imports and the required analysis, after due examination of the transactions.

8.4 Circulation of non-confidential version of the application

11. In accordance with Rule 6(3), a copy of the non-confidential version of the application was provided to the government of the subject country through their embassy in India, known producers/exporters of the subject goods and to other interested parties who requested in writing a copy of the application. The non-confidential version was also made available to the other interested parties through the SETU portal.

8.5 Participation by producers and exporters of the subject country

12. The Authority sent the exporter's questionnaire to the following known producers/exporters in accordance with Rule 6(4) of the Rules:

Guangdong Fuwa Heavy Industries Co. Ltd.
Guangzhou Huajing Machine Manufacture Co. Ltd.
Global Win Vehicle Co. Ltd.
Shijiazhuang Aotong Machinery Manufacturing Co. Ltd.
Guangzhou TND Axle Co. Ltd.

13. In response, only Guangdong Fuwa Heavy Industries Co., Ltd. (hereinafter also referred to as "Guangdong Fuwa" or "Fuwa") has filed an exporter's questionnaire response. No other producer or exporter from the subject country has filed a questionnaire response or made any submission. No producer or exporter has filed a claim for market economy treatment.

8.6 Participation by importers and users

14. The Authority sent the importer's and user's questionnaires to the following known importers and users of the subject goods in India in accordance with Rule 6(4) of the Rules:

Heavy Duty Trailer Parts Loyal
HJ-Axle India Manufacturing Private Limited
Integrity Engineering Works Private Limited
Jamna Auto Industries Ltd.
ADR Axles India Pvt. Ltd.
Roadon Axles India Private Limited
H.D. Trailers Pvt. Ltd.
Tigerish Automotive Private Limited
Tata International DLT Pvt. Ltd.
Black Diamond Motors / Black Diamond Motors Private Limited
Indian Auto Wheels
Satrac Engineering

Tata International Vehicle Applications Pvt. Ltd.
Vandana Trailors
Seamless Autotech Pvt. Ltd.
Kamal Coach Works Pvt. Ltd.
Tratec Engineers Pvt. Ltd.

15. In response, only H.D. Trailers Private Limited (hereinafter also referred to as “HDTPL”) has filed an importer’s questionnaire response. No user of the subject goods, or association of users, has filed a questionnaire response or made any submission.

8.7 Registered interested parties

16. A list of the interested parties that registered themselves within the prescribed timeline was issued on 25th May 2026 and placed on the website of the Directorate. The registered interested parties are York Transport Equipment (India) Pvt. Ltd., the Embassy of China PR, H.D. Trailers Private Limited and Guangdong Fuwa Heavy Industries Co., Ltd. All registered interested parties were directed to circulate the non-confidential version of their submissions to all other interested parties.

8.8 Extension of time

17. On requests received from interested parties, the Authority, vide notice dated 28th April 2026, extended the time for filing questionnaire responses up to 14th May 2026.

8.9 Economic interest questionnaire

18. The Authority issued an Economic Interest Questionnaire to the Embassy of the subject country, all known producers/exporters, importers/users, the domestic industry as well as other known producers in India, in order to allow all stakeholders to provide relevant information concerning the present investigation, including the possible effect of continuation of the anti-dumping duty on their operations. Further, vide e-mail dated 24th March 2026, the Authority addressed the Secretary, Ministry of Road Transport & Highways (Transport Divisions), being the concerned line Ministry, and requested the Ministry to furnish its response to the Economic Interest Questionnaire, to the extent relevant, within 37 days from receipt of the communication. The purpose of seeking the response of the concerned line Ministry was to obtain its sectoral assessment of the likely impact of continuation of the anti-dumping duty on downstream industries and other stakeholders connected with the product under consideration. Such inputs were intended to assist the Authority in carrying out a balanced examination of the economic interest implications of continuation of the measure. No response to the Economic Interest Questionnaire has been received from the said Ministry till date. Information in this regard has been furnished by the domestic industry in its application and submissions, and by HDTPL in its importer’s questionnaire response. No user has furnished any information.

8.10 Oral hearing

19. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a hearing held through video conferencing on 24th September 2026. The parties which presented their views at the hearing were requested to

file written submissions of the views expressed orally, followed by rejoinder submissions. Written and rejoinder submissions have been filed by the domestic industry, Guangdong Fuwa (producer/exporter) and HDTPL (importer).

8.11 Further procedure

20. The applicant did not propose any product control number (PCN) methodology, none having been adopted in the original investigation or the first sunset review. The interested parties were invited to offer comments on the scope of the PUC and the PCN methodology within 15 days of initiation. No comments were received within that period. The contentions on product scope raised later by HDTPL in its submissions have nevertheless been examined in these final findings.
21. The non-injurious price (“NIP”) based on the optimum cost of production and cost to make and sell the subject goods in India, having regard to the information furnished by the domestic industry and having regard to Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
22. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present review, have been appropriately considered by the Authority in these final findings.
23. Information provided by the interested parties on confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide a sufficient non-confidential version of the information filed on confidential basis.
24. Wherever an interested party has refused access to, or has otherwise not provided, necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such party as non-cooperative and has recorded its views/observations on the basis of the facts available in accordance with Rule 6(8) of the Rules.
25. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of these final findings, to the extent possible, and verified the data/documents submitted by the interested parties to the extent considered relevant, practicable and necessary.
26. In accordance with Rule 16 read with Rule 23 of the Anti-Dumping Rules, the Authority issued the Disclosure Statement dated 14 October 2026.
27. ‘***’ in these final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
28. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 86.76, being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the period of investigation. The same rate has been applied throughout these final findings.

Source: <https://foservices.icegate.gov.in/#/services/viewExchangeRate>

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

29. The product under consideration in the present sunset review investigation, as defined in the initiation notification dated 20th March 2026 is as follows:

“The Product under Consideration in the present investigation is “Axle for Trailers”. The subject goods are manufactured and sold in different variants. However, the basic product characteristics and end use of all these variants remains the same and all such types of Trailer Axles have been covered in the scope of the PUC. All such variants essentially constitute a homogenous product under consideration with comparable basic characteristics and similar functions/uses.”

The Authority also notes that the product under consideration is a vehicle part and accessory, falling under Chapter 87 of the Customs Tariff Act, 1975 and further classified under custom sub-heading no. 87169010. However, since the subheading is not a dedicated classification, the customs classification is indicative only and not binding on the product scope determined for this investigation.

With regard to objection on the scope and description of the product under consideration the Authority notes that the initiation notification defined the PUC unambiguously as ‘Axle for Trailers’ and Axles for vehicles other than trailers are excluded from the scope of PUC and all other submission made by the applicant and other interested parties have also been examined.”

C.1 Views of the other interested parties

30. The following submissions have been made by the other interested parties with regard to the scope of the product under consideration and like article:
- Clarity of the product scope:** The initiation notification covers all types of trailer axles, which would include drive (live) axles, whereas the application confines the PUC to dead (dummy) axles. The notification is unclear and exceeds the scope of the PUC.
 - Seamless axles:** Axles with a seamless (single) tube are distinct from axles with a welded tube in manufacturing process, raw material, strength, load-bearing capacity and durability. Seamless axles are not manufactured in India and are imported by HDTPL on the specific demand of trailer manufacturers.
 - CKD/SKD imports:** HDTPL has imported either the PUC or only the tube (beam), and its manufacture in India involves value addition of more than 70%. The findings on CKD/SKD imports do not apply to it.
 - Guangdong Fuwa has made no submission on the product scope.

C.2 Views of the domestic industry

31. The domestic industry has submitted as follows with regard to the scope of the product under consideration and like article:
- Clarity of the product scope:** The PUC is “Axle for Trailers”, a non-driven (dead) axle used in semi-trailers and other heavy-duty trailers. The scope is the same as in the original

investigation, the anti-circumvention investigation and the first sunset review, and there is no new fact warranting any change.

- b. **Seamless axles:** HDTPL's own questionnaire response describes the goods it imports as non-driven axles for trailers under the same tariff item. Whether the beam is seamless or welded is a difference of manufacturing route; the essential characteristics, functions and end use are the same. A sunset review is not the forum to reopen a settled scope, and an exclusion would open a fresh route to avoid the duty.
- c. **Like article:** The goods produced by the domestic industry and those imported from the subject country are technically and commercially substitutable and are like articles. The domestic industry produces all sizes of the subject goods.
- d. **Classification:** The subject goods are classified under tariff item 8716 90 10, which is not a dedicated classification and is indicative only.

C.3 Examination by the Authority

32. The product under consideration, as defined in the initiation notification, is as follows:

"The Product under Consideration in the present investigation is "Axle for Trailers". The subject goods are manufactured and sold in different variants. However, the basic product characteristics and end use of all these variants remains the same and all such types of Trailer Axles have been covered in the scope of the PUC. All such variants essentially constitute a homogenous product under consideration with comparable basic characteristics and similar functions/uses."

- 33. The present investigation being a sunset review, the scope of the PUC is the same as the scope of the measure under review, i.e., the scope determined in the original investigation and retained in the first sunset review, including Axle for Trailers in CKD/SKD condition to which the measure was extended pursuant to the anti-circumvention investigation. The Authority has neither enlarged nor curtailed that scope.
- 34. The contention that the initiation notification includes drive axles is incorrect. The product under consideration is axles used in trailers, which are pulled by trucks or prime movers and do not have their own driving mechanism. Accordingly, trailer axles are non-driven axles and are distinct from drive axles used in trucks and prime movers, which transmit engine power to the wheels. The expression "all such types of Trailer Axles" in the initiation notification refers only to different types of axles used in trailers and does not extend the product scope to drive axles of trucks or prime movers. Therefore, the product covered by the initiation notification is consistent with that described in the application, and there is no inconsistency in the scope of the product under consideration.
- 35. The contention that axles made from a seamless or single-piece beam constitute a different product was examined in the first sunset review and in the anti-circumvention investigation. The Authority had found that trailer axles made out of a single-piece beam and those made out of a welded beam have similar uses and are substitutable, and that a difference in process or technology is not a ground to differentiate the product when the end uses are the same. HDTPL has not brought on record any new fact that would justify a departure from that finding. HDTPL itself describes the imported goods as non-driven axles for trailers, sells the imported axles and the axles manufactured by it in India to the same class of customers, and states that it has been manufacturing single-tube axles in India. No interested party proposed a PCN or an exclusion within the time prescribed, or

has quantified any difference in cost or price between the two variants. The Authority, therefore, does not find any ground to exclude such axles from the scope of the PUC.

36. The Authority notes that the product under consideration includes Axles for Trailers in complete as well as unassembled, unfinished or incomplete form, as specified in the product scope. However, the import of an individual component, such as an axle tube or beam, does not automatically establish whether it falls within the scope of the product under consideration. This depends on the nature of the imported goods and the terms of the applicable customs notification. Accordingly, whether any particular consignment imported by HDTPL attracts anti-dumping duty is a matter for assessment by the Customs authorities and does not require a consignment-specific determination in the present sunset review.
37. The Authority notes from the information on record that there is no significant difference between the subject goods produced by the domestic industry and those imported from the subject country. The two are comparable in terms of technical specifications, functions and end uses, pricing, distribution and marketing, and tariff classification, and are used interchangeably by consumers. The goods produced by the domestic industry are accordingly treated as like article to the subject goods imported from the subject country.
38. The subject goods are classified under Chapter 87 of the First Schedule to the Customs Tariff Act, 1975, under tariff item 8716 90 10. The customs classification is indicative only and is not binding on the scope of the product under consideration.

D. SCOPE OF THE DOMESTIC INDUSTRY AND STANDING

D.1 Views of the other interested parties

39. The following submissions have been made by the other interested parties with regard to the scope of the domestic industry and standing:
 - a. **Foreign ownership:** The applicant is a wholly owned subsidiary of a Singapore company and ultimately of the SAF-Holland group of Germany. It is in effect a foreign player and should be excluded from the domestic industry under Rule 2(b).
 - b. **Relationship with an exporter:** A fellow subsidiary of the applicant in China PR, Qingdao YTE Special Products Co. Ltd., produces the PUC and has been exporting it to India. A director of the applicant is also a member of the executive committee of the parent group. Being related to an exporter, the applicant is ineligible, as held in the Wheel Loaders findings. It should be held ineligible in this review and in the earlier investigations.
 - c. **Imports and trading by the applicant:** The applicant has not disclosed its trade in the PUC with its group companies. Its annual reports show substantial foreign exchange outflow and trading revenue. The details should be called for and, if imports of the PUC from China PR are found, the applicant should be disqualified.
 - d. **Reliability of estimates:** The estimates of Indian production and demand rest on unsubstantiated assumptions and ignore certain producers, the replacement market and exports. HDTPL is itself a manufacturer of trailer axles.
 - e. **Dominant position:** The applicant holds a dominant share of domestic production, and there is an apprehension of abuse of that position.

D.2 Views of the domestic industry

40. The following submissions have been made by the domestic industry with regard to the scope of the domestic industry and standing:
- Foreign ownership:** Foreign ownership or membership of an international group does not, by itself, exclude a producer from the domestic industry. Rule 2(b) defines the domestic industry by reference to domestic production, and exclusion is discretionary.
 - Relationship with an exporter:** Under the Explanation to Rule 2(b), producers are deemed to be related only where there is control and the relationship causes the producer to behave differently from non-related producers. HDTPL has not shown that the applicant imported the PUC from the alleged related entity or any transaction affected by the relationship.
 - Imports and trading by the applicant:** The applicant has not imported the subject goods from the subject country and is not related to any exporter or importer of the subject goods. A certificate to this effect has been filed.
 - Standing:** There are six known producers of the subject goods in India. The applicant accounts for a major proportion of Indian production, and Kross Limited has supported the application. The applicant was the domestic industry in all the earlier investigations.
 - Dominant position:** Dominance is a concept of competition law. The Rules do not disqualify a producer because it holds a substantial share of domestic production.

D.3 Examination by the Authority

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

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

42. The application has been filed by York Transport Equipment (India) Pvt. Ltd. As per the information on record, there are five other producers of the like article in India, namely Kross Limited, Hendrickson India, Ramkrishna Forgings Limited, BPW Trailer Systems India Private Limited and ADR Axles India Pvt. Ltd. The applicant accounts for ***% of the Indian production of the like article during the period of investigation, and for ***% together with Kross Limited, which has supported the application. The production of Ramkrishna Forgings Limited has been taken into account in this assessment.
43. As regards the relationship alleged, it is not in dispute that the applicant forms part of an international group. The Rules, however, define the domestic industry by reference to the manufacture of the like article in India and not the ownership of the producer. The exclusion under Rule 2(b) is attracted where the producer is related to an exporter or importer of the alleged dumped article, in the manner specified in the Explanation to that Rule, or is itself an importer thereof.
44. The Authority has examined the transaction-wise DG Systems data for the injury period and the period thereafter. It is noted that the applicant has not imported the product under consideration from the subject country. There is also no import of the product under consideration into India from Qingdao YTE Special Products Co. Ltd. or from any other entity related to the applicant, and HDTPL has not placed on record any evidence of such exports. The imports made by the applicant under tariff item 8716 90 10 are of inputs and components consumed in its own manufacture of

trailer axles, which are not the product under consideration. The foreign exchange outflow and trading revenue cited by HDTPL relate to the overall business operations of the company as a whole. Accordingly, the allegations regarding foreign exchange outflow and trading activities do not provide any basis for excluding the applicant from the domestic industry under Rule 2(b) of the Rules.

45. In the Wheel Loaders case relied upon by HDTPL, the Indian entities concerned were related to producers that were exporting the product under consideration to India. That is not the position here. The plea that the applicant be held ineligible in the earlier investigations is beyond the scope of the present review.
46. The Authority notes that a producer's share in total domestic production is relevant for determining its standing under the Rules and is not a ground for its exclusion. The issue of market dominance raised by HDTPL is outside the scope of the Anti-Dumping Rules. Further, the Authority has determined demand on the basis of domestic sales by the domestic industry and other Indian producers, together with imports as per DG Systems data. HDTPL has not furnished any alternative data.
47. In view of the above, the Authority notes that the applicant constitutes domestic industry within the meaning of Rule 2(b) of the Rules, and that the application has been made by or on behalf of the domestic industry as required under Rule 23(1B).

E. CONFIDENTIALITY

E.1 Views of the other interested parties

48. No submission has been made by the other interested parties with regard to confidentiality.

E.2 Views of the domestic industry

49. No submission has been made by the domestic industry with regard to confidentiality.

E.3 Examination by the Authority

50. The Authority notes that neither the domestic industry nor any other interested party has raised any issue regarding confidentiality. Nevertheless, the Authority has examined the confidentiality claims made by the parties in accordance with Rule 7 of the Anti-Dumping Rules and has accepted such claims wherever justified. Non-confidential versions of the information submitted by the parties have been made available to the other interested parties in accordance with the Rules. Accordingly, no further examination is warranted on this issue.

F. MISCELLANEOUS ISSUES

F.1 Views of the other interested parties

51. The following miscellaneous submissions have been made by the other interested parties:
 - a. **Sufficiency of evidence and termination of the investigation:** The application does not contain sufficient evidence of dumping, injury and causal link as required under Rule 5(3), and rests on assumptions and historical findings. The burden lies on the domestic industry to

establish likelihood through positive evidence. The investigation should be terminated under Rule 14(b).

- b. **Period of investigation:** The period of investigation does not coincide with the financial year and has been selected to project an increase in imports, whereas imports declined in 2024-25. It amounts to an improper comparison of periods.
- c. **Source of import data:** The application relies on import data from a private source, which is not reliable. The Authority should call for and rely on official import data in terms of its Manual of Operating Practices.
- d. **Post-POI data:** A sunset review is forward-looking, and the Manual recognises post-POI information. Trade flows, freight rates and exchange rates have changed after the period of investigation. The Authority should call for and examine post-POI information.
- e. **Anti-circumvention history and writ proceedings:** The earlier anti-circumvention proceedings cannot be attributed to Guangdong Fuwa. HDTPL states that the charges framed against it by the customs authorities were dropped by an Order-in-Original dated 27th June 2018, and that its writ petition was withdrawn thereafter as nothing survived in it.
- f. **Estoppel:** The applicant's annual report attributes the slowdown in market growth to weaker industrial activity and the suspension of infrastructure projects. The applicant is estopped from attributing any reduction in its income or profit to imports.
- g. **Abuse of the mechanism, costs and recovery of duty:** The applicant has derived financial gain from the duty. If it is found ineligible to constitute domestic industry, the earlier measures are void ab initio, and the duty paid by HDTPL should be recovered from the applicant with exemplary costs. The matter should be referred to the competition authorities.
- h. **Exemption for HDTPL:** HDTPL, as the authorised distributor of Shandong Darong Machinery Co., Ltd. and Shijiazhuang Aotong Machinery Manufacturing Co., Ltd., should be allowed to import the PUC from these producers without payment of anti-dumping duty.

F.2 Views of the domestic industry

52. The following miscellaneous submissions have been made by the domestic industry:

- a. **Sufficiency of evidence and termination of the investigation:** The present proceeding is a sunset review under Section 9A(5) and Rule 23(1B). Rule 23(3) does not apply Rules 5 and 14 to a review. Rule 14 provides for termination of an original investigation and cannot be imported into a review, and the initiation test is not to be re-applied at this stage. Reliance is placed on *Indian Metal and Ferro Alloys Ltd. v. Designated Authority* [2007 (214) E.L.T. 3 (Del.)].
- b. **Period of investigation:** The period of investigation is a complete period of twelve months, which is the normal period under the Rules, and need not coincide with the financial year. HDTPL compares it with 2024-25, with which it overlaps by six months.
- c. **Source of import data:** Transaction-wise official data was not made available to the applicant despite a request. The applicant relied on the best information available to it, which the practice of the Authority permits. The Authority obtains official data for its determination.
- d. **Post-POI data:** Post-POI information may be considered where material, but the Manual does not make it a precondition to a determination. The record already contains current information.
- e. **Anti-circumvention history and writ proceedings:** The withdrawal of the writ petition is not relied upon as a finding on merits. The material fact is the anti-circumvention investigation and

the final findings dated 14th September 2021, which show the commercial incentive to retain access to the Indian market despite the duty.

- f. **Estoppel:** A statement in an annual report on general market conditions is not an admission regarding dumping, and estoppel cannot prevent a statutory examination. The existence of other factors only calls for a non-attribution analysis.

F.3 Examination by the Authority

Sufficiency of evidence and termination of the investigation

53. The present investigation is a sunset review under Section 9A(5) of the Act and Rule 23(1B) of the Rules, initiated on a duly substantiated request made by the domestic industry. Rule 23(3) makes Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 applicable mutatis mutandis to a review. Rule 5, which governs the initiation of an original investigation, and Rule 14, which provides for its termination, are not among the provisions so applied. The prayer for termination under Rule 14(b) is therefore misconceived. The determination in the review will rest on the evidence gathered in the course of the investigation, which is disclosed in these final findings.

Period of investigation

54. The period of investigation is a continuous period of twelve months and was less than six months old on the date of initiation. There is no requirement that it coincide with a financial year, and it is the consistent practice of the Authority to examine trends over three preceding financial years and the period of investigation. The partial overlap between 2024-25 and the period of investigation is inherent in that practice and has been kept in view.

Source of import data

55. The applicant disclosed in its application that it had relied on a secondary source and filed a copy of its request for official data. The Authority has not relied on that data. It has called for transaction-wise data from DG Systems and has relied upon the same for its analysis. The official data shows a higher volume of imports in each period than that reported in the application.

Post-POI data

56. The Authority agrees that post-POI developments may be relevant in a sunset review, and has examined the DG Systems data for the period after the period of investigation. Imports of the subject goods from the subject country have continued after the period of investigation at comparable volumes and prices. Guangdong Fuwa has referred in general terms to changes in freight rates, exchange rates and trade flows, but has not placed on record any post-POI information on its own capacity, production, export volumes or prices, nor any evidence of how the developments referred to have altered the likelihood of dumping or injury.

Anti-circumvention history and writ proceedings

57. The Authority notes the chronology of the customs proceedings as stated by HDTPL, and that the domestic industry does not rely on the withdrawal of the writ petition as a finding on merits. Those proceedings are not the basis of any fact disclosed in these final findings. The final findings in the anti-circumvention investigation and the consequent extension of the duty stand on their own record and are not the subject of this review. The Authority does not attribute those findings individually to Guangdong Fuwa. The likelihood of continuation or recurrence of dumping and injury has been examined on the present record in these final findings.

Estoppel

58. The statement in the applicant's annual report concerns the general slowdown in market growth. It is not an admission regarding dumping or its effects, and no question of estoppel arises against a statutory examination that the Authority is required to carry out on the evidence before it. The movement in demand has been taken into account in the non-attribution analysis.

Abuse of the mechanism, costs and recovery of duty

59. The Authority's functions under the Act and the Rules are to investigate and to make its recommendation to the Central Government. The Rules do not confer on the Authority any power to award costs or compensation, to direct recovery or refund of duty paid under notifications of the Central Government, or to declare earlier notifications void. The findings in the earlier investigations have attained finality and are not open to re-examination in this review. In any case, these prayers are premised on the applicant being ineligible to constitute domestic industry, which, as noted above, is not the position.

Exemption for HDTPL

60. Anti-dumping duty is determined with reference to the producer and exporter of the goods and not the importer. An individual rate is determined for a producer or exporter that participates in the investigation and furnishes complete and verifiable information. Neither of the producers named by HDTPL has filed a questionnaire response in the present review. The Rules do not contemplate an importer-specific exemption, and the request cannot be acceded to.

G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN**G.1 Views of the other interested parties**

61. The other interested parties have submitted as follows with regard to the determination of normal value, export price and dumping margin:
- Non-market economy treatment:** Section 15(a)(ii) of China's Protocol of Accession to the WTO has expired, and India no longer has a legal basis to compute normal value by a non-market economy methodology.
 - Dumping margin:** The dumping margin alleged by the domestic industry is only a claim. Margins of earlier proceedings relate to those periods. The dumping margin should be determined on verified, exporter-specific information.
 - Transactions of HDTPL:** There is no dumping during the period of investigation. On a comparison of domestic sales invoices of one of HDTPL's suppliers with the export invoices of another, the dumping margin is negative. There is also no dumping as imports have not increased.

G.2 Views of the domestic industry

62. The domestic industry has submitted as follows with regard to the determination of normal value, export price and dumping margin:
- Non-market economy treatment:** China PR should be treated as a non-market economy. The expiry of Section 15(a)(ii) did not confer market economy status, and no Chinese producer has shown that market economy conditions prevail. Normal value should be determined under paragraph 7 of Annexure I.

- b. **Basis of normal value:** South Africa is an appropriate market economy third country, on the basis of the landed price of the applicant's exports to that country. Alternatively, normal value should be constructed on the cost of production in India with reasonable profit.
- c. **Dumping margin:** The dumping margin is positive and significant, and has remained so in the original investigation, the first sunset review and the present review.
- d. **Transactions of HDTPL:** HDTPL compares invoices of two different producers and of different periods, the normal value invoices being of a period after the period of investigation. The selected transactions of one importer cannot establish the absence of dumping from the subject country.

G.3 Examination by the Authority

G.3.1 Determination of normal value

63. Article 15 of China's Accession Protocol to the WTO provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

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

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

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

...

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

64. It is noted that while the provision contained in Article 15(a)(ii) has expired, Article 15(a)(i), read with paragraph 8 of Annexure I to the Rules, requires the producers under investigation to show that market economy conditions prevail in the industry producing the like product. Guangdong Fuwa has neither claimed market economy treatment nor furnished the information required to rebut the presumption under paragraph 8(2) of Annexure I. No other producer has responded. The

normal value is accordingly required to be determined in terms of paragraph 7 of Annexure I, which reads as under:

“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, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable 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. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

65. The domestic industry has proposed South Africa as an appropriate market-economy third country, stating that it exported substantial quantities of the subject goods to that market during the POI and that the landed prices of such exports could represent prevailing prices in South Africa. However, as noted at initiation, the applicant has not substantiated either the suitability of South Africa as the appropriate third country or the use of its own landed export prices as representative prices in that market. No reliable supporting evidence of domestic prices or constructed value of the like article in South Africa has been furnished.
66. The Authority has examined the alternatives prescribed under paragraph 7 of Annexure I in sequence. First, the price or constructed value in an appropriate market-economy third country could not be adopted, as the selection of South Africa and the proposed price basis were not substantiated. Second, reliable information on the price of the like article exported from an appropriate market-economy third country to other countries, including India, is not available. Accordingly, neither of the first two alternatives could be applied. The Authority has therefore adopted the remaining reasonable basis under paragraph 7 and determined normal value on the basis of the price payable in India, constructed from the cost of production of the like article in India, with appropriate adjustments for selling, general and administrative expenses and a reasonable profit.
67. HDTPL's proposed calculation cannot be accepted, as it compares post-POI domestic sales invoices of a non-participating producer, which has not claimed market-economy treatment, with export invoices of a different producer. Further, the absence of an increase in import volumes does not establish the absence of dumping, which is determined by comparing normal value and export price.

G.3.2 Determination of export price

Export price for Guangdong Fuwa Heavy Industries Co., Ltd.

68. Guangdong Fuwa is a producer of the subject goods. During the period of investigation, it has exported *** pieces of the product under consideration to India, directly to three unrelated customers.

Guangdong Fuwa → Unrelated customers in India

69. The exports reported by the producer have been corroborated with DG Systems data. The export price has been determined on the basis of the price charged to the unrelated customers in India. The net export price so determined is mentioned in the table below.

Export price for non-cooperating producers and exporters

70. For all other producers and exporters from the subject country, who have not cooperated with the Authority, the export price has been determined on the basis of the facts available in terms of Rule 6(8), having regard to the price of imports of the subject goods of producers other than the cooperating producer as per DG Systems data. The net export price so determined is mentioned in the table below.

G.3.3 Dumping margin

71. Considering the normal value and the export price determined as above, the dumping margin determined for the producers and exporters from the subject country is as follows:

Dumping Margin Table						
SN	Name of Producer	Normal Value (US\$/MT)	Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin (%)	Dumping Margin (Range)
1	Guangdong Fuwa Heavy Industries Co., Ltd.	***	***	***	***	15-25
2	Any other producer	***	***	***	***	40-50

72. It is noted that the dumping margin is positive and above the de minimis level, notwithstanding the anti-dumping duty in force. The subject goods have thus continued to be exported to India at dumped prices during the period of investigation.

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1 Views of the other interested parties

73. The following submissions have been made by the other interested parties with regard to injury and causal link:
- Nature of the examination:** The burden lies on the domestic industry to establish, through positive evidence, that expiry of the duty is likely to lead to continuation or recurrence of dumping and injury. The claims of injury are speculative.
 - Volume effect:** Imports from China PR have increased only marginally over the injury period, while demand and the sales of the domestic industry and of the other domestic producers have increased at a much higher rate. Imports have fluctuated and have declined over the longer term. There is no volume effect.
 - Price effect:** The landed price of imports has remained stable and the net sales realisation of the domestic industry has increased. Price undercutting without any adverse movement in sales realisation does not establish injury. On HDTPL's transactions, the landed value is above the non-injurious price.
 - Economic parameters:** Production, capacity utilisation, domestic and export sales, profits, cash profits, employment, wages and return on capital employed of the domestic industry have

all improved over the injury period, and inventories have declined. The decline in productivity per employee is explained by the increase in the workforce.

- e. **Financial performance of the applicant as a company:** The total income and profit after tax of the applicant have grown substantially, it holds large cash balances, and it has expanded its capacity. Such performance is inconsistent with injury. Reliance is placed on the sunset review findings in Soda Ash from Turkey and Russia.
- f. **Causal link and other factors:** No causal link is established. The increase in interest and depreciation costs is independent of imports and must be examined separately. Other factors such as cyclical demand, technology, the quality and cost of component suppliers, operational inefficiency and intense competition from other domestic producers may have contributed to any injury.

H.2 Views of the domestic industry

74. The following submissions have been made by the domestic industry with regard to injury and causal link:

- a. **Nature of the examination:** The present proceeding is a sunset review and not a fresh original investigation. The question is whether dumping and injury are likely to continue or recur if the duty expires. Improvement in performance is what an effective duty is expected to achieve and cannot, by itself, show that the duty is no longer needed.
- b. **Volume effect:** Imports have continued throughout the injury period despite the duty and are above the level of the first sunset review. The Indian producers have sufficient capacity to meet the entire Indian demand.
- c. **Price effect:** The imports have undercut the prices of the domestic industry throughout the injury period, and their landed price has remained below the cost of sales and the non-injurious price of the domestic industry.
- d. **Economic parameters:** The interested parties rely selectively on the improvement over the base year. Production, sales, profits, cash profits, employment and productivity declined in the period of investigation as compared with the preceding year, the market share of the domestic industry declined, and substantial capacity remained idle.
- e. **Financial performance of the applicant as a company:** The figures relied upon by HDTPL are company-wide and include products other than the PUC and trading activities. The injury analysis under the Rules concerns the like article.
- f. **Causal link and other factors:** In a sunset review a causal link between likely dumping and likely injury need not be established afresh (US – Anti-Dumping Measures on Oil Country Tubular Goods from Mexico, WT/DS282/AB/R). The other factors named by HDTPL have not been quantified and, at most, call for a non-attribution analysis.

H.3 Examination by the Authority

75. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve an 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 a sunset review, the Authority examines whether the domestic industry has continued to suffer injury with the duty in force and whether injury is likely to continue or recur if

the duty is allowed to expire. The present state of the domestic industry is examined in this part, and the likelihood of continuation or recurrence of dumping and injury in the part that follows.

76. The injury examination is required to be made for the like article. The total income, profit after tax and cash balances cited by HDTPL are those of the applicant company as a whole, which also deals in products other than the PUC. The Authority has relied upon the information of the domestic industry segregated for domestic sales of the PUC.

H.3.1 Volume effect of the subject imports

Assessment of demand (apparent consumption)

77. The Authority has defined demand or apparent consumption of the product in India as the sum of the domestic sales of the Indian producers and imports from all sources. The demand so assessed is given in the table below.

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Imports from subject country	MT	1,279	2,289	1,418	1,352
2	Imports from other countries	MT	-	-	-	-
3	Total imports	MT	1,279	2,289	1,418	1,352
4	Sales of the domestic industry	MT	***	***	***	***
	Trend	Indexed	100	150	128	122
5	Sales of other domestic producers	MT	***	***	***	***
	Trend	Indexed	100	128	146	142
6	Total demand	MT	***	***	***	***
	Trend	Indexed	100	144	133	128

78. It is seen that demand for the subject goods increased in 2023-24 and declined thereafter, but remained higher in the period of investigation than in the base year.

Imports in absolute and relative terms

79. With regard to the volume of imports, the Authority is required to consider whether there has been a significant increase in imports, either in absolute terms or relative to production or consumption in India. The volume of imports over the injury period was as follows:

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Subject imports	MT	1,279	2,289	1,418	1,352
2	Other imports	MT	-	-	-	-
3	Total imports	MT	1,279	2,289	1,418	1,352
4	Subject imports in relation to:					
a	Indian demand	%	***	***	***	***
	Trend	Indexed	100	124	83	83
b	Production of the domestic industry	%	***	***	***	***
	Trend	Indexed	100	112	87	87
c	Total imports	%	100	100	100	100

80. The Authority notes that imports of the subject goods have continued throughout the injury period with the duty in force. The imports increased in 2023-24 and declined thereafter, and in the period of investigation, subject imports were marginally higher than in the base year in absolute terms and lower in relation to demand and production. The subject country is the only source of imports of the subject goods into India.

H.3.2 Price effect of the subject imports

81. With regard to the effect of the imports on prices, it is required to be analysed whether there has been significant price undercutting by the imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices or to prevent price increases which otherwise would have occurred.

Price undercutting

82. For the purpose of the price undercutting analysis, the net sales realisation of the domestic industry has been compared with the landed value of the imports from the subject country, without anti-dumping duty:

SN	Particulars	Unit	POI
1	Net sales realisation	₹/MT	***
2	Landed value	₹/MT	1,45,115
3	Price undercutting	₹/MT	***
4	Price undercutting	%	***
5	Price undercutting	Range	5-15

83. It is noted that the subject imports are undercutting the prices of the domestic industry when the landed value is reckoned without the anti-dumping duty. With the duty in force, the landed value of the subject imports is, on average, just above the selling price of the domestic industry.

Price suppression and depression

84. In order to determine whether the imports are depressing domestic prices or preventing price increases which otherwise would have occurred, the Authority has examined the changes in the cost of sales and the selling price of the domestic industry over the injury period.

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Cost of sales	₹/kg	***	***	***	***
	Trend	Indexed	100	102	99	101
2	Selling price	₹/kg	***	***	***	***
	Trend	Indexed	100	99	100	101
3	Landed price	₹/kg	142.67	142.36	149.21	145.11
	Trend	Indexed	100	100	105	102

85. The cost of sales and the selling price of the domestic industry have both remained broadly stable over the injury period, and the selling price has remained above the cost of sales throughout. With the duty in force, the prices of the domestic industry have not been suppressed or depressed. It is, however, also seen that the landed price of the imports, without the duty, was below the cost of sales of the domestic industry in the period of investigation.

H.3.3 Economic parameters of the domestic industry

86. Annexure II to the Rules requires that the determination of injury shall involve an objective examination of the consequent impact of the imports on domestic producers of the like article, including an evaluation of all relevant economic factors and indices having a bearing on the state

of the industry. The performance of the domestic industry has accordingly been examined over the injury period.

Production, capacity, capacity utilisation and sales

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Capacity	MT	***	***	***	***
	Trend	Indexed	100	100	100	100
2	Production	MT	***	***	***	***
	Trend	Indexed	100	160	127	122
3	Capacity utilisation	%	***	***	***	***
	Trend	Indexed	100	160	127	122
4	Domestic sales	MT	***	***	***	***
	Trend	Indexed	100	150	128	122
5	Export sales	MT	***	***	***	***
	Trend	Indexed	100	288	129	118

87. The capacity of the domestic industry has remained unchanged. Production, capacity utilisation and domestic sales increased in 2023-24, in line with the increase in demand, and declined thereafter, but remained higher in the period of investigation than in the base year. The domestic industry continues to have unutilised capacity.

Market share in demand

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Subject country	%	3.51	4.36	2.93	2.91
	Trend	Indexed	100	124	83	83
2	Other countries	%	-	-	-	-
3	Domestic industry	%	***	***	***	***
	Trend	Indexed	100	104	96	96
4	Other Indian producers	%	***	***	***	***
	Trend	Indexed	100	89	110	111

88. The Indian producers together hold the predominant share of the market. The market share of the domestic industry has declined over the injury period. That share has moved to the other Indian producers and not to the subject imports, whose share in the period of investigation is lower than in the base year.

Inventories

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Opening inventory	MT	***	***	***	***
2	Closing inventory	MT	***	***	***	***
3	Average inventory	MT	***	***	***	***
	Trend	Indexed	100	109	100	95

89. The average inventory of the domestic industry has declined marginally over the injury period.

Employment, wages and productivity

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	No. of employees	Nos.	***	***	***	***
	Trend	Indexed	100	149	143	140
2	Salaries and wages	₹ lakh	***	***	***	***
	Trend	Indexed	100	136	126	134
3	Productivity per day	MT	***	***	***	***
	Trend	Indexed	100	160	127	122
4	Productivity per employee	MT	***	***	***	***
	Trend	Indexed	100	107	89	87

90. Employment and wages have increased over the injury period. Productivity per day has moved with production, while productivity per employee has declined since 2023-24.

Profits, cash profits and return on capital employed

SN	Particulars	Unit	2022-23	2023-24	2024-25	POI
1	Profit before tax	₹/kg	***	***	***	***
	Trend	Indexed	100	55	122	115
2	Profit before interest and tax	₹/kg	***	***	***	***
	Trend	Indexed	100	60	127	120
3	Interest cost	₹/kg	***	***	***	***
	Trend	Indexed	100	231	290	296
4	Depreciation	₹/kg	***	***	***	***
	Trend	Indexed	100	116	130	132
5	Profit before depreciation, interest and tax	₹/kg	***	***	***	***
	Trend	Indexed	100	67	127	122
6	Cash profit	₹/kg	***	***	***	***
	Trend	Indexed	100	62	123	117
7	Return on capital employed	%	***	***	***	***
	Trend	Indexed	100	75	138	161

91. It is noted that the domestic industry has earned profits and cash profits on its domestic sales of the PUC in every year of the injury period. Profitability declined in 2023-24, improved in 2024-25 and moderated in the period of investigation, remaining higher than in the base year. The return on capital employed has improved over the injury period.

Growth

SN	Particulars	Unit	2023-24	2024-25	POI
1	Production	%	60.05	(20.75)	(4.04)
2	Domestic sales	%	49.76	(14.70)	(4.28)
3	Capacity utilisation	%	60.05	(20.75)	(4.04)
4	Market share of domestic industry	%	3.91	(7.41)	(0.49)
5	Selling price	%	(0.77)	1.07	0.85
6	Cost of sales	%	1.86	(2.49)	1.27
7	Return on capital employed	%	(24.75)	83.54	16.22
8	Profit before tax	%	(44.85)	121.27	(5.82)
9	Profit before interest and tax	%	(39.75)	110.64	(5.29)
10	Cash profit	%	(37.61)	97.11	(4.92)
11	Profit before depreciation, interest and tax	%	(33.29)	90.77	(4.51)
12	Average inventory	%	9.48	(8.60)	(5.32)

92. The volume parameters of the domestic industry showed strong growth in 2023-24 and negative growth thereafter. The profitability parameters showed the reverse pattern, with a small decline in the period of investigation, while the return on capital employed continued to grow.

Ability to raise capital investment

93. The domestic industry has earned profits and a positive return on capital employed throughout the injury period. Its ability to raise capital investment has not been impaired during the injury period.

Magnitude of dumping margin

94. The subject goods continue to be exported to India at dumped prices. The dumping margin is positive and significant.

Factors affecting domestic prices

95. The Indian producers together hold the predominant share of the market, and there are six producers of the like article in India. The prices of the domestic industry during the injury period have been determined by its costs and by competition among the domestic producers and with the duty-paid imports.

Overall assessment

96. The interested parties have emphasised the improvement in the parameters of the domestic industry over the base year, and the domestic industry has emphasised the decline in the period of investigation over the preceding year and the idle capacity. The Authority is required to make a holistic assessment of all parameters. On such an assessment, the information on record shows that, with the anti-dumping duty in force, the domestic industry has improved its production, sales and capacity utilisation over the injury period, has remained profitable and has earned a reasonable return on capital employed in the period of investigation. The domestic industry is thus not found to be suffering continued injury with the duty in force.

I. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

97. The Authority has examined whether the movement in the performance of the domestic industry during the injury period is attributable to the subject imports or to other known factors, having regard to the submissions of the interested parties.
- a. **Volume and value of imports from third countries:** There are no imports of the subject goods from countries other than the subject country.
 - b. **Contraction in demand and changes in the pattern of consumption:** Demand increased in 2023-24 and declined thereafter. The moderation in the volumes of the domestic industry after 2023-24 coincides with the decline in demand. No change in the pattern of consumption has been shown.
 - c. **Conditions of competition and trade restrictive practices:** The sales and market share of the other Indian producers have increased over the injury period, while the market share of the domestic industry has declined. Competition among the domestic producers has thus been a factor in the decline in the market share of the domestic industry.
 - d. **Developments in technology:** No evidence has been placed on record that the technology of the domestic industry is obsolete or that its product is not accepted in the market.
 - e. **Export performance:** The information examined relates to the domestic sales of the domestic industry. Its export performance has been segregated.
 - f. **Productivity:** Productivity per employee has declined since 2023-24. It has not prevented the domestic industry from earning profits.
 - g. **Performance of other products:** The information examined is for the PUC alone.
98. It follows that the moderation in the volumes and market share of the domestic industry in the period of investigation is attributable, to some extent, to the decline in demand and to competition from the other domestic producers.
99. The Authority notes that in a sunset review the determination to be made is whether expiry of the duty is likely to lead to continuation or recurrence of dumping and injury. The fact that the domestic industry is not found to be suffering continued injury with the duty in force is a relevant fact, but does not conclude the review. The likelihood of recurrence of injury is examined hereinafter.

J. MAGNITUDE OF INJURY MARGIN

J.1 Views of the other interested parties

100. The following submissions have been made by the other interested parties with regard to the non-injurious price and the injury margin:
101. Return on capital employed: The return of 22% on capital employed allowed in determining the non-injurious price is inflated and is not a reasonable return within the meaning of Annexure III. It originates in a drug price control order of 1987, when interest and tax rates were much higher, and yields a far higher return on net worth. Reliance is placed on *Bridgestone Tyre Manufacturing & Ors. v. Designated Authority* and *Hyosung Corporation v. Designated*

Authority (CESTAT) and on the practice of the European Union. The return actually earned by the domestic industry in a period without dumping should be adopted.

102. Injury margin: On the basis of the invoices of HDTPL's suppliers, the landed value of imports is above the non-injurious price, and the injury margin is negative.

J.2 Views of the domestic industry

103. The following submissions have been made by the domestic industry with regard to the non-injurious price and the injury margin:
104. Return on capital employed: Annexure III provides for a reasonable return on average capital employed, and the Authority has consistently applied a pre-tax return of 22%. Guangdong Fuwa relies on hypothetical capital structures and does not point to any error in the verified cost or capital employed of the domestic industry. The practice of the European Union arises under a different statutory framework.
105. Injury margin: The imports are entering below the non-injurious price, as they did in the original investigation and the first sunset review.

J.3 Examination by the Authority

106. The Authority has determined the non-injurious price for the domestic industry on the basis of the principles laid down in the Rules read with Annexure III, as amended. The non-injurious price has been determined by adopting the verified information relating to the cost of production for the period of investigation. For this purpose, the best utilisation of raw materials, of utilities and of production capacity over the injury period has been considered, and it has been ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on the average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration has been allowed as pre-tax profit, as prescribed in Annexure III and as consistently followed by the Authority.
107. As regards the return on capital employed, Annexure III provides for a reasonable pre-tax return on average capital employed for recovery of interest, corporate tax and profit. The return of 22% is a pre-tax return on capital employed, out of which interest on borrowings and corporate tax are to be met; it is not a return on net worth. It has been uniformly adopted by the Authority. The illustrative computations of Guangdong Fuwa rest on assumed capital structures and rates and do not relate to the capital employed of the domestic industry, and the practice of other jurisdictions under their own legislation does not govern the determination under Annexure III. The Authority further notes that, in the present case, the non-injurious price so determined is lower than the price actually realised by the domestic industry in the period of investigation.
108. The landed value for the cooperating producer has been determined on the basis of its questionnaire response corroborated with DG Systems data. For the non-cooperating producers and exporters, the landed value has been determined on the basis of the facts available. Based on the landed value and the non-injurious price, the injury margin is as under:

Injury Margin Table

SN	Name of Producer	Non-Injurious Price (US\$ /MT)	Landed Value (US\$ /MT)	Injury Margin (US\$ /MT)	Injury Margin (%)	Injury Margin (Range)
1	Guangdong Fuwa Heavy Industries Co., Ltd.	***	***	***	***	0-10
2	Any other producer	***	***	***	***	20-30

K. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

K.1 Views of the other interested parties

109. The following submissions have been made by the other interested parties with regard to the likelihood of continuation or recurrence of dumping and injury:

- a. **Legal standard:** A second sunset review does not justify automatic continuation of the duty. A forward-looking assessment must rest on objective and positive evidence. Findings in earlier proceedings are not conclusive, and anti-dumping duty is not intended to provide indefinite protection.
- b. **Continued dumping and trend of imports:** A dumping margin cannot be treated as conclusive of likely injury. Imports have fluctuated, and their continued presence does not show that expiry of the duty would lead to a significant increase in imports at injurious prices.
- c. **Surplus capacity:** The combined capacity of four Chinese producers cited by the domestic industry does not establish that Guangdong Fuwa has surplus capacity likely to be diverted to India. Guangdong Fuwa operates at a high rate of capacity utilisation. The mere existence of unutilised capacity or inventories does not establish likelihood.
- d. **Exports to third countries:** The existence of exports to third countries does not establish that such volumes would be directed to India or would enter at dumped and injurious prices.
- e. **Condition of the domestic industry:** The actual improvement in the performance of the domestic industry must be given due weight. The domestic industry cannot rely on the remedial effect of the duty as a substitute for establishing likelihood.

K.2 Views of the domestic industry

110. The following submissions have been made by the domestic industry with regard to the likelihood of continuation or recurrence of dumping and injury:

- a. **Legal standard:** The test under Section 9A(5) of the Act and Rule 23(1B) is prospective and counterfactual. The “likely” standard applies to the overall determination, and the evidence must be assessed cumulatively. Reliance is placed on *Rishiroop Polymers Pvt. Ltd. v. Designated Authority* [(2006) 4 SCC 303], *P.T. Asahimas Chemicals v. Designated Authority* (CESTAT), *US – Corrosion-Resistant Steel Sunset Review* (WT/DS244/AB/R) and *US – Oil Country Tubular Goods Sunset Reviews* (WT/DS268/AB/R).

- b. **Continued dumping and trend of imports:** Dumping has continued despite nearly a decade of duty, with significant margins in every investigation. Chinese exporters retain an established presence in the Indian market.
- c. **Surplus capacity:** Four major Chinese producers, including Guangdong Fuwa, together hold unutilised capacity which is several times the Indian demand. The first sunset review had found the unutilised capacity of Guangdong Fuwa significant in relation to Indian demand.
- d. **Exports to third countries:** The Chinese producers are highly export-oriented. The first sunset review recorded, on Guangdong Fuwa's own data, that it exported much larger volumes to third countries at prices lower than its prices to India.
- e. **Circumvention:** After the duty was imposed, the subject goods were imported in CKD/SKD form, and the Authority found that such imports undermined the remedial effect of the duty. This shows the commercial incentive to retain access to the Indian market.
- f. **Condition of the domestic industry:** The domestic industry has substantial idle capacity and is vulnerable. The imports are below its cost of sales, and on expiry of the duty it would have either to reduce its prices or to lose sales.
- g. **Relevance of the first sunset review:** Findings of an earlier sunset review remain relevant unless it is shown that the circumstances have changed (*Association of Man-Made Fibre Industry of India v. Designated Authority, CESTAT*). No such change has been shown.

K.3 Examination by the Authority

111. Section 9A(5) of the Customs Tariff Act, 1975, read with Rule 23(1B) of the Anti-Dumping Rules, requires a forward-looking assessment of whether expiry of the existing duty is likely to lead to continuation or recurrence of dumping and injury. A sunset review does not require the domestic industry to show that it is presently suffering material injury while the duty is in force. Nor does the fact that duty has been in place for an extended period justify either its automatic continuation or its automatic expiry. The Authority has therefore examined the relevant factors together, rather than treating any one factor as conclusive. For this purpose, the Authority has considered the DG Systems transaction-wise import data, including post-POI information available on record, the verified information of the domestic industry, Guangdong Fuwa's questionnaire response, the submissions of the interested parties and the findings of the previous investigations. The relevant evidence concerning import volumes and prices, available capacity, exports to third countries and the likely effect of expiry on the domestic industry is analysed below.

Volume of imports from the subject country and continued dumping

112. The subject goods continued to enter India at dumped prices during the period of investigation, despite the anti-dumping duty in force. As determined in paragraphs above, the dumping margins are ***% for Guangdong Fuwa Heavy Industries Co., Ltd. and ***% for non-cooperating producers/exporters. This establishes continued dumping during the period of investigation.
113. The volume of imports from China PR was 1,279 MT in 2022-23, increased to 2,289 MT in 2023-24, and thereafter declined to 1,418 MT in 2024-25 and 1,352 MT during the period of investigation. Their share in Indian demand was **%, **%, **% and **%, respectively.

Thus, subject imports have maintained their presence in the Indian market despite the existence of anti-dumping duty.

Post-POI developments

114. The Authority has examined the DG Systems import data for the four-month post-POI period from October 2025 to January 2026. Subject imports from China PR, when annualised, work out to *** MT, marginally higher than the *** MT recorded during the POI. The landed value of the subject imports during the post-POI period remained broadly comparable to the POI landed value of approximately ₹1,45,115 per MT, indicating no material increase in import prices. Thus, imports continued at a comparable annualised rate and at broadly unchanged prices despite the existing anti-dumping duty. While annualisation of four months' imports is indicative and does not represent actual imports for a full year, the sustained import volumes and price levels, read with the dumping established during the POI and the available export capacity of Chinese producers, reinforce the strong likelihood of continued dumping and recurrence of injury if the duty expires.

History of dumping and the earlier reviews

115. The Authority notes that anti-dumping duty was imposed following the original investigation in 2016 and continued after the first sunset review in 2021. It was also extended to axles in CKD/SKD condition following the anti-circumvention findings of 2021, without attributing those findings individually to Guangdong Fuwa. This history reflects the persistent nature of dumped trade and the need for measures to address its effects. More importantly, dumping has continued during the present POI despite the duty, while Chinese producers retain substantial spare capacity, export orientation and access to the Indian market. Read with their comparatively lower third-country export prices and the likely price effects upon expiry, these circumstances provide strong evidence that dumping is likely to continue or intensify and material injury is likely to recur if the existing duty expires.

Unutilised production and surplus capacities of major producers in China PR

116. The domestic industry has furnished the following information regarding the production capacity, actual production and unutilised capacity of four major producers of the subject goods in China PR.

Name of Chinese producer	Installed capacity (pieces)	Production (pieces)	Unutilised capacity (pieces)
Guangdong Fuwa Heavy Industries Co., Ltd.	***	***	***
Shandong Jinsheng Axle Manufacturing Co., Ltd.	***	***	***
Shijiazhuang Aotong Machinery	***	***	***

Manufacturing Co., Ltd.			
Guangzhou TND Axle Co., Ltd.	***	***	***
Total	***	***	***

117. The Authority notes that, as per the domestic industry's estimates, four major Chinese producers have a combined installed capacity of *** axles against production of *** axles, leaving substantial unutilised capacity of *** axles (approximately ***%). Considering an indicative weight of 350 kg per axle, the combined installed capacity and unutilised capacity are equivalent to approximately *** MT and *** MT, respectively, representing *** times and *** times the total Indian demand of approximately *** MT during the POI. Thus, the available surplus capacity alone is significantly higher than the entire Indian demand. Guangdong Fuwa's questionnaire response also confirms substantial spare capacity. The substantial available capacity, coupled with the export-oriented operations of Chinese producers, their established presence in India and the comparatively lower third-country export prices reported by Guangdong Fuwa, indicates both the ability and commercial incentive to increase exports to India. The Authority, therefore, considers that even partial utilisation or diversion of these capacities upon expiry of the existing duty could lead to a significant increase in dumped imports, establishing a strong likelihood of recurrence of material injury to the domestic industry.

Available capacity and export orientation of Chinese producers

118. Guangdong Fuwa, the sole cooperating Chinese producer, has furnished the following information on its installed capacity, production and exports.

SN	Particulars	Unit	2022	2023	2024	POI
1	Installed capacity	Pieces	***	***	***	***
2	Total production	Pieces	***	***	***	***
3	Capacity utilisation	%	***	***	***	***
4	Unutilised capacity	Pieces	***	***	***	***
5	Exports of PUC to India	Pieces	***	***	***	***
6	Exports of PUC to other countries	Pieces	***	***	***	***
7	Price to other countries as % of price to India	%	***	***	***	***

119. It is noted that:

- i. Guangdong Fuwa operated at high-capacity utilisation; however, its unutilised capacity of *** pieces during the POI exceeded the entire Indian demand and was many times its exports to India, showing substantial ability to increase supplies.
- ii. Its exports to third countries remained significantly higher than exports to India and declined considerably over the injury period, indicating scope for diversion of export volumes to India upon expiry of the duty.
- iii. Guangdong Fuwa's export prices to third countries were consistently lower than its prices to India, at **%, **%, **% and **% of the India price during 2022, 2023, 2024 and the POI respectively. This price pattern indicates a strong commercial incentive for lower-priced exports to be redirected to India.
- iv. Guangdong Fuwa is the only cooperating Chinese producer. The domestic industry has also placed unrebutted information regarding substantial capacities of three other Chinese producers, indicating that significant additional supply capability exists in China PR.
- v. The Authority considers that the substantial spare capacity, high export orientation, lower third-country prices and established access to the Indian market, viewed cumulatively, demonstrate a strong likelihood of increased dumped imports upon expiry of the duty, resulting in downward pressure on domestic prices and recurrence of material injury to the domestic industry.

Exports to third countries and attractiveness of the Indian market

120. The information furnished by Guangdong Fuwa demonstrates a consistent and significant price differential between its exports to India and exports to third-country markets. In each of the periods reported, the average export price to third countries was materially lower than the corresponding export price to India. The third-country export prices were approximately **%, **%, **% and **% of the prices realised on exports to India during 2022, 2023, 2024 and the POI respectively. This persistent price differential, read together with Guangdong Fuwa's substantial export volumes and established presence in the Indian market, demonstrates that significant quantities are already being sold in other markets at prices materially below the prices charged to India. In the event of cessation of the existing anti-dumping duty, the additional price constraint presently operating in the Indian market would disappear, making India substantially more attractive for such lower-priced exports. The evidence therefore establishes a strong commercial incentive for diversion or redirection of exports from third-country markets to India upon expiry of the duty.
121. The Authority further notes that Chinese producers have continued to maintain access to the Indian market notwithstanding the anti-dumping duty. This established market access, coupled with substantial available production capacity, high export orientation and materially lower prices prevailing in third-country export markets, demonstrates both the ability and the economic incentive of the subject-country producers to increase exports to India. The significance of the available capacity does not lie merely in its absolute magnitude but in the fact that even a limited diversion of the available exportable surplus would be substantial in relation to Indian demand. Accordingly, the combined evidence relating to capacity, export orientation, third-country pricing and existing trade flows strongly indicates that expiry of the measure is likely to result in increased exports to India at dumped and price-depressive levels.

Likely import prices and price effects on the domestic industry

122. The likely price effect of cessation of the duty has been examined by comparing the price position prevailing with the duty in force with the position that would prevail in its absence. During the POI, the landed value of subject imports, excluding anti-dumping duty, was approximately ₹1,45,115 per MT, as against the domestic industry's net sales realisation of approximately ₹*** per MT and cost of sales of approximately ₹*** per MT. Thus, in the absence of the anti-dumping duty, the subject imports would undercut the domestic selling price by approximately ₹*** per MT and would also enter below the domestic industry's cost of sales. The existing anti-dumping duty is therefore materially insulating the domestic industry from the full price effect of dumped imports. Further, Guangdong Fuwa's exports to third countries have consistently been made at prices lower than its exports to India. If such lower-priced exports are redirected to India following expiry of the duty, the degree of price undercutting and price pressure would increase further. In addition, imports from non-cooperating producers have been found to land below the non-injurious price. The price evidence, therefore, clearly demonstrates that cessation of the duty is likely to expose the domestic industry to significant price undercutting, price suppression and price depression.

Condition of the domestic industry and likelihood of recurrence of injury

123. The Authority notes that the domestic industry has remained profitable and has recorded positive cash profits and returns during the period when the anti-dumping duty has remained in force. However, such improvement cannot be viewed in isolation from the remedial effect of the existing measure. The relevant consideration in a sunset review is whether such performance is likely to be sustained once the measure is withdrawn. In the present case, the domestic industry continues to have significant unutilised capacity and remains vulnerable to lower-priced imports. The landed value of subject imports without anti-dumping duty is not only below the domestic selling price but also below the domestic cost of sales. The difference between the domestic industry's POI selling price and the landed value of imports without duty is also higher than the profit before tax earned by the domestic industry per unit. Consequently, any significant price reduction necessitated by intensified dumped imports would substantially erode, and is likely to eliminate, the profitability presently earned by the domestic industry. Alternatively, if the domestic industry seeks to maintain its prices, it is likely to suffer loss of sales volume and market share, resulting in lower production and capacity utilisation. Thus, the present improvement in the domestic industry's performance reflects the operation of the existing remedial measure and does not diminish its vulnerability to recurrence of injury upon cessation of the duty.

Overall assessment of likelihood of continuation or recurrence of dumping and injury

124. The Authority has examined the likelihood factors cumulatively and notes that dumping has continued despite the existing duty; Chinese producers retain substantial production and unutilised capacities, significant export orientation and established access to the Indian market; Guangdong Fuwa has exported substantial quantities to third countries at prices consistently lower than its prices to India; and, in the absence of duty, the landed value of subject imports would materially undercut the domestic industry's selling price and remain below its cost of sales. These factors, taken together, demonstrate both the ability and incentive of Chinese producers to increase dumped exports to India upon expiry of the duty.

125. The Authority further notes that expiry of the anti-dumping duty would remove the principal trade-remedial constraint affecting the competitiveness of Chinese exports and would make the Indian market significantly more attractive. Even diversion of a part of the available exportable capacity, particularly at the lower price levels observed in third-country markets, would be sufficient to exert substantial volume and price pressure on the domestic industry.
126. Accordingly, the Authority considers that there is a strong likelihood of continuation or intensification of dumping and recurrence of injury if the existing anti-dumping duty is allowed to expire. Increased dumped imports at prices below the domestic industry's selling price and cost of sales are likely to depress domestic prices, erode profitability, reduce sales and market share, and adversely affect production and capacity utilisation. The present improved performance of the domestic industry reflects the remedial effect of the existing measure and does not negate its vulnerability to recurrence of material injury upon cessation of the duty.

L. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

L.1 Views of the other interested parties

127. The other interested parties have made the following submissions with regard to the Indian industry's interest:
- a. **Public interest and impact on users:** Continuation of the duty would not be in the public interest. The subject goods already bear basic customs duty. The duty raises the cost of axles for users and downstream industries and restricts the availability of competitive alternative sources.
 - b. **Duration of protection:** Anti-dumping duty is not meant to provide indefinite protection. The domestic industry has enjoyed the measure for a considerable period and its performance has improved.
 - c. **Availability and competition:** Seamless axles demanded by trailer manufacturers are not produced in India, Indian producers at times fail to meet the requirements of buyers, and the applicant is in a position to dominate the market.

L.2 Views of the domestic industry

128. The domestic industry has made the following submissions with regard to the Indian industry's interest:
- a. **Public interest and impact on users:** The impact of the duty on the price of a trailer is negligible. The duty does not prohibit imports; it only neutralises the unfair price advantage arising from dumping. Basic customs duty is payable irrespective of dumping and serves a different purpose.
 - b. **Duration of protection:** The Act permits continuation of the duty for as long as the statutory test of likelihood is met.
 - c. **Availability and competition:** The Indian producers have sufficient capacity to meet the entire Indian demand, and there is no demand-supply gap.

L.3 Examination by the Authority

129. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practice 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. The imposition or continuation of anti-dumping duty does not restrict imports from the subject country in any way. The subject goods have continued to be imported throughout the life of the duty, and the availability of the product to consumers is not affected.

130. The Authority issued the initiation notification inviting views from all interested parties, including importers, users and consumers, and prescribed a questionnaire for users to provide information on the possible effect of the duty on their operations. No user of the subject goods, and no association of users, has filed a response or opposed the continuation of the duty.
131. The Authority notes HDTPL's submission that continuation of the anti-dumping duty may increase import costs, restrict sourcing options and affect downstream competitiveness. However, HDTPL has not furnished any quantified evidence of the impact of the duty on its cost of production, profitability or downstream product prices; accordingly, the submission remains unsubstantiated in quantitative terms.
132. The domestic industry has furnished an estimate of the impact of the duty on the price of trailers of three configurations. The Authority has re-worked the same at the rates of duty presently in force:

Particulars	Unit	Side wall trailer (3 axles)	Tip trailer (2 axles)	Flat bed trailer (3 axles)
Price of trailer	₹ lakh	55.00	56.25	49.00
Impact of duty at US\$ 0.16 per kg	%	0.27	0.17	0.30
Impact of duty at US\$ 0.31 per kg	%	0.51	0.33	0.58

133. The incidence of the duty on the downstream product is thus insignificant. These estimates have not been disputed by any user, and no interested party has furnished any quantification to the contrary.
134. There are six producers of the like article in India, which together supply the predominant share of Indian demand. The other Indian producers have increased their sales and market share during the injury period, which shows that there is active competition in the domestic market. There is no evidence of any shortage of the subject goods, of any type, during the injury period.
135. As regards basic customs duty, the same is payable on all imports irrespective of whether they are dumped, and has been taken into account in the landed value for the purpose of the price comparison and the injury margin. It does not address dumping.

M. POST-DISCLOSURE COMMENTS

136. The Authority has examined the post-disclosure comments filed by interested parties and the domestic industry. The material submissions and the Authority's findings are recorded below:

M.1 Comments by the other interested parties

i. Domestic industry and standing. HDTPL has claimed that the applicant is connected with Chinese producers through the SAF-HOLLAND group and common management. In support of this claim, it has referred to company reports, ownership records, transactions involving Qingdao YTE Special Products Co. Ltd. and SAF Holland (Yangzhou) Vehicle Parts Co. Ltd., and trade records. HDTPL has requested that the applicant be excluded from the domestic industry under Rule 2(b), that further details of these transactions be disclosed, and that the findings in the Wheel Loaders case be considered.

ii. Bill of lading and trade records. HDTPL has referred to a shipping document from 2019 involving the applicant and Qingdao YTE. It has claimed that this document shows business dealings between the two companies, which were not properly examined in the Disclosure Statement.

iii. Injury and likelihood. HDTPL has submitted that imports from the subject countries have declined and account for only a small share of Indian demand. It has further argued that the domestic industry's production, sales, profits and returns do not show any present material injury. Referring to Rule 5(3), safeguard provisions and the Soda Ash review, HDTPL has argued that anti-dumping duty should not be continued merely because imports may increase in the future.

iv. Price undercutting. HDTPL has questioned the comparison of import prices with domestic prices in the Disclosure Statement. It has referred to selected sales invoices of the applicant and other Indian producers and calculated prices using estimated axle weights. Based on these calculations, HDTPL has claimed that imported goods are not being sold at prices lower than domestic goods (negative price undercutting). It has also requested that the lesser-duty principle be followed, meaning that the duty should not exceed the lower of the dumping margin and injury margin, and that the existing duty should not be increased.

v. Non-cooperating exporters. HDTPL has stated that two Chinese exporters, namely Shijiazhuang Aotong Machinery Manufacturing Co. Ltd. and Shandong Darong Machinery Co. Ltd., did not submit their questionnaire responses. HDTPL has requested separate assessment of these exporters under Rule 22 and provisional assessment of their imports against a guarantee. It has also requested that these exporters be allowed to supply goods at agreed prices that do not cause injury to the domestic industry, through price undertakings under Rule 15.

vi. Injury information and causation. HDTPL has questioned whether the applicant's reported profits relate only to the product under investigation or include profits from its other business activities. It has referred to the applicant's annual reports, increase in production capacity and identical index figures for production and capacity utilisation. HDTPL has also disputed the claim that imports have adversely affected domestic prices. It has requested that changes in demand and competition from other Indian producers also be examined as possible reasons for injury to the domestic industry.

vii. Relief sought. HDTPL has requested the Authority to reconsider its findings, withdraw or reduce the existing anti-dumping duty, disclose further details of related-party transactions, and consider the requests for relief concerning the two Chinese exporters.

M.2 Comments by the domestic industry

i. **Applicable review test.** The domestic industry has submitted that, under Section 9A(5) and Rule 23(1B), the Authority must examine whether dumping and injury are likely to continue or recur if the existing duty is removed. It has argued that improvement in the domestic industry's performance during the period of duty does not mean that the duty should be withdrawn. In support of its argument, it has referred to the Rishiroop Polymers and Indian Metal & Ferro Alloys judgments and relevant WTO reports on sunset reviews.

ii. **Product scope.** The domestic industry has requested that the existing product scope covering non-driven trailer axles, including CKD/SKD forms covered under the anti-circumvention measure, should remain unchanged. It has opposed the exclusion of seamless axles merely because they are manufactured differently. It has also requested that observations regarding individual components should neither restrict the existing product scope nor affect the assessment of particular import consignments by Customs authorities.

iii. **Standing and procedure.** The domestic industry has submitted that being part of a foreign group does not automatically make it ineligible under Rule 2(b). Referring to DG Systems data, it has denied that the applicant imported the product under investigation or that the alleged related Chinese company exported the product to India. It has supported the use of official import data and relevant information after the period of investigation (POI). It has also opposed the requests to terminate or reopen the earlier proceedings.

iv. **Normal value and dumping.** The domestic industry has supported the calculation of normal value under paragraph 7 of Annexure I and the use of the cooperating exporter's verified export price after necessary adjustments. For exporters who did not cooperate, it has supported the use of available information under Rule 6(8). It has also disagreed with HDTPL's price comparisons based on invoices of other producers and different periods. The domestic industry has further relied on the positive dumping margins disclosed by the Authority.

v. **Injury and price effects.** The domestic industry has submitted that, if the anti-dumping duty is removed, imported goods would be sold at prices lower than domestic prices and even below its cost of sales. Referring to the positive injury margins, it has argued that such low-priced imports would reduce its profits or result in loss of sales.

vi. **Likelihood and non-attribution.** The domestic industry has submitted that dumping and injury are likely to continue or recur because imports are continuing, Chinese producers have substantial unused production capacity, exporters depend on overseas markets, and export prices to other countries are low. It has also referred to imports made after the POI. Further, it has requested that changes in demand and competition from other Indian producers should be examined separately while assessing injury.

vii. **Common expense allocation.** The domestic industry has objected to the allocation of certain common factory expenses based on sales value instead of the prime-cost method used by it. It has requested that these expenses be allocated using a consistent and appropriate method, based on the nature of the expenses and supporting records.

viii. **Working capital.** The domestic industry has requested that working-capital calculations should be based on the costs accepted by the Authority. It has also requested that deposits made with government authorities should be included wherever such deposits are necessary for the normal operations of the business.

ix. **Public interest and relief.** The domestic industry has submitted that the existing anti-dumping duty has only a limited impact on trailer prices and does not stop imports. It has requested the Authority to maintain the existing product scope, confirm its eligibility as the domestic industry, and uphold the findings regarding the likelihood of continued or renewed dumping and injury. Accordingly, it has requested continuation of the anti-dumping duty for another five years.

M.3 Examination by the Authority

137. The Authority has examined the comments submitted by the interested parties and the domestic industry after the Disclosure Statement. The issues raised have been considered in light of the verified information and the findings already recorded. The Authority's examination of the main issues is given below.

i. Domestic industry and alleged related-party imports

The Authority notes that common ownership or management does not automatically make a domestic producer ineligible under Rule 2(b). The documents submitted by HDTPL indicate relationships between certain companies but do not establish that the applicant imported the subject goods from China PR or that the alleged related Chinese company exported these goods to India. The bill of lading relates to a shipment from India to China, while the other trade records do not establish imports or exports of the product under consideration. The official import data also does not support HDTPL's claims. Further, the facts of the Wheel Loaders case are different from the present case. Accordingly, the Authority finds no reason to exclude the applicant from the domestic industry under Rule 2(b).

ii. Product scope and standalone components

The Authority notes that the existing product scope covers non-driven axles for trailers, including axles in CKD/SKD, unassembled, unfinished or incomplete form. Seamless and welded axles are covered where their essential characteristics, functions and uses are comparable. However, the import of an individual component, such as a beam or tube, does not automatically mean that it is an axle in CKD/SKD form. Whether anti-dumping duty applies to a particular import shall be decided by Customs based on the nature of the imported goods and the applicable notification. Accordingly, no change in the existing product scope is warranted.

iii. Legal standard applicable to the sunset review

The Authority notes that the present sunset review is governed by Section 9A(5) and Rule 23(1B). Under these provisions, the main issue is whether dumping and injury are likely to continue or recur if the existing duty expires. Therefore, the absence of present injury or an increase in imports is not, by itself, sufficient to justify withdrawal of the duty. The provisions relating to original investigations and safeguards, as referred to by HDTPL, do not change this requirement. The Authority notes that the Soda Ash sunset review was decided on different facts. In that case, dumping margins were negative or insignificant for most subject countries,

the weighted-average injury margins were negative, and sufficient evidence of likely recurrence of injury was not established. In the present case, however, dumping has continued, positive injury margins have been determined, and the available evidence regarding spare capacity, third-country export prices and likely price effects indicates a likelihood of recurrence of injury. Accordingly, the findings in the Soda Ash case do not alter the conclusions reached in the present review.

iv. Import trends, injury data and non-attribution

The Authority has examined the official transaction-wise import data from DG Systems, which shows that imports from China PR continued despite the existing duty. Imports after the period of investigation (POI) have also been considered, but only as an indication of recent trends. Regarding the identical indices for production and capacity utilisation, the Authority notes that these are due to the installed capacity remaining unchanged and do not indicate any error. Further, the injury assessment is based on data relating to the product under investigation. Changes in demand and competition from other Indian producers have also been examined separately to ensure that any injury caused by these factors is not attributed to dumped imports.

v. Price undercutting and selected invoices

The Authority has determined price undercutting by comparing the verified domestic selling price with the landed value of imports, excluding anti-dumping duty, on a comparable basis. The comparison shows positive price undercutting, indicating that imported goods were priced below the domestic selling price. HDTPL's calculation, which indicates negative price undercutting, is based on selected invoices and assumed axle weights and does not provide a comparable weighted-average price assessment for the period of investigation. Accordingly, the Authority finds no sufficient basis to revise the price undercutting determined in the Disclosure Statement.

vi. Profitability and likelihood of recurrence of injury

The Authority notes that the domestic industry has shown positive performance during the period when anti-dumping duty was in force. However, dumping continued during the POI. The available evidence also shows significant unused production capacity in China PR, exports to other countries at lower prices, and an existing market for Chinese exporters in India. These factors indicate that dumped imports are likely to increase if the duty expires. Such imports are likely to put pressure on domestic prices and adversely affect the domestic industry's performance. Accordingly, the Authority finds that expiry of the duty is likely to result in continuation of dumping and recurrence of material injury.

vii. Normal value, export price and cooperation

The Authority has calculated normal value under paragraph 7 of Annexure I, as explained in the earlier findings. The export price of the cooperating producer has been determined using its verified information after making the necessary adjustments. For producers who did not cooperate, the Authority has used the available information under Rule 6(8). The invoices submitted by HDTPL relate to other producers or different periods and do not provide a suitable basis for changing these calculations. Accordingly, the positive dumping margins disclosed earlier are maintained.

viii. Requests under Rules 22 and 15

The Authority notes that the two Chinese exporters named by HDTPL did not submit questionnaire responses in the present review. Merely claiming that an exporter did not export during the POI does not make it eligible for a new shipper review under Rule 22. Further, provisional assessment against a guarantee can be allowed only in a separate review under Rule 22, subject to the prescribed conditions and approval by the Central Government on the recommendation of the Designated Authority.

Further, Rule 15, which deals with price undertakings, is not applicable to the present sunset review under Rule 23(3). In any case, no valid exporter-specific undertaking has been offered or examined. Accordingly, the requests made by HDTPL cannot be accepted in the present review.

ix. Injury margin and continuation of duty

The Authority has determined the non-injurious price and injury margins using the verified information and the method prescribed under Annexure III. These findings have been considered along with the evidence relating to the likelihood of future dumping and injury. In a sunset review, the Authority must examine what is likely to happen if the duty expires, rather than relying only on the injury margin during the period when duty was in force. Based on the evidence available, the Authority finds no sufficient reason to change the existing duty rates applicable to individual producers. Accordingly, continuation of the existing rates is considered appropriate.

x. Allocation of common factory expenses

The Authority has examined the allocation of factory expenses while determining the cost of the product under investigation. Expenses directly related to the product have been considered separately, while common expenses have been allocated on a reasonable basis in accordance with Annexure III. The method of allocation must be appropriate to the nature of the expense and supported by the available records. The domestic industry has not provided sufficient verified information to establish that the method adopted by the Authority resulted in an incorrect cost calculation. Accordingly, no change is considered necessary.

xi. Working capital and statutory deposits

The Authority has calculated working capital for determining the non-injurious price based on the accepted costs and the assets and liabilities relating to the product under investigation. Regarding deposits with government authorities, the Authority notes that such deposits cannot be included merely because they appear in the company's accounts. Their inclusion depends on whether they are necessary for normal business operations and relate to the product under investigation. The domestic industry has not provided sufficient supporting calculations and records to justify their inclusion. Accordingly, the existing calculation is maintained.

xii. Public interest and remaining requests

The Authority has examined the concerns regarding the impact of anti-dumping duty on trailer manufacturers, availability of the product and competition in the Indian market. The evidence shows that other Indian producers also supply the product and does not establish any shortage caused by the existing duty. The estimated impact of the duty on the final price of trailers is limited, and no user has submitted verified calculations showing otherwise. Further, basic customs duty serves a different purpose and cannot replace anti-dumping duty. The existing measure also does not prohibit imports. The Authority therefore finds no sufficient reason to

change its findings or accept the remaining requests, as they relate to earlier proceedings or matters outside the scope of the present review.

N. CONCLUSION

138. Having considered the investigation record, the disclosed facts and the comments received thereon, the Authority concludes as follows:
- (i) The product under consideration and the existing CKD/SKD coverage remain unchanged. York Transport Equipment (India) Pvt. Ltd. qualifies as the domestic industry for the purposes of Rule 2(b).
 - (ii) Dumping continued during the period of investigation despite the duty in force. The Authority has also found positive price undercutting in the absence of anti-dumping duty.
 - (iii) The domestic industry's positive performance under the existing measure does not remove the likelihood of injury on its expiry. The evidence concerning available capacity, export orientation, lower third-country prices, continuing imports and likely price effects establishes a likelihood of continuation or recurrence of dumping and injury.
 - (iv) The Authority has examined other factors that may have affected the performance of the domestic industry. After considering the post-disclosure comments and the evidence on record, the Authority finds no sufficient reason to change its findings on dumping, injury and the likelihood of their continuation or recurrence. Accordingly, the Authority concludes that the requirements for continuation of anti-dumping duty under Section 9A(5) read with Rule 23(1B) are satisfied.

O. RECOMMENDATIONS

139. The Authority has duly considered the oral, written and post-disclosure submissions of all interested parties, along with the verified evidence on record. Upon comprehensive examination, the Authority concludes that expiry of the existing anti-dumping duty is likely to result in continuation or recurrence of dumping and consequent injury to the domestic industry.
140. Since the Authority has recommended continuation of the measure on the basis of the likelihood of continuation or recurrence of dumping and injury, it does not consider it appropriate to re-quantify the duty in force. Accordingly, the Authority recommends continuation of the definitive anti-dumping duty on imports of the product under consideration originating in or exported from China PR, at the existing producer-specific rates and country coverage specified in the duty table below, for a further period of five (5) years under Section 9A(5) of the Customs Tariff Act, 1975, read with Rule 23 of the Anti-Dumping Rules, 1995, unless revoked, amended or superseded earlier. The continuation shall be subject to notification by the Central Government.

DUTY TABLE

S. No.	Tariff item	Description of goods	Country of origin	Country of export	Producer	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	8716 90 10	Axle for Trailers*	China PR	Any country including China PR	Guangdong Fuwa Heavy Industries Co., Ltd.	0.16	Kg	USD
2	8716 90 10	Axle for Trailers*	China PR	Any country including China PR	Any producer other than serial no. 1	0.31	Kg	USD
3	8716 90 10	Axle for Trailers*	Any country other than China PR	China PR	Any producer	0.31	Kg	USD

* “Axle for Trailers” includes all variants of non-driven axles used in trailers, whether of seamless or welded construction, in complete form or in Semi Knocked Down (SKD)/Completely Knocked Down (CKD) condition, i.e., in an unassembled, unfinished or incomplete form, to the extent covered by the existing measure. Axles for vehicles other than trailers, including drive axles used in trucks and prime movers, are excluded.

Note - The application of the individual duty rates specified for the companies mentioned in the above shall be conditional upon presentation to customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:

“I..., the undersigned, certify that the (volume) of (product concerned) sold for export to India covered by this invoice was manufactured by (producer name and address) in the (name of country). I declare that the information provided in this invoice is complete and correct.” If no such invoice is presented, the duty applicable to all other producers shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs laws and regulations.

P. FURTHER PROCEDURE

141. An appeal against the determination or review made by the Designated Authority in these Final Findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with Section 9C of the Customs Tariff Act, 1975.

**Digitally signed by
Amitabh Kumar
Date: 22-10-2026
16:28:28
Amitabh Kumar
Designated Authority**