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**F. No. 7/02/2023-DGTR**

**Government of India, Department of Commerce,**

**Ministry of Commerce & Industry**

**(Directorate General of Trade Remedies)**

**4th Floor, Jeevan Tara Building,**

**5 Parliament Street, New Delhi – 110001**

**Dated: 24<sup>th</sup> March, 2023**

**INITIATION NOTIFICATION**

**(Case no. AD (SSR)-01/2023)**

**Subject: Initiation of sunset review investigation of anti-dumping duty on import of “Flat Base Steel Wheels” originating in or exported from China PR.**

1. F. No. 7/02/2023-DGTR – 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 for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the “Rules” or the “Anti-Dumping Rules”), M/s Wheels India Ltd. and M/s Steel Strips Wheels Ltd. (hereinafter referred to “applicants” or “domestic industry”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), for sunset review of anti-dumping duty imposed on imports of “Flat Base Steel Wheels” (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR (hereinafter referred to as the “subject country”).
2. In terms of Section 9A, (5) of the Act, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition the Authority is required to review whether the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic

industry as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

**A. Background of the previous investigations**

3. The Authority initiated original investigation and notified final findings recommending definitive anti-dumping duty on import of Flat Base Steel Wheels originating in or exported from China PR vide Notification No. 14/08/2005-DGAD, dated 28th November 2007. The Central Government thereafter imposed anti-dumping duties vide Customs Notification No. 124/2007-CUS dated 31st December 2007. Subsequently, the Authority initiated the 1st Sunset review investigation and recommended the extension of the duties on the subject goods in its final findings vide Notification No. 15/22/2011-DGAD, dated 20th February 2013, wherein the duties were enhanced, and the unit of duties were changed from INR to USD. These duties were imposed by the Central Government vide Customs Notification No. 3/2013-CUS, dated 26th March 2013. The Authority, thereafter, initiated the 2nd Sunset review investigation on the subject goods and notified its final findings recommending extension of duties vide Notification No. 07/01/2018-DGAD, dated 09th August 2018. This duty recommendation was imposed by the Central Government vide Customs Notification No. 46/2018-Customs, dated 13th September 2018. The duties are set to expire on 12th September 2023.

**B. Product Under Consideration (PUC)**

4. The product under consideration in the present investigation is same as defined in the original and subsequent review investigations which is as follows:

*“11. The product under consideration is “Flat base Steel Wheels of size 16” nominal diameter to 20” nominal diameter used in tubed tyre application in commercial vehicles” (the subject goods), originating in or exported from China PR.*

*12. Flat base steel wheels are assembly of rim and disc with a demountable ring. Rims and discs are produced in separate lines and welded together to form a wheel, which is mounted on the axles of vehicles and fitted with tyres to enable vehicle movement. Commercial vehicles comprise of buses, lorries including trucks, trailers, tempos, etc. Wheels are classified under Chapter 87 of the Customs Tariff Act under the*

*category of "vehicles other than railway or tramway rolling stock, and parts and accessories thereof" under the sub-heading 8708.70 of the Customs Tariff Act and ITC HS classification. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation."*

5. The present investigation being a sunset review investigation, product under consideration remains the same as defined in the previously conducted investigation.

**C. PCN System**

6. All interested parties to the investigation may provide their proposal for construction of PCNs, if any, within 20 days from the issue of this notification.

**D. Like Article**

7. The applicants have claimed that there is no difference in the product produced by the domestic industry and the one exported from the subject country. The product produced by the domestic industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The Authority in the previous investigation held that the products being manufactured by the domestic industry is like article to the product being imported into India from the subject country. The present application is for review of the extension of original duty and since the product under consideration for the present and original investigation are same, it is *prima facie* considered that the subject good produced by the domestic industry and the subject good imported from the subject country are "like article".

**E. Domestic Industry and standing**

8. The application has been filed by M/s Wheels India Ltd. (WIL) and M/s Steel Strips Wheels Ltd. (SSWL). There is only one other Indian producer of the subject goods namely M/s Kalyani Maxion Wheels Private Ltd. which is engaged in the production of the like article. The applicants have certified that they have neither imported the subject goods from the subject

country nor are they related to any exporter/producer from the subject country or importers in India.

9. In view of the above and after due examination, the Authority notes that the applicants constitute eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3), of the Rules supra.

**F. Subject country**

10. The country involved in the present sunset review investigation is China PR.

**G. Likelihood of continuation or recurrence of dumping**

11. The applicant has claimed no current dumping from China and has submitted that dumping is likely to recur from China in case of cessation of ADD. The applicant has claimed likelihood of dumping on the basis of the price at which goods have been exported from China to various countries globally, as reported in secondary sources information for the product under consideration.
12. There is a *prima facie* evidence of likelihood of dumping, and injury to the domestic industry on account of presence of significant and growing capacities of Chinese producers which would be sufficient to capture the Indian market, high export orientation of Chinese producers, dumping of the subject goods into third countries, likely suppressing impact of imports and likely injury to the domestic industry in the event of cessation of anti-dumping duties, price attractiveness of Indian market, and continued vulnerability of the Indian industry.
13. The information provided by the applicant, *prima facie*, shows likelihood of dumping and injury to domestic industry in case of cessation of the anti-dumping duty from the subject country.

**H. Initiation of sunset review investigation**

14. On the basis of the duly substantiated application of the applicants, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the applicants, substantiating the likelihood of continuation/recurrence of dumping and injury, and in accordance with Section

9A(5) of the Act read with Rule 23 (1B) of the Rules, the Authority hereby initiates a sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject country to examine whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

#### **I. Period of Investigation**

15. The applicants have proposed 1st October 2021 to 30th September 2022 (a period of 12 months) as the period of investigation. However, the Authority proposes to consider the POI as 1st January 2022 to 31st December, 2022 (12 months). The period 2019–20, 2020-21, 2021-22 and the period of investigation has been proposed as the injury period. The data beyond the period of investigation may also be examined to determine likelihood of dumping and injury.

#### **J. Procedure**

16. The present review investigation covers all aspects of the final findings published vide Notification No. 14/08/2005-DGAD, dated 28th November 2007, Notification No. 15/22/2011-DGAD, dated 20th February 2013, and Notification No. 7/1/2018-DGAD, dated 09th August 2018. The Authority will also undertake likelihood analysis of dumping and injury.
17. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, 20 of the Rules supra shall be *mutatis mutandis* applicable in this review.

#### **K. Submission of Information**

18. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses [adg14-dgtr@gov.in](mailto:adg14-dgtr@gov.in) and [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in) with copy to [jd12-dgtr@gov.in](mailto:jd12-dgtr@gov.in) and [dd16-dgtr@gov.in](mailto:dd16-dgtr@gov.in). It should be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format.
19. The known exporters in the subject country, the Government through its Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic

industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.

20. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below on the email addresses mentioned in Para 22 above.
21. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
22. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

#### **L. Time Limit**

23. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses [adg14-dgtr@gov.in](mailto:adg14-dgtr@gov.in) and [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in) with copy to [jd12-dgtr@gov.in](mailto:jd12-dgtr@gov.in) and [dd16-dgtr@gov.in](mailto:dd16-dgtr@gov.in) within thirty (30) days from the date of receipt of the notice as per Rule 6(4) of the Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.
24. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

#### **M. Submission of information on confidential basis**

25. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the

same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.

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

or to authorize its disclosure in generalized or summary form, it may disregard such information.

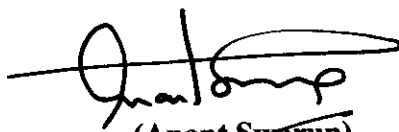
31. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
32. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall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

**N. Inspection of Public File**

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

**O. Non-cooperation**

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



(Anant Swarup)

**Designated Authority**