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**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)  
4<sup>th</sup> FLOOR, JEEVAN TARA BUILDING, 5, PARLIAMENT STREET  
NEW DELHI-110001**

Date: 03.08.2016

**NOTIFICATION**

**Preliminary Findings**

**Sub: Anti-dumping investigation concerning imports of “Cold-Rolled flat products of alloy or non-alloy steel” originating in or exported from China PR, Japan, Korea RP and Ukraine-reg.**

No.14/12/2016-DGAD: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter 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 thereof, as amended from time to time (hereinafter referred to as the AD rules).

2. Whereas by M/s Essar Steel India Limited, M/s Steel Authority of India Limited, M/s JSW Steel Limited and M/s JSW Steel Coated Products Limited (hereinafter referred to as the “applicants” or “petitioners” or “domestic industry”) have jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the AD Rules, for initiation of anti-dumping investigation concerning imports of “Cold-Rolled flat products of alloy or non-alloy steel” (hereinafter also referred to as the subject goods), originating in or exported from China PR, Japan, Korea RP and Ukraine (hereinafter also referred to as the subject countries), alleging dumping and consequent injury and requested for levy of anti-dumping duty on the imports of the subject goods from the subject countries.
3. And whereas, the Authority on the basis of sufficient prima facie evidence, submitted by the applicants, issued a public notice vide Notification No. 14/12/2016-DGAD dated 19.04.2016, published in the Gazette of India, Extraordinary, initiating the subject investigation in accordance with the AD Rules, to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

## **A. PROCEDURE**

4. The procedure described below has been followed:
  - a. The Authority notified the Embassies of subject countries in India about the receipt of application before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the AD Rules.
  - b. The Authority sent a copy of initiation notification to the embassies of subject countries in India, known producers/ exporters from the subject countries and known importers/ users/ associations of the subject goods as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification in accordance with the Rule 6(2) of the AD Rules.
  - c. The Authority forwarded a copy of the non-confidential version of the application to the Embassies of the subject countries in India; known producers/ exporters from the subject countries and known importers of the subject goods, in accordance with the AD Rules. A copy of the application was also provided to the other interested parties, wherever requested.
  - d. The Embassies of the subject countries in India were also requested to advise the producers/exporters from their countries to file their responses within the prescribed time limits.
  - e. The Authority sent exporter's questionnaire to elicit relevant information to the following known exporters in the subject countries in accordance with Rule 6(4) of the AD Rules:

### **China PR**

1. Rizhao
2. Betai Iron & steel
3. Baotou Iron and Steel Group
4. Jiangsu Shagang Group Company Limited
5. Tonghua Iron Steel Group Corporation
6. Angang Steel Company
7. Nanjing Iron and Steel
8. Tangshang Iron & Steel
9. Wuhan Iron and Steel
10. Tianjin Iron & Steel Group Co Ltd

### **Japan**

1. Nippon Sumitomo
2. Kobe
3. JFE Steel Corporation

### **Korea RP**

1. POSCO
2. Hyundai Steel Co Ltd

3. Dongkuk Steel Mill Col Ltd.

**Ukraine**

1. Arcelor Mittal
2. PJSC "Nikopol Ferroalloy Plant"

f. In response to the initiation notification, the following exporters/producers from the subject countries and traders have responded:

**I. Korea**

1. Kowon Trading Corp (Trader)
2. Dongkuk Industries Co. (Producer)
3. Samsung C&T Corporation- (Hyundai) (Trader)
4. Hyundai Steel Company (Producer)
5. P&A Corporation (Trader)
6. LG International Corp. (Trader)
7. Hyundai Corporation (Trader)
8. Posco Daewoo Corporation (Trader)
9. Posco Asia Co. Ltd. (Trader)
10. Posco, Korea (Producer)
11. Posco Processing & Service Co. Ltd. (Trader)

**II. Ukraine**

12. Zaporizhstal Integrated Iron and Steel Works (Producer)
13. Metinvest- SMC LLP
14. Metinvest International SA (Trader)

**III. China PR**

15. Xinsa International Pte. Ltd. (Trader)
16. Zhnagjiagang Yantgtze River Cold Rolled Sheet Co. Ltd. (Producer)
17. Jiangsu Shagang International Trade Co. Ltd. (Trader)
18. Future Materials Industry (Hong Kong) Co. Ltd. (Trader)
19. Lu Qin (Hong Kong) Co. Ltd. (Trader)
20. Angang Steel Company Limited (Producer)
21. Angang Group Hong Kong Co. Ltd. (Trader)
22. Baoshan Iron & Steel Co. Ltd., Ltd (Producer)
23. Baosteel Singapore Pte. Ltd. (Trader)

**IV. Japan**

24. Nissan Trading Co. Ltd. (Trader)
25. Sumitomo Corporation (Producer)
26. Honda Trading Corporation (Trader)
27. Ohmi Industries (Trader)
28. Kanematsu Corporation (Trader)

29. JFE steel Corporation (Producer)
  30. Nisshin steel Co. Ltd. (Producer)
  31. Nippon Steel and Sumitomo Metal Corporation (Producer)
  32. Marubeni Itochu Steel Inc. (Trader)
  33. Toyota Tshusho Corporation (Trader)
  34. Nippon Steel & Sumikin Bussan Corporation (Trader)
  35. Mitsui & co. Ltd. (Trader)
  36. JFE Shoji Trade Corporation (Trader)
  37. Metal One Corporation (Trader)
- g. None of the producers/exporters from China PR have claimed Market Economy Treatment (MET) rebutting the non-market treatment in the present investigation. However, producers/exporters from Ukraine have claimed MET.
- h. Questionnaires were sent to the following known importers/users of the subject goods in India calling for necessary information in accordance with the AD Rules:
1. Alstom India Ltd.
  2. Arcelor Neel Tailored Blank Private Limited
  3. Bharat Heavy Electricals Limited
  4. Bhilai Engineering Corporation Ltd.
  5. C.R.I. Pumps Private Limited
  6. Caterpillar India Pvt. Ltd.
  7. Denis Plast Limited
  8. Desmi Equipments Pvt.Ltd.
  9. Escorts Ltd.
  10. Exedy India Limited
  11. Fine Forge Limited.
  12. Flakt (India) Limited
  13. Gamesa Wind Turbines P.Ltd
  14. Ganpati Enterprises
  15. Hindustan Shipyards Ltd.
  16. Hindustan Construction Co. Ltd.
  17. Idl Explosives Limited
  18. Ifb Automotive Private Limited
  19. JBM Industries Ltd.
  20. JCB India Limited
  21. Kalinga Fixtures Ltd.
  22. Kalpataru Power Transmission Ltd.
  23. Larsen & Toubro Limited
  24. Lloyds Steel Industries Ltd
  25. Maruti Suzuki India Limited
  26. POSCO Electrical Steel India Pvt. Ltd.
  27. Ravi Steel Co.
  28. Superior Steel Industries

29. Tranter India Private Limited
  30. TRF Limited
- i. The following importers/users of the subject goods have responded in the form of questionnaire responses or provided comments on the initiation of the investigation:
1. Toyota Kirloskar Motor Pvt. Ltd.
  2. Sungwoo Hitech India Limited
  3. PHA India (P) Ltd.
  4. TI Metal Forming
  5. Pyung Hawa India Pvt. Ltd.
  6. Hyundai Motors India Ltd.
  7. Hwashin Automotive India Pvt. Ltd.
  8. Sungwoo Stamping Pvt. Ltd.
  9. Myoung Shin India Automotive Private Ltd.
  10. YSI Automotive Pvt. Ltd.
  11. Kwang Jin India Autosystems Pvt. Ltd.
  12. Dymos Lear Automotive India Pvt. Ltd.
  13. Nippon Steel & Sumikin Pipe India Private Limited
  14. Rajasthan Prime Steel Processing Center Pvt. Ltd.
  15. TT Steel Service India Pvt. Ltd.
  16. Baosteel India Company Pvt. Ltd.
  17. Hyundai Steel India Limited
  18. Posco Electrical Steel India
  19. Posco Maharashtra Steel Pvt. Ltd.
  20. Baosteel Company India Pvt. Ltd.
  21. POSCO IDPC, POSCO ICPC and POSCO IPPC
- j. Further, the following parties have also filed submissions on the initiation notification:
1. Federation of Industries of India
  2. GPT Steel Industries Limited
  3. CORSMA
  4. Society of Indian Automobile Manufacturers
  5. Baoshan Iron & Steel Co. Ltd., Baosteel Company India Pvt. Ltd., Baosteel Singapore Pte. Ltd
  6. Metinvest Group
  7. Embassy of Ukraine
  8. The Japan Iron & Steel Federation
- k. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all the interested parties have been taken into account in the present findings, to the extent found relevant to the investigation.
- l. Information provided by the interested parties on confidential basis was examined with regard to 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 sufficient non-confidential version of the information filed on confidential basis.

- m. Further information was sought from the applicant and other interested parties to the extent deemed necessary.
- n. 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 parties as non-cooperative and recorded the findings on the basis of the facts available.
- o. The Non-injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping 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.
- p. Considering the fact that the subject goods are being imported in various grades/sizes/dimensions, the applicants have also proposed Product Control Numbers (PCNs) in order to make a PCN to PCN comparison for computing the dumping margin and injury margin. However, for the purpose of the preliminary findings, the authority has not adopted PCN to PCN comparison.
- q. Verification of the information provided by the applicant domestic industries, to the extent deemed necessary, was carried out by the Authority. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of present preliminary findings.
- r. Investigation was carried out for the period starting from 1<sup>st</sup> July 2015 to 31<sup>st</sup> December 2016 (6 months) (hereinafter referred to as the 'period of investigation' or the 'POI'). The examination of trends, in the context of injury analysis covered the period from 2012-13, 2013-14, 2014-15, April 2015 to December 2015 and the POI.
- s. The petitioners had submitted the petition alleging dumping of the subject goods from the subject countries relying upon transaction wise imports data sourced from IBIS. However, request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction wise details of the imports of the subject goods for the past three years, including the period of investigation. The Authority has relied upon the DGCI&S data in the preliminary findings.
- t. Arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in the preliminary findings.

- u. Exchange rate for conversion of US\$ to INR is considered for the POI as INR 65.93 as per customs data.
- v. In this notification \*\*\* represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

## **B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

- 5. The product under consideration (PUC) in the present investigation is “cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated”.

The PUC includes cold rolled / cold reduced flat steel products in coils or not in coils including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. The product concerned covers cold-rolled / cold-reduced flat steel products conforming to prime or non-prime quality whether or not rolled from 4-high reversible mill, 6-high reversible mill, Sendzimir mill, 20-high cold rolling mill, Pickling Lines and Tandem Cold Rolling Mills (PLTCM), Continuous Annealing Line (CAL) or any other cold rolling / cold reducing processes. These products may be oiled or supplied without oil of any type, standard, specification and grade. These products may be conforming to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra high strength steels, alloy steels, micro-alloyed steel, TRIP steel (Transformation Induced Plasticity), tin mill black plates (TMBP), and many more qualities, whether or not vacuum degassed through any vacuum degassing process. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not aluminium killed / non-ageing quality and whether or not containing Boron and / or Titanium and/or Vanadium or any other suitable elements of any level by weight. These steels may find applications spread across various end-usages including but not limited to automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate etc. and many more applications.

The following are not included in the scope of the product under consideration:

- i. Stainless Steel
- ii. High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium (V) with a combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.
- iii. Silicon Electrical Steels conforming to Grain Oriented and Non- Grain Oriented Steels i.e. alloy steels containing by weight, atleast 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight

not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel.

6. The PUC is used in many applications and sectors such as automotive, appliances, furniture, electrical panels, general engineering, capital goods, construction, packaging including drums and barrels, coating and plating including galvanizing, color coating, tin plates etc.
7. The subject goods are classified under Custom Tariff Heading 7209, 7211, 7225 and 7226. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.

#### **Submissions made by Exporters, Importers, Users and other interested parties**

8. Submissions made by the exporters, importers, users and other interested parties with regard to issues related to PUC and considered relevant by the Authority are as follows:
  - a. The product scope is too broad and vague. The products are heterogeneous and cannot be included in one basket as like article. The products classified under different headings are materially different and cannot be clubbed together.
  - b. The subject products imported from Japan into India are consumed in various steel-making industries such as, but not limited to, automotive, electrical and electronic sectors, etc. Those grades that are not obtained in India should be excluded from the product scope.
  - c. The domestic industry has already sought safeguard duty on the imports of the raw material, i.e., hot-rolled steel. The domestic industry is also seeking anti-dumping duty on hot-rolled steel products. It is not understood why the domestic industry is also seeking protection from imports of cold-rolled steel as well when protection from imports of raw material exists. It is difficult to reckon how injury is being caused when safeguard duty is in place on the raw material.
  - d. There are quality issues with the products manufactured by the domestic industry. The domestic industry cannot produce the product concerned in all the sizes. The domestic industry has been unable to obtain customer approval on various grades.
  - e. The products classified under the sub-headings of 7225 and 7208 are not identical and are plural and heterogeneous in nature, and thus, cannot be put together in one basket to determine a single PUC.
  - f. There are a number of grades the domestic industry cannot manufacture and the same should be excluded from the product scope.
  - g. GPT Steel Industries submits that Tin Mill Black Plate is used only as input for producing Electrolytic Tin Plates. There are only three units in India manufacturing Tin plates, including GPT. The other two producers, TCIL and Vallabh produce TMBP for their own consumption only and hence their production and their consumption of TMBP is 100% captive. There are no merchant producers of TMBP coils in India and



hence GPT Industries perforce has to import the same, and is the sole importer of TMBP in India. Thus there is no instance or question of any injury being caused to any Indian producers due to the import of TMBP by GPT.

### **Submissions made by the Domestic Industry**

9. The submissions made by the domestic industry (DI) and considered relevant by the Authority are as follows:
  - a. Domestic industry submits that they are capable of manufacturing all the grades/types of PUC.
  - b. The interested parties have failed to substantiate their claims with evidence. Further, several exporters have raised issues on the quality of products manufactured by the domestic industry, but they have no locus to raise such issues. Such issues are credible if users in India raise them.
  - c. Many users in India, particularly in the automobile sector, have appreciated the quality of products supplied by the domestic industry. These appreciation letters and sample invoices demonstrating supply of various grades have been put on record.
  - d. Many interested parties including Maruti Suzuki India Limited have contended that all imported grades that are not manufactured by the domestic industry should be excluded from the product scope. Though such parties have annexed with their submissions a list of grades that they import, but the same have been treated as confidential. Unless such parties provide the list of grades to interested parties on non-confidential basis, the domestic industry will not be in a position to comment on the grades for which they require exclusion. In view of this, exclusions requested by such parties cannot be allowed. It is reiterated that the domestic industry is fully capable of manufacturing all the grades and specifications required by the domestic users in India.
  - e. All the exclusions requested by the interested parties are not warranted, as the domestic industry not only manufactures the same but has also supplied to users in India on a regular basis. Evidence in this regard in the form of invoices, mill test certificates and appreciation letters from users have been provided to the Authority. There is no doubt that the domestic industry is fully capable in manufacturing all the grades for which the interested parties have requested exclusion.
  - f. The domestic producers are manufacturing Tin Mill Black Plates grade.

### **Examination by The Authority**

10. The submissions made by the interested parties and the domestic industry with regard to PUC related issues and considered relevant by the Authority are examined and addressed as follows:
  - a. The main thrust of the submissions by the aforementioned interested parties is three-fold: i) the domestic industry does not produce many grades covered in the product scope, ii) the domestic industry does manufacture certain grades but the quality is not suitable, and iii) for certain grades, the domestic industry does not have customer's

approval. The domestic industry has filed a detailed response addressing the claims of these interested parties. The Authority has examined the response filed by the domestic industry and it is noted that the domestic industry has the capability to manufacture all the grades for which exclusions have been sought. The Authority has also during the verification visit found that the domestic industry is manufacturing all the grades for which it got the orders and has also supplied them to users in India. Therefore, the request of various interested parties for exclusion of specific grades cannot be entertained.

- b. It has been contended by the interested parties that the product scope is too broad, vague and heterogeneous and all the products cannot be clubbed into one PUC. The Authority notes that the definition of the PUC is very precise. The interested parties have been able to examine the PUC definition and make comments on the grades/specifications that should not be part of the product scope. However, no interested party could substantiate its assertions on PUC with credible evidence. Further, no interested party has been able to demonstrate if there is a legal bar in defining the PUC in the manner as above.
- c. Moreover, the Authority notes that Rule 2(d) defines "like article" as an article which is identical or alike in all respects to the article under investigation or in the absence of such an article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation. While determining the likeness of an article, the Authority looks into the raw material used, production process, end use, technical and commercial substitutability, etc.
- d. Merely because safeguard duty is levied on imports of the raw material hot-rolled steel and an anti-dumping investigation is also on-going on hot-rolled steel products, it does not mean that the domestic industry is barred from filing an anti-dumping application on cold-rolled steel products. Such assertions by the other interested parties are not legally tenable.
- e. The authority has noted that domestic producers are manufacturing Tin Mill Black Plates.
- f. With regard to the contention of the interested parties for exclusion of certain grades of steel products from the product scope, the Authority notes that these interested parties have not specified the grades, along with chemical as well as physical parameters, for which they wish to claim exemption. Hence, for the purpose of the preliminary findings, the claims for exclusion of certain grades from the PUC are provisionally rejected.
- g. As regards the contention that the PUC is too broad and vague, the Authority notes that the PUC has been appropriately defined keeping in view the imports from the subject countries and production and supply position of the domestic industry. The Authority has thoroughly examined the contentions by all parties before arriving at the product scope.
- h. In terms of Rule 6(7) and Rule 7 of the AD Rules, the Authority is obligated to provide evidence presented to it by one interested party to another interested party. If an

interested party claims confidentiality on submissions and evidence, that interested party is obligated under Rule 7 to provide the same submissions and evidence in non-confidential format, but such non-confidential submissions should be meaningful so as to allow other interested parties to make comments. The Authority notes that interested parties including Maruti Suzuki India Limited have requested for exclusion of various grades from the product scope. But such exclusion lists have been claimed confidential by the interested parties. The Authority being a quasi-judicial authority has provided non-confidential submissions of such parties to the domestic industry. The Authority notes that such interested parties have not complied with Rule 7 as their non-confidential submissions are not meaningful enough so as to allow the domestic industry to offer comments on exclusions requested therein. Therefore, at this stage, the Authority has provisionally decided not to exclude such grades from the product scope.

- i. With regard to like article, Rule 2(d) of the AD Rules provides as follows: “like article” means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation. On the basis of information on record and considering the submissions made by the interested parties, the Authority provisionally holds that there is no known difference in the subject goods produced by the Indian industry and those imported from the subject countries. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers use the two interchangeably. The Authority provisionally holds that the products manufactured by the Applicants constitute like article to the subject goods being imported into India from the subject countries.

### **C. SCOPE OF THE DOMESTIC INDUSTRY AND STANDING**

11. Rule 2 (b) of the AD 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”

12. The Application has been filed M/s Steel Authority of India Limited, M/s JSW Steel Limited, M/s JSW Steel Coated Products Limited and M/s Essar Steel India Limited. The production of the aforesaid four producers accounts for a major proportion of the total domestic production and is more than 50% of the Indian production. The Application has also been supported by one domestic producer, namely, Bhushan Steel Limited.
13. None of the interested parties has raised any major issue regarding the standing of the applicants. Taking into account the reported capacities and production of other known producers of the subject goods, the applicants command a major proportion of the domestic production of the subject goods in the country.

14. Therefore, the Authority holds that the applicants command a major proportion of the production of the subject goods in India and for the purpose of this investigation the applicants satisfies the standing requirement in terms of Rule 5(3) and constitutes the domestic industry in terms of Rule 2(b) of the AD Rules.

**D. MISCELLANEOUS ISSUES RAISED BY INTERESTED PARTIES.**

15. Miscellaneous submissions made by various interested parties and considered relevant by the Authority are as follows:
  - a. The demand figures mentioned by the Petitioners in the Petition are exaggerated and not accurate. A press release obtained from SAIL website makes it clear that demand in FY 2014-15 was lower than in the previous years. Moreover, the demand for the PUC is based on data collected from a private agency and not from official sources such as Joint Plant Committee (“JPC”).
  - b. The Petition is based on the data from a private agency and not from authentic data base such as JPC. The raw data is collected by a private commercial agency and may be twisted to suit requirements of its rich clients. The data has been further doctored by the Petitioners and thus not acceptable for independent investigations.
  - c. The Petition does not contain information as to the captive consumption of the PUC. In the absence of such information any allegation made by the Petitioners must be considered unsubstantiated and not sufficient to make a prima facie case of evidence of alleged injury. No information has been provided with regard to inventories, employment wages and growth. On the basis of overall positive outlook of the Indian industry, it can be presumed that these indicators have performed well.
  - d. The Petition does not contain sufficient information with regard to the reduction in capacity utilization. It is not clear from the complaint what particular mix of products the petitioners refer to.
  - e. The India producers are already over protected by customs duty at 12.5%. Apart from customs duty imposed on HR Coils, the domestic producers are also protected by technical barriers on imports through Steel and Steel Products Quality Control Order. The raw material used for the PUC is under imposition of safeguard duty and the Petitioners are currently seeking anti-dumping measures on the imports of Hot rolled flat products of alloy or non-alloy steel. Moreover, minimum import price (MIP) measures are also in place. This reflects the Petitioner’s own inefficiency in openly compete in the market. The Petitioners are trying to monopolize the domestic market by seeking these protective measures.
  - f. There is no further need to protect the steel industry after imposition of MIP, increase in import duty and imposition of safeguard duty. The prices of steel are on a rising trend now

and major domestic steel players such as JSW Steel, Bhushan, Essar, JSPL, TATA are reported to be doing good.

- g. As per Article 3.3 of the Antidumping Agreement, Ukraine asks the Authority to consider the impact of Ukrainian imports of PUC separately from the other countries.
- h. The Petition does not provide evidence establishing that the injury suffered by the DI was caused by imports from Ukraine. The Petition merely contains allegation that the negative performance is due to dumped imports.
- i. The DI has resorted to excessive confidentiality depriving the interested parties from offering meaningful comments. Information such as production volume, domestic sales volume, inventory volume, selling price per unit in indexed, profit per unit in indexed, ROCE in percentage, employment, Proforma IV B etc. have been withheld under the garb of confidentiality.
- j. The non-confidential version of the Petition does not meet the requirements of Article 7 of the Indian Anti-dumping Rules. The Petitioners have restricted access to series of elements that is crucial for defending the position of the other interested parties.
- k. The Indian steel market is a de facto oligopoly, as the petitioners account together for 74% of the market share. The imposition of anti-dumping duties is only likely to worsen the conditions of competition, detrimental to the Indian economy and the consumers' interests. The excessive amount of trade defense instruments is not in line with the public interest.

**16. Miscellaneous submissions made by the Domestic Industry and considered relevant by the Authority are as follows:**

- a. Section 9A (3) of the Act is with reference to history of dumping of the product. Petitioners request the authority to recommend retrospective levy of anti-dumping duty on the subject goods because the conditions for retrospective levy of antidumping duty are fully satisfied.
- b. Exporters are well aware that they are resorting to dumping which is causing injury to the domestic industry since import prices of PUC have reduced significantly as evident from the landed values for respective countries.

**Examination by The Authority**

17. Miscellaneous submissions made by the interested parties and other miscellaneous submissions considered relevant by the authority are examined and addressed as follows:
- a. With regard to the submission of interested parties that the demand figures are exaggerated and is not based on the official sources such as JPC, the authority notes that the petitioners have relied upon JPC data for computing the production figures, wherever necessary, and the same is clearly mentioned in the non-confidential version

of the petition kept in the public file. For import related information, the petitioners have relied upon IBIS data which is a private agency. However, the preliminary findings are based upon the DGCI&S data thereby addressing the concerns of interested parties.

- b. The interested parties have submitted that sufficient information in relation to captive consumption, capacity utilization, inventories, employment etc. is not given in the petition filed by the Domestic Industry and, therefore, the petition is unsubstantiated. In this regard, the authority notes that all the relevant information required for substantiating the petition has been provided by the petitioners.
- c. The interested parties have submitted that the Indian Domestic Industry is seeking over-protection and that it is already enjoying various protections like safeguard duty, Quality Control Order and MIP. In this regard, the authority notes that:
  - i. No safeguard duty has been imposed on the PUC. The contention that safeguard duty has been imposed on Hot Rolled Steel Flat products which are used as input for the PUC are irrelevant.
  - ii. MIP and Anti-Dumping duty have different objectives. Existence of MIP does not debar the authority to impose anti-dumping duty if parameters of anti-dumping investigation are met. Further, existence of MIP does not mean that dumping is not taking place. It is pertinent to note that MIP is in force for a period of six months or until further orders by DGFT, whichever is earlier. This means that MIP could be revoked at any time before the six months period. Once MIP expires, the domestic industry would be left without any protection from the dumped imports.
  - iii. The existence of Quality Control Order is to ensure that certain quality parameters are met. In the present investigation, domestic industry is seeking protection against dumped imports. Existence of Quality Control Order does not lead to a conclusion that there is no dumping and consequent injury to domestic industry.
- d. The information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of a public file. The Authority notes that any information which is available in the public domain cannot be treated as confidential.

- e. With regard to the contention of the interested parties that imposition of anti-dumping duty will lead to monopolistic practices by the domestic industry and will be detrimental to the interest of the end consumer, the authority notes that the object of antidumping duty is to prevent the unfair trade practices and to redress its injurious effect on the domestic industry by providing them a level playing field. Moreover, imposition of anti-dumping duty neither restricts nor prevents imports.
- f. With regard to the contention of the interested parties that period of investigation should be more than 6 months, the authority notes that according to recommendation of committee on anti-dumping practices (WTO document no. G/ADP/6 dated 16 May 2000):

*“...the period of data collection for dumping investigations normally should be twelve months, and in any case no less than six months, ending as close to the date of initiation as is practicable”*

Therefore, in view of above recommendation, 6 months’ period can be taken as the POI. The Authority has taken six months POI in other investigations also.

- g. As regards the request for retrospective imposition of anti-dumping duty, Section 9A(3) of Customs Tariff Act provides as follows:

*If the Central Government, in respect of the dumped article under inquiry, is of the opinion that*

- (i) *there is a history of dumping which caused injury or that the importer was, or should have been, aware that the exporter practices dumping and that such dumping would cause injury; and*
- (ii) *the injury is caused by massive dumping of an article imported in a relatively short time which in the light of the timing and the volume of imported article dumped and other circumstances is likely to seriously undermine the remedial effect of the anti-dumping duty liable to be levied,*

*the Central Government may, by notification in the Official Gazette, levy anti-dumping duty retrospectively from a date prior to the date of imposition of anti-dumping duty under sub-section (2) but not beyond ninety days from the date of notification under that sub-section, and notwithstanding anything contained in any law for the time being in force, such duty shall be payable at such rate and from such date as may be specified in the notification.*

- h. The Authority would examine the matter concerning retrospective imposition of anti-dumping duty at the stage of the final finding.

## **E. DUMPING MARGIN**

### **Market Economy Treatment (MET), Normal Value, Export Price and Dumping Margin**

#### **1) NORMAL VALUE**

18. Under Section 9A(1)(c), normal value in relation to an article means:

*(i) the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*

*(ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*

*(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*

*(b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

*Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.*

#### **Provisions relating to Non- Market Economy countries**

19. Annexure-I to AD rules states as under:

*7. In case of imports from non-market economy countries, normal value shall be determined on the basis if the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable 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.*

*8. (1) The term “non-market economy country” means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in sub-paragraph (3)*

*(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an anti-dumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a nonmarket economy country*

*Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3)*

*(3) The designated authority shall consider in each case the following criteria as to whether:*

*(a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;*

*(b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;*

*(c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and*

*(d) the exchange rate conversions are carried out at the market rate.*

*Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph”.*

### **Submissions made by Exporters, Importers, Users and other Interested Parties**

20. Various submissions made by the interested parties with regard to MET, normal value, export price and dumping margin and considered relevant by the Authority are examined and addressed as follows:
- a. It is submitted that if profit making transactions are less than 20%, then the normal value should be determined on the basis of cost of production plus reasonable profit.
  - b. M/s Zaporizhstal Integrated Iron and Steel Works, Ukraine has filed the MET response and claims MET.

### **Submissions made by the Domestic industry**

21. Submissions made by the domestic industry with regard to MET, Normal value, export price and dumping margin during the course of the investigation and considered relevant by the Authority are as follows:
- a. Domestic Industry has provided evidence of selling price of product concerned in the domestic market of the subject countries.
  - b. There is sufficient reason to consider that the producers in the subject countries are dumping the subject goods. These producers have been selling the product under consideration at prices less than cost of production or domestic prices are significantly higher than the export price to India.
  - c. None of the Chinese and Ukrainian producers can satisfy market economy status. None of the WTO Member countries have granted market economy status to Chinese producers on the basis of the latest detailed evaluation of relevant criteria. India has never granted MET status to producers from Ukraine.
  - d. Unless the responding producers/exporters from Ukraine and China PR conform to the standards laid down under the Rules, the Designated Authority is required to determine the normal value in accordance with Para 7 of Annexure-I to the Rules.
  - e. None of the producers/exporters from China PR has claimed market economy treatment.

### **Examination by the Authority**

#### **Market economy claims for Chinese and Ukrainian producers**

22. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO

Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules.

23. As per Paragraph 8, Annexure I to the AD Rules as amended, the presumption of a non-market economy can be rebutted if the exporters from Ukraine and China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and prove to the contrary. The cooperating exporters/producers of the subject goods from People's Republic of China and Ukraine are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether: -
- a. The decisions of concerned firms in Ukraine and China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
  - b. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
  - c. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms
  - d. The exchange rate conversions are carried out at the market rate
24. It is noted that none of producers of subject goods in China PR has claimed market economy treatment. Accordingly, the authority is not required to examine any of the above criteria and held that producers/exporters from China PR are not operating under market economy conditions.
25. With regard to Ukraine, only M/s Zaporizhstal Integrated Iron and Steel Works has filed the MET response.

**Examination of MET claims of Zaporizhstal Integrated Iron-and-Steel Works (Company), Ukraine**

26. It has been submitted by the Company that it is an Open Joint-Stock Company. The major shareholders of the company are Lasartico Holdings Limited (9.7603%) and LLC "Zaporizhstal-PC"(21.8277%). The Company is a wholly privately owned entity. Further, the company procures raw materials from related companies as under:
- a. PJSC «Zaporizhcoke»: coke, coke fines, metal scrap.
  - b. Metinvest International SA: coal, coke.
  - c. LLC "Metinvest Holding": iron ore concentrate.
  - d. PJSC "Zaporizkyi Iron-Ore Plant": iron ore.

27. Further, it has been submitted that the suppliers of raw materials are privately owned. No public authority in Ukraine is involved in setting prices/quantities. The company negotiates prices directly with its customers. These prices are not subject to review or guidance from any governmental organization or bodies in Ukraine. Export sales to India as well as to other countries are negotiated by the Company's related entities which carry out all the necessary negotiations with potential and current customers. No other organization outside the Company reviews or approves any aspect of the sales transaction.
28. The Authority has taken cognizance of the information provided by the respondent company who has filed MET response and sought to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Anti-dumping Rules. However, the Authority notes that none of the related companies which are involved in procurement of raw materials and sales of subject goods has filed MET response and failed to provide sufficient evidence to establish their market economy claim. Pending examination of the issues regarding ownership and control, its impact on the cost and prices and business decisions of the company, evaluation of assets, land use rights, the Authority is of the view that respondent company cannot be granted market economy status at this juncture for the preliminary determination of its Normal Value. In view of the above position, the Authority does not grant market economy treatment to the above stated respondent company at this juncture for the purpose of preliminary findings pending verification.

### **Determination of Normal Value**

29. The Authority sent questionnaires to the known exporters/producers from the subject countries, advising them to provide information in the form and manner prescribed. The following parties have filed exporter questionnaire responses:

#### **I. Korea**

1. Kowon Trading Corp (Trader)
2. Dongkuk Industries Co. Ltd (Producer)
3. Samsung C&T Corporation- (Trader)
4. Hyundai Steel Company (Producer)
5. P&A Corporation (Trader)
6. LG International Corp. (Trader)
7. Hyundai Corporation (Trader)
8. POSCO Daewoo Corporation (Trader)
9. POSCO Asia Co. Ltd. (Trader) (Hong Kong)
10. POSCO Korea (Producer)
11. POSCO Processing & Service Co. Ltd. (Trader)

#### **II. Ukraine**

12. Zaporizhstal Integrated Iron and Steel Works (Producer)
13. Metinvest- SMC LLP

14. Metinvest International SA (Trader) (Switzerland)

**III. China PR**

15. Xinsa International Pte. Ltd. (Trader) (Singapore)

16. Zhnagjiagang Yantgtze River Cold Rolled Sheet Co. Ltd. (Producer)

17. Jiangsu Shagang International Trade Co. Ltd. (Trader)

18. Future Materials Industry (Hong Kong) Co. Ltd. (Trader) (Hong Kong)

19. Lu Qin (Hong Kong) Co. Ltd. (Trader) (Hong Kong)

20. Angang Steel Company Limited (Producer)

21. Angang Group Hong Kong Co. Ltd. (Trader) (Hong Kong)

22. Baoshan Iron & Steel Co. Ltd., Ltd (Producer)

23. Baosteel Singapore Pte. Ltd. (Trader) (Singapore)

**IV. Japan**

24. Nissan Trading Co. Ltd. (Trader)

25. Sumitomo Corporation (Producer)

26. Honda Trading Corporation (Trader)

27. Ohmi Industries (Trader)

28. Kanematsu Corporation (Trader)

29. JFE steel Corporation (Producer)

30. Nisshin steel Co. Ltd. (Producer)

31. Nippon Steel and Sumitomo Metal Corporation (Producer)

32. Marubeni Itochu Steel Inc. (Trader)

33. Toyota Tshusho Corporation (Trader)

34. Nippon Steel & Sumikin Bussan Corporation (Trader)

35. Mitsui & Co. Ltd. (Trader)

36. JFE Shoji Trade Corporation (Trader)

37. Metal One Corporation (Trader)

**Determination of Normal Value for producers and exporters in China PR and Ukraine**

30. It is noted that none of the producers of subject goods in China PR have claimed market economy treatment. Therefore, in view of the facts placed on record by the domestic industry for the purpose of the provisional findings, the Authority has adopted the constructed normal value for determination of the normal value in terms of Para-7 to Annexure-1 to the Rules.

31. Further, the Authority notes that sole cooperating producer from Ukraine has not been found to be operating under market economy condition for determination of normal value in Ukraine in terms of the AD Rules. Under the circumstances, the Authority

is not in a position to apply Para 8 of Annexure 1 to the Rules to the above named Ukrainian Company and the Authority has to proceed in accordance with Para 7 of Annexure - I to the Rules.

### **Methodology for determination of normal value for producers and exporters in China PR and Ukraine**

32. In view of the above, the normal value for China PR and Ukraine is required to be determined as per the procedure described in Para 7 of the Annexure I to the anti-dumping Rules. As per the provisions of Para 7 of Annexure I, the normal value in China PR and Ukraine is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, if the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include reasonable profit margin.
33. In the absence of any reliable price and cost details for the subject goods in any market economy third country, the Designated Authority has constructed the normal value for China PR and Ukraine on the basis of price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. Accordingly, the Normal Value for all the producer/exporters of the subject goods from China PR and Ukraine has been provisionally determined and the same is shown in the Dumping Margin Table below.

### **Determination of Normal Value for producers and exporters in Korea RP and Japan**

#### **General Methodology for working out Normal Value**

34. It was first determined by the Authority whether the total domestic sales of the subject goods by the producers/exporters in these subject countries were representative when compared to exports of the subject goods to India.
35. Thereafter, it was examined whether their sales are under ordinary course of trade in terms of Para 2 of the Annexure I to the Anti-dumping Rules. Wherever the producers/exporters have provided transaction wise details of sales made in home market and same has been accepted by the Authority, the said information has been relied upon to determine the normal value of the subject goods sold in their home market.
36. For conducting ordinary course of trade test, the cost of production of the product concerned was examined with reference to the information provided by the producers/exporters and compared with domestic selling price to determine whether the domestic sales were in the ordinary course of trade or not. The authority has considered all the transactions in the domestic market for the determination of normal value for the cooperating producers/exporters where profit making transactions are more than 80% and in cases, where profitable transactions are less than 80%, only

profitable domestic sales have been taken into consideration for the determination of the normal value.

**Korea RP**

**Normal Value for cooperating exporters**

**Normal Value for M/s Hyundai Steel Company (“Hyundai Steel”) Korea RP, (Producer)**

37. During the POI, Hyundai Steel has sold the subject goods in the domestic market to related and unrelated parties as under:

RELATED PARTIES	QUANTITY(MT)	%	RESPONSE FILED
1. ***	***	***	No
2. ***	***	***	No
3. ***	***	***	No
TOTAL DOMESTIC SALES RELATED	***	***	
UNRELATED PARTIES	***	***	
TOTAL DOMESTIC SALES	***	100%	

38. The authority notes that none of the above mentioned related parties have filed questionnaire response. However, it is also noted that approximately \*\*\*% of the domestic sales have been made to non-affiliated parties during the POI. Therefore, the authority provisionally accepts the domestic sales subject to verification and further information from related companies in Korea RP. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions are more than 80%, then the authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions are less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Hyundai Steel has claimed adjustment on account of credit cost, warehouse expenses & inland freight and the same have been allowed provisionally by the authority. Accordingly, provisional weighted average normal value at ex-factory level for Hyundai Steel has been determined and the same is shown in the Dumping Margin Table below.

**Normal Value for M/s POSCO, Korea RP (Producer)**

39. During the POI, POSCO has sold the subject goods in the domestic market to related and unrelated parties as under:

PARTICULARS	QUANTITY (MT)	%	RESPONSE FILED
UNRELATED PARTIES	***	***	
RELATED PARTIES			
1. ***	***	***	NO
2. ***	***	***	YES
3. ***	***	***	NO
TOTAL RELATED PARTIES	***	***	
GRAND TOTAL	***	100.00%	

40. The authority notes that none of the above mentioned related parties except \*\*\* has filed the questionnaire response. However, it is also noted that more than \*\*\*% of the domestic sales have been made to non-affiliated parties during the POI. Therefore, the authority provisionally accepts the domestic sales subject to verification and further information from the related companies in Korea RP. The domestic sales are in sufficient volumes when compared with exports to India. Accordingly, all the domestic sales transactions have been considered for determination of the normal value. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods. If profit making transactions are more than 80%, then the authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions are less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value.

41. POSCO has claimed adjustment on account of discount, warehousing, inland freight, packing cost, warranty cost, credit expense, indirect selling expenses & level of trade. The authority has not accepted the adjustments for warranty cost, indirect selling expenses & level of trade for the purpose of the provisional findings. Accordingly, the provisional weighted average normal value at ex-factory level for POSCO has been determined and the same is shown in the Dumping Margin Table below.

**Normal Value for M/s Dongkuk Industries Co. Ltd. (Producer)**

42. During the POI, M/s Dongkuk Industries Co. Ltd (DKI) has sold \*\*\* MT of the subject goods in the domestic market having invoice value \*\*\* million KRW. All sales in the domestic market were made to non-affiliated parties during the POI. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of the subject goods. If profit making transactions are more than 80%, then authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions are less



than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value.

43. DKI has claimed adjustment on account of credit cost & inland freight and the same have been allowed provisionally by the authority. Accordingly, the provisional weighted average normal value at ex-factory level for DKI has been determined and the same is shown in the Dumping Margin Table below.

**Normal Value for non-cooperating producers and exporters from Korea RP**

44. The Authority notes that no other producer/exporter from Korea RP has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Korea RP, the Authority has determined the provisional weighted average normal value at ex-factory level on the basis of best available information and the same is shown in the Dumping Margin Table below.

**Normal Value for Japan**

**Normal Value for M/s JFE Steel Corporation Japan (Producer) (“JFE”)**

45. During the POI, JFE has sold the subject goods in the domestic market to related and unrelated parties as under:

COMPANY	QTY MT	%	RESPONSE FILED
UNRELATED PARTIES	***	***	
RELATED PARTIES			
1. ***	***	***	NO
2. ***	***	***	NO
3. ***	***	***	NO
4. ***	***	***	YES
5. ***	***	***	NO
TOTAL RELATED PARTIES	***	***	
GRAND TOTAL	***	100.00%	

46. The authority notes that none of the above mentioned related parties except JFE Shoji Trading has filed their response. However, it is also noted by the authority that domestic sales made to non-cooperating related parties are insignificant in terms of total domestic sales. Therefore, the authority provisionally accepts the domestic sales subject to verification and further information from the related companies. The domestic sales are in sufficient volumes when compared with exports to India.

47. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods. If profit making transactions are more than 80%, then the authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions are less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value.

48. JFE has claimed adjustment on account of discounts, inland freight and storage cost. The authority has provisionally accepted all the adjustments for the purpose of the provisional findings. Accordingly, the provisional weighted average normal value at ex-factory level for JFE has been determined and the same is shown in the Dumping Margin Table below.

**Normal Value for M/s Nippon Steel & Sumitomo Metal Corporation (“NSSMC”)**

49. During the POI, NSSMC has sold the subject goods in the domestic market to related and unrelated parties as under:

<b>RELATED</b>	<b>QTY (MT)</b>	<b>%</b>	<b>RESPONSE FILED</b>
1. ***	***	***	NO
2. ***	***	***	YES
3. ***	***	***	NO
4. ***	***	***	NO
5. ***	***	***	YES
6. ***	***	***	NO
7. ***	***	***	NO
<b>TOTAL DOMESTIC SALES- RELATED PARTIES</b>	***	***	
<b>UNRELATED PARTIES</b>	***	***	
<b>GRAND TOTAL DOMESTIC SALES</b>	***	100.0%	

50. The authority notes that none of the above mentioned related parties except Nippon Steel & Sumikin Bussan Corporation and Nippon Steel & Sumikin Pipe Co. Ltd, has filed their response. It is also noted by the authority that the domestic sales made to non-cooperative related parties are insignificant in terms of total domestic sales. Therefore, the authority provisionally accepts the domestic sales subject to verification and further information from the related companies. The domestic sales are in sufficient volumes when compared with exports to India.

51. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost

of production of the subject goods. If profit making transactions are more than 80%, then the authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions are less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value.

52. NSSMC has claimed adjustment on account of price adjustments, rebate, early payment, inland freight, insurance, credit cost, storage and handling. The authority has provisionally accepted all the adjustments for the purpose of the provisional findings. Accordingly, the provisional weighted average normal value at ex-factory level for NSSMC has been determined and the same is shown in the Dumping Margin Table below.

### **Nisshin Steel Co. Ltd.**

53. The authority notes that Nisshin Steel Co. Ltd (“NSC”) has submitted the exporters’ response claiming to be producer of subject goods and informed that it has exported the subject goods through traders in Japan. However, the authority notes that NSC has not submitted any details about domestic sales/export to India in Appendix-1/ Appendix-2 and other costing information. NSC has submitted only Appendix-2A and 2B which are also grossly incomplete. Therefore, the authority is unable to determine the normal value and export price for NSC in the absence of any information and rejects the response filed by NSC. Accordingly, the normal value and export price for NSC is based on the facts available with the authority and the same is shown in the Dumping Margin Table below.

### **Normal Value for non-cooperating producers and exporters from Japan**

54. The Authority notes that no other producer/exporter from Japan has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Japan, the Authority has determined the provisional weighted average export price for the subject goods on the basis of best available information and the same is shown in the Dumping Margin Table below.

## **2) EXPORT PRICE**

### **Export Price for Korea RP**

### **Export Price for M/s Hyundai Steel Company, Korea RP, (Producer) along with M/s Hyundai Corporation, Korea RP, M/s LG International Corp. and M/s P&A Corporation, Korea RP (Exporters/Traders).**

55. M/s Hyundai Steel, a producer of the subject goods in Korea RP, has filed a questionnaire response along with its unrelated trading companies’, namely, M/s Hyundai Corporation, Korea RP, M/s. LG International Corp. and M/s P&A Corporation, Korea RP. These trading companies exported the subject goods to India manufactured by the Hyundai Steel during the POI. All of these Exporters/Traders have filed their Questionnaire responses with the Designated Authority. The quantity of PUC exported to India is as under:

EXPORTS TO INDIA	QTY (MT)	%	RESPONSE FILED
DIRECT EXPORTS BY M/S HYUNDAI STEEL TO RELATED IMPORTER HYUNDAI STEEL INDIA PRIVATE LIMITED	***	***	YES
M/S HYUNDAI CORPORATION	***	***	YES
M/S. LG INTERNATIONAL COPR	***	***	YES
M/S P&A CORPORATION,	***	***	YES
TOTAL EXPORTS TO INDIA	***	100.00%	

56. The export sales of Hyundai Steel directly and through cooperating unrelated trading companies are on FOB/CFR/CIF basis. Hyundai Steel has claimed adjustment on account of inland freight, ocean freight, handling charge, insurance fee, bank charge and credit expenses and the same have been allowed provisionally. Further, the authority notes that Hyundai Corporation has exported the subject goods to India to its related company POS-Hyundai at a loss or at a price which does not recover for traders' expenses. The authority has, therefore, made appropriate adjustments on account of traders' expenses and profit. Accordingly, the provisional weighted average export price has been determined for Hyundai Steel and the same is shown in the Dumping Margin Table below.

**Export price for M/s POSCO Korea RP, (Producer) along with M/s Hyundai Corporation, M/s LG International Corp., M/s POSCO Asia Co., Ltd, M/s POSCO Processing & Service Co., Ltd., (POSCO P&S), M/s POSCO Daewoo, M/s Samsung C&T (Exporters/Traders).**

57. M/s POSCO, a producer of the subject goods in Korea RP, has filed a questionnaire response along with its unrelated/related trading companies', namely, M/s Hyundai Corporation, M/s LG International Corp., M/s POSCO Asia Co., Ltd., M/s POSCO Processing & Service Co., Ltd. (POSCO P&S), M/s POSCO Daewoo, M/s Samsung C&T who have exported the subject goods to India manufactured by the POSCO. POSCO has also made direct exports to its related company in India, POSCO Maharashtra during the POI. The details are as under:

PARTICULARS	QUANTITY (MT)	%	RESPONSE FILED
UNRELATED PARTIES	***	***	
RELATED PARTIES	***	***	
POSCO ASIA CO., LTD.	***	***	YES

PARTICULARS	QUANTITY (MT)	%	RESPONSE FILED
POSCO DAEWOO	***	***	YES
POSCO P&S	***	***	YES
POSCO-ESI	***	***	YES
POSCO-MAHARASHTRA	***	***	YES
GRAND TOTAL	***	100.00%	

58. The export sales of POSCO through its cooperating unrelated/relating trading companies are on FOB/C&F basis. POSCO has claimed adjustment on account of inland freight, ocean freight, handling charge, packing cost and credit expenses and the same have been allowed provisionally. Accordingly, the provisional weighted average export price has been determined for POSCO at ex-factory level and the same is shown in the Dumping Margin Table below.

**Export Price for M/s Dongkuk Industries Co. Ltd, (Producer) through traders POSCO Daewoo and Kowon Trading Corp, Korea**

59. During the POI, M/s Dongkuk Industries Co. Ltd (DKI) has exported 2740 MT of the subject goods as under:

Traders	QTY (MT)	%	RESPONSE FILED
1. POSCO DAEWOO	***	***	YES
2. KOWON TRADING	***	***	YES
DIRECT EXPORTS TO INDIA	***	***	
TOTAL	***	100.0%	

60. From the information provided to the authority, the authority notes that DKI has exported the subject goods through traders POSCO Daewoo and Kowon Trading. From the response filed by POSCO Daewoo, the authority notes that POSCO Daewoo has exported all the quantity to its related company POSCO ICPC, which has not cooperated with the authority. It is also noted that export to India made through non-cooperative related/unrelated parties are insignificant in terms of total exports to India. Therefore, the authority provisionally accepts the exports to India sales subject to verification and further information from related companies. The export sales of DKI through its cooperating unrelated trading companies are on FOB/C&F/CIF basis. DKI has claimed adjustment on account of commission, inland freight, ocean freight, handling charge, insurance, packing cost and credit expenses and the same have been allowed provisionally. Further, the authority notes that POSCO Daewoo has exported the subject goods to India to POSCO ICPC at a loss or at a price which does not recover for traders' expenses. The authority has, therefore, made appropriate adjustments on account of traders' expenses and profit.

Accordingly, the provisional weighted average export price determined for DKI at ex-factory level has been determined and the same is shown in the Dumping Margin Table below.

**Export Price for non-cooperating producers and exporters from Korea RP**

61. The Authority notes that no other producer/exporter from Korea RP has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Korea RP, the Authority has determined the provisional weighted average export price on the basis of best available information and the same is shown in the Dumping Margin Table below.

**Export Price for Japan**

**Export Price for M/s JFE Steel Corporation Japan (Producer)**

62. JFE has filed a questionnaire response along with its unrelated/related trading companies' through JFE Shoji Trade Corporation, Japan, Honda Trading Corporation, Japan, Nissan Trading Co. Ltd, Ohmi Industries, Mitsui & Co. Ltd, Japan and Metal One Corporation, Japan. The details is as under:

PARTIES	QTY(MT)	%	RESPONSE FILED
JFE SHOJI TRADE CORPORATION	***	***	YES
HONDA TRADING	***	***	YES
METAL ONE CORP	***	***	YES
MITSUMI & CO.,	***	***	YES
NISSAN TRADING	***	***	YES
OHMI INDUSTRIE	***	***	YES
GRAND TOTAL	***	100%	

63. Therefore, the authority provisionally accepts the exports of the subject goods to India subject to verification. JFE has not reported all terms of delivery and explanations in its response and no adjustments have been claimed from the export price. The authority notes that whereas other producers have claimed adjustments from export price, no adjustments have been claimed by JFE. Therefore, the authority has made provisional adjustments from export price on the basis of information provided by other cooperating exporters from Japan. Further, the authority notes that some of the traders have exported the subject goods to India at a loss or at a price which does not recover for traders' expenses. The authority has, therefore, made appropriate adjustments on account of traders' expenses also. Accordingly, the provisional weighted average export price determined for JFE at ex-factory level has been determined and the same is shown in the Dumping Margin Table below.

**Export Price for M/s. Nippon Steel & Sumitomo Metal Corporation (“NSSMC”), Japan through Nippon Steel & Sumikin Bussan Corporation, Honda Trading Corporation, Japan, Kanematsu Corporation Ltd., Japan, Marubeni-Itochu Steel Inc., Japan, Mitsui & Co. Ltd, Japan, Sumitomo Corporation, Japan and Metal One Corporation, Japan and Toyota Tshusho Corporation, Japan (Exporters/Traders)**

64. NSSMC has filed a questionnaire response along with its unrelated/related trading companies’, namely, Nippon Steel & Sumikin Bussan Corporation, Honda Trading Corporation, Japan, Kanematsu Corporation Ltd., Japan, Marubeni-Itochu Steel Inc., Japan, Mitsui & Co. Ltd, Japan, Sumitomo Corporation, Japan and Metal One Corporation, Japan and Toyota Tshusho Corporation, Japan, who have exported the subject goods to India manufactured by the NSSMC. The details are as under:

PARTIES	QTY(MT)	%	RESPONSE FILED
NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (RELATED)	***	***	YES
UNRELATED TRADERS	***	***	
HONDA TRADING CORPORATION	***	***	YES
KANEMATSU CORPORATION	***	***	YES
MARUBENI-ITOCHU STEEL INC.	***	***	YES
METAL ONE CORPORATION	***	***	YES
MITSUI & CO., LTD.	***	***	YES
SUMITOMO CORPORATION	***	***	YES
TOYOTA TSUSHO CORPORATION	***	***	YES
TOTAL EXPORTS TO INDIA	***	100%	

65. The export sales of NSSMC through its unrelated/related trading companies are on FOB basis. NSSMC has claimed adjustment on account of price adjustments, credit cost, warranty, inland freight, insurance, storage and handling and the same have been allowed provisionally. Accordingly, the provisional weighted average export price has been determined for NSSMC and the same is shown in the Dumping Margin Table below.

**Export Price for non-cooperating producers and exporters from Japan**

66. The Authority notes that no other producer/exporter from Japan has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Japan, the Authority has determined the provisional weighted average export price for on the basis of best available information and the same is shown in the Dumping Margin Table below.

## **Export Price for China PR**

### **M/s Angang Steel Company Limited, China PR (Producer) through related company M/s Angang Group Hong Kong Co., Ltd., Hong Kong (Exporter/Trader).**

67. From the information submitted by M/s Angang Steel Company Limited (“Angang”), the authority notes that Angang has exported the subject goods to India through related exporter/trader M/s Angang Group Hong Kong Co., Ltd. (“Angang HK”). The sales to Indian customers are on FOB/ CFR basis. The producer/exporter has claimed adjustments on account of inland freight, port handling charges/customs fee, ocean freight and commission and the same have been allowed. The authority has made further adjustment on account of non- refundable VAT provisionally. Accordingly, the provisional weighted average export price has been determined for Angang at ex-factory level and the same is shown in the Dumping Margin Table below.

### **M/s Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd. (Yangtze), (Producer) through related companies M/s Jiangsu Shagang International Trade Co., Ltd., (Shagang International), M/s Xinsha International PTE LTD (Xinsha), M/s Lu Qin (Hong Kong) Co., Ltd., and M/s Future Materials Industry (Hong Kong) Co., Ltd., (Exporters/Traders).**

68. M/s Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd. (Yangtze), is a producer/manufacturer of subject goods from China PR and has exported the subject goods to India during the POI. Yangtze has sold subject goods to India through related exporter/trader M/s Jiangsu Shagang International Trade Co., Ltd., who has then sold the subject goods to M/s Xinsha International PTE LTD (Xinsha). Xinsha ultimately exported the subject goods to India through two another exporters/traders, namely, M/s Lu Qin (Hong Kong) Co., Ltd. and M/s Future Materials Industry (Hong Kong) Co. Ltd. The sales to Indian customers are on CFR basis and the total quantity exported to India has been considered. The producer/exporter has claimed adjustments on account of inland freight, port handling charges/customs fee, ocean freight and non- refundable VAT and the same have been allowed. Accordingly, the provisional weighted average export price has been determined for Yangtze at ex-factory level and the same is shown in the Dumping Margin Table below.

### **Baoshan Iron & Steel Co. Ltd., (Producer) through Baosteel Singapore Pte. Ltd. (Trader) (Singapore)**

69. It is submitted by M/s Baoshan Iron & Steel Co. Ltd., Ltd (“Baoshan”) that the company has exported the subject goods through its related trader Baosteel Singapore Pte. Ltd. (Trader) (Singapore) to India. Baoshan has not submitted any information in Appendix-2. Therefore, the authority in the absence of any information is unable to determine export price for Baoshan. Accordingly, the export price for Baoshan is based on the facts available with the authority.

## **Export Price for non-cooperating producers and exporters from China PR**

70. The Authority notes that no other producer/exporter from China PR has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in China PR, the Authority has determined the provisional



weighted average export price on the basis of best available information and the same is shown in the Dumping Margin Table below.

**Export Price of Zaporizhstal Integrated Iron-and-Steel Works (Producer), Ukraine exported through Metinvest International SA.**

71. From the information submitted by M/s Zaporizhstal Integrated Iron-and-Steel Works (“Zaporizhstal”), the authority notes that Zaporizhstal has exported the subject goods to India through related exporter/trader M/s Metinvest International SA. The sales to Indian customers are on FOB basis. The producer/exporter has claimed adjustments on account of inland freight only and the same have been allowed. Accordingly, the provisional weighted average export price has been determined for Zaporizhstal at ex-factory level and the same is shown in the Dumping Margin Table below.

**Export Price for non-cooperating producers and exporters from Ukraine**

72. The Authority notes that no other producer/exporter from Ukraine has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Ukraine, the Authority has determined the provisional weighted average export price on the basis of best available information and the same is shown in the Dumping Margin Table below.

**3) DUMPING MARGIN**

73. The export price to India (net of all the adjustments claimed by the exporter and accepted by the Authority) has been compared with the normal value to determine the dumping margin. The dumping margin during the POI for all the exporters/producers from the subject countries has been determined as shown in the Dumping Margin Table below.

**Dumping Margin Table**

S.No	Country	Producer	Exporter	Normal Value	Net Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range %
1.	Korea RP	M/s Hyundai Steel Company	1. M/s Hyundai Steel Company, Korea RP 2. M/s Hyundai Corporation, Korea RP 3. M/s. LG International Corp, Korea RP. 4. M/s P&A Corporation, Korea RP	***	***	***	***	0-10
2.	Korea RP	M/s POSCO	1. M/s POSCO, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP 3. M/s LG International Corp., 4. M/s Hyundai Corporation, Korea RP 5. M/s Samsung C&T Corporation, Korea RP	***	***	***	***	50-60

S.No	Country	Producer	Exporter	Normal Value	Net Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range %
			6. M/s POSCO Asia Co. Ltd, Hong Kong 7. POSCO Processing & Service Co., Ltd., Korea RP					
3.	Korea RP	M/s Dongkuk Industries Co. Ltd	1. M/s Dongkuk Industries Co. Ltd, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP 3. Kowon Trading Corp, Korea	***	***	***	***	0-10
4.	Japan	JFE Steel Corporation	1. JFE Shoji Trade Corporation, Japan, 2. Honda Trading Corporation, Japan, 3. Nissan Trading Co. Ltd, 4. Ohmi Industries Ltd, Japan 5. Mitsui & Co. Ltd, Japan 6. Metal One Corporation, Japan.	***	***	***	***	30-40
5.	Japan	M/s. Nippon Steel & Sumitomo Metal Corporation	1. Honda Trading Corporation, Japan 2. Kanematsu Corporation Ltd, Japan 3. Marubeni-Itochu Steel Inc., Japan 4. Metal One Corporation, Japan 5. Mitsui & Co. Ltd, Japan 6. Nippon Steel & Sumikin Bussan Corporation, Japan 7. Sumitomo Corporation, Japan 8. Toyota Tshusho Corporation, Japan	***	***	***	***	80-90
6.	China PR	M/s Angang Steel Company Limited	1. M/s Angang Group Hong Kong Co. Ltd, Hong Kong 2. LG International Corp., Korea RP	***	***	***	***	30-40
7.	China PR	M/s Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd.	1. M/s JiangsuShagang International Trade Co., Ltd., China PR, 2. M/s Xinsha International Pte Ltd, Singapore 3. M/s Lu Qin (Hong Kong) Co., Ltd., Hong Kong 4. M/s Future Materials Industry (Hong Kong) Co., Ltd, Hong Kong	***	***	***	***	80-90
8.	Ukraine	Zaporizhstal Integrated Iron and Steel Works PJSC	Metinvest International SA, Switzerland	***	***	***	***	40-50

### **Dumping Margin for other producers and exporters from the subject countries**

74. The Normal Value and export price to India in respect of other producers and exporters in the subject countries has been determined on the basis of best information available. The information provided by the responding exporters has been adopted for the purpose. The dumping margin so worked out is mentioned in the table below.

Particulars	UOM	Japan	Korea RP	China PR	Ukraine
Normal Value	US\$/MT	***	***	***	***
Net Export Price	US\$/MT	***	***	***	***
Dumping Margin	US\$/MT	***	***	***	***

Dumping Margin %	%	***	***	***	***
Dumping Margin % Range	% Range	80-90	90-100	80-90	40-50

75. It is seen that the dumping margins are quite significant and more than the limits prescribed under the Rules in respect of the exports made by all the producers-exporters of the product under consideration from the subject countries.

## F. INJURY

### **Submissions made by exporters, importers, users and user associations**

76. The submissions made by the interested parties with regard to injury related issues and considered relevant by the authority are as follows:

- a. Indian producers have not reduced prices in line with the global and the domestic prices of the declining raw material costs. It is not the cheap imports but high domestic prices of Cold Rolled Coils which have hit the Indian manufacturing sector and the Indian economy.
- b. The main reason for the cheap imports was steep fall in the domestic and global prices of iron ore, coking coal, lubricants etc.
- c. Misleading information has been provided by the domestic industry on return on investments. The fall in ROCE in the current case is likely on other factors including investments made by the interested companies in recent times which have not generated returns but soon will. The injury information provided in Proforma IVA suggests that DI has not suffered any injury on account of continued imports.
- d. The Petition does not contain sufficient evidence of the negative impact of the allegedly dumped imports on the DI. Production increased by 23%, domestic sales increased by 13%, market share increased by 4%, capacity increased by 45%, capital employed increased by 50% and export sales increased 2.5 times during April 2015-Dec 2015(A) as compared to April 2012-March 2013. The indicators definitely prove the stable and positive development of the Petitioners.
- e. The overall production and the share of the domestic production of the petitioners increased during the investigation period. The domestic sales of the petitioners also increased by 9% from the beginning to the end of the investigation period. The market share of the petitioners increased with a trend comparable to the increase in domestic sales. Therefore, the information contained confirms that the DI is not suffering any injury.
- f. As per the publicly available information of the Petitioners, the companies are not suffering any injury and are doing well. SAIL has plans for making strategic investments and makes plan for consolidating its position. Essar Steel points to a

positive situation and the company has registered a positive trend with regard to the domestic consumption of steel. JSW Steel acknowledges that “sales of cold rolled products surged by 54% in FY 2014-15 compared to FY 2013-14. Therefore, Metinvest draws the attention of the authority that the concerned companies themselves have not suffered injury but have actually registered positive performance.

- g. The reasons for alleged injury to the DI are due to high debt, underutilization and lower export prices, vis-à-vis, the domestic prices. Even if the entire Indian demand is met by the Petitioners, there would be huge excess unutilized capacity in India. The Authority must investigate the burden of such excess capacities on costs before concluding injury. Production of the Petitioners remained stable over the years and no adverse impact appears to have been caused to the production.
- h. It is apparent that the injury to the DI is self-inflicted and not due to imports. Massive indiscreet investments in India, loss making ventures beyond financial capacity, distorted debt equity ratio and heavy interest burden have resulted in poor performance of some of the producers. Moreover, the DI has neglected technological upgradation for cost reduction and product development.
- i. Any injury allegedly suffered by the Petitioners is due to factors other than imports from the subject countries. FTAs with other WTO members, overcapacity in China, overall negative outlook of the world steel industry, decrease in exports of steel from India and various negative factors relating to specific companies, viz., SAIL, Essar Steel, JSW Steel etc. may have had negative impact on the Indian domestic production.
- j. The information in the application as claimed by the applicants shows that the demand for the product has recorded significant decline. This shows that there is no causal link between alleged dumped imports and injury to the domestic industry. Any continued injuries are on account of other factors such as decline in demand.
- k. There is a strong competition in the domestic market amongst the domestic producers. Furthermore, SAIL denounced in its Annual Report the increasing competition from domestic and international steel companies located in India. Increase in the interest cost and cost of sales cannot be attributed to the influence of imports. Thus, competition amongst the domestic producers and growth in costs should be considered as other factors within the meaning of Article 3.5 of the Antidumping Agreement.
- l. The imports of Cold Rolled sheets/coils rose in July-September 2015 due to sharp fall in the production of HR Coils- the base material necessitating higher imports by the manufacturing sector. Production of the PUC declined due to expansion and maintenance works at SAIL and the imports had no role in decline in the production.

- m. The complaint by the Petitioners is deficient concerning the very existence of price depression. The Petition neither provides evidence as to the effects caused by imports from the single countries nor adequate evidence to substantiate the claim that the DI has suffered injury.
- n. As per the import statistics procured from International Trade Centre (based on UN COMTRADE), in 2015-16, Ukraine's share of imports in the total import was 2.48%, i.e., it should be deemed negligible within the meaning of Article 5.8 of the Antidumping Agreement. In 2015-16, imports from Ukraine halved as compared to previous years. Therefore, there was no significant increase in imports from Ukraine which could have caused injury to the domestic producers.
- o. Ukrainian imports are decreasing and are countercyclical with regard to imports from other sources. Imports from Ukraine do not represent a threat to the DI and are already decreasing even without imposition of anti-dumping duties. The impact of Ukrainian import should be decumulated from that of imports from other sources. Moreover, the imports from Ukraine are likely to decrease after stabilization of security situation in the country.

#### **Submissions made by the Domestic Industry**

77. The authority has taken into consideration the relevant submissions of the petitioners made in the application filed with the authority.

#### **Examination by the Authority**

78. The submissions made by the domestic industry and other interested parties during the course of investigations with regard to injury and causal link and considered relevant by the Authority are examined and addressed as below:

- a. The interested parties have made submission that the prices of raw materials have declined and consequently there is a fall in prices of the subject goods. In this regard, the authority notes that the domestic industry has already decreased its prices in line with decrease in its cost of production.
- b. The Authority further notes that landed values of imports of the subject goods from the subject countries have declined much more than the decline in raw material prices and the domestic industry has been forced to match such low prices causing injury to the domestic industry.
- c. Various interested parties have contended that the increased quantities of imports for PUC were due to the fact that the production of Hot Rolled products, which are used as input raw material for producing the PUC, have reduced sharply during the POI. The authority notes that the contention of the interested parties is not correct. The production of Hot Rolled flat products in India have remained stable.

- d. It has been argued that the imports from Ukraine are negligible and there is no significant increase in the imports from Ukraine during 2015-16 which could cause injury to the domestic industry. The authority notes that the share of imports from Ukraine in total imports of the PUC into India is above de-minimis. Further, after detailed examination, it is found that the increase in total imports of PUC from the subject countries has caused injury to the domestic industry.
- e. Interested parties have submitted that the injury suffered by the domestic industry is due to their own internal factors including increased interest burden, lower export prices, indiscreet investments in India, loss making ventures, high fixed cost burden, high freight cost, lack of technological upgradation, raw material crisis, underutilized capacities and inability to meet the quality requirements of specific downstream industry. The authority notes that these claims are very general and unsubstantiated. On detailed examination, the authority found that the domestic industry has suffered injury due to increased quantities of dumped imports coming into India from the subject countries. It is also noted that the infrastructure and capacities are in place with the domestic industry to meet the demand of the subject goods. Further, detailed analysis of various injury parameters and causal link are discussed hereunder.

### **Cumulative Assessment**

- 79. Article 3.3 of WTO agreement and Annexure II para (iii) of the Anti-dumping Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determines that:
  - a. The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article and
  - b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.
- 80. The Authority notes that:
  - a) The subject goods are being dumped into India from subject countries. The margins of dumping from each of the subject countries are more than the *de minimis* limits prescribed under the Rules.
  - b) The volume of imports from each of the subject countries is individually more than 3% of total volume of imports.

- c) Cumulative assessment of the effects of imports is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.

81. In view of the above, the Authority considers that it would be appropriate to assess injury to the domestic industry cumulatively from the exports of the subject goods from the subject countries.
82. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-dumping Rules.

### **Volume Effect of Dumped Imports and Impact on Domestic Industry**

#### **Assessment of Demand**

83. The demand of subject goods has been determined by adding the domestic sales of Indian producers of like product with the imports of the subject goods from all countries. For the purpose of present injury analysis, the Authority has relied on the import data procured from DGCI&S. The Authority notes that demand of subject goods increased over the injury period as can be shown in the table below:

<b>Particulars (Qty. in MT)</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>April 2015- Dec 2015 (A)</b>	<b>POI (Jul 2015- Dec 15)</b>	<b>POI (A)</b>
Total Import from subject countries	11,98,244	10,69,866	13,67,432	15,38,922	9,19,313	18,38,625
Imports from other countries	2,53,087	1,16,982	1,85,325	1,24,566	55,244	1,10,488
Total Imports	14,51,331	11,86,848	15,52,757	16,63,488	9,74,557	19,49,113
Domestic Sales of Petitioners	17,72,143	17,93,934	19,66,473	19,96,730	9,66,568	19,33,136

Domestic Sales of Supporters	4,96,965	5,16,368	4,64,625	5,59,434	2,92,715	5,85,430
Domestic Sale of other producers	24,69,727	22,61,061	21,93,144	19,14,871	9,30,988	18,61,977
Total Demand	61,90,166	57,58,211	61,76,999	61,34,524	31,64,828	63,29,656

### **Import Volumes and Share of Subject countries**

84. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. The volume of imports of the subject good from the subject countries has been analyzed as under:

Particulars	Unit	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
China PR	MT	2,64,420	1,06,642	2,84,094	2,33,478	1,62,172	3,24,343
Japan	MT	3,04,308	2,59,711	2,50,269	3,75,895	2,02,561	4,05,122
Korea	MT	5,79,507	6,50,815	6,99,157	8,10,760	5,15,799	10,31,598
Ukraine	MT	50,008	52,699	1,33,912	1,18,789	38,781	77,562
Other	MT	2,53,087	1,16,982	1,85,325	1,24,566	55,244	1,10,488
Total Imports	MT	14,51,331	11,86,848	15,52,757	16,63,488	9,74,557	19,49,113

Particulars	Unit	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Total Import from subject countries	MT	11,98,244	10,69,866	13,67,432	15,38,922	9,19,313	18,38,625
Trend	Indexed	100	89	114	128	77	153
Imports from other countries	MT	2,53,087	1,16,982	1,85,325	1,24,566	55,244	1,10,488
Trend	Indexed	100	46	73	49	22	44
Total Imports	MT	14,51,331	11,86,848	15,52,757	16,63,488	9,74,557	19,49,113
Trend	Indexed	100	82	107	115	67	134
Total Demand in India	MT	61,90,166	57,58,211	61,76,999	61,34,524	31,64,828	63,29,656
Trend	Indexed	100	93	100	99	51	102
Imports from Subject Countries relative to consumption		19.4%	18.6%	22.1%	25.1%	29.0%	29.0%



Production of Petitioners	MT	39,13,055	41,51,750	47,89,793	48,48,849.93	22,92,142	45,84,284
Trend	Indexed	100	106	122	124	59	117
Imports from Subject Countries relative to petitioners' total production		30.6%	25.8%	28.5%	31.7%	40.1%	40.1%

85. The Authority notes as under from the above table:

- a. Dumped imports of the subject goods from subject countries have increased in absolute terms from 11,98,244MT in 2012-13 to 18,38,625 in POI (A).
- b. Dumped imports of the subject goods from subject countries have increased in relation to petitioners' production from 30.6% in 2012-13 to 40.1 % in the POI (A).
- c. Dumped imports of the subject goods from the subject countries have increased in relation consumption in India from 19.4% in 2012-13 to 29.0% in POI (A).

86. It is, thus, concluded that imports of the PUC from the subject countries have increased both in absolute terms and in relation to production and consumption in India.

**Price Effect of the Dumped Imports on the Domestic Industry**

87. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

*"With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree."*

88. It has been examined whether there has been a significant price undercutting by the dumped imports of the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any.

**Price Undercutting**

89. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales

realization of the domestic industry. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex-factory level. The domestic prices and margin of undercutting is shown as per the table below:

<b>Price Undercutting</b>	<b>Unit</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>April 2015- Dec 2015</b>	<b>POI (Jul 2015- Dec 15)</b>
Landed Value	Rs. /MT	***	***	***	***	***
Trend	Indexed	100	101	97	74	69
Domestic Selling Price	Rs. /MT	***	***	***	***	***
Trend	Indexed	100	99	99	82	80
Price Undercutting	Rs. /MT	(***)	(***)	(***)	***	***
Price Undercutting	%	(***)	(***)	(***)	***	***
Price Undercutting	%	(10) to 0	(20) to (10)	(10) to 0	0 to 10	0 to 10

<b>Price Undercutting</b>	<b>July 15 to Dec 15</b>	<b>China PR</b>	<b>Japan</b>	<b>Korea</b>	<b>Ukraine</b>	<b>Subject Countries</b>
Landed Value	Rs. /MT	***	***	***	***	***
Domestic Selling Price	Rs. /MT	***	***	***	***	***
Price Undercutting	Rs. /MT	***	***	***	***	***
Price Undercutting	%	***	***	***	***	***
Price Undercutting	%	0 to 10	(10) to 0	0 to 10	0 to 10	0 to 10

90. The Authority notes that during the POI, price undercutting exists for the subject countries except Japan, but is also of the opinion that for a proper examination, price undercutting should be examined in conjunction with price depression and price suppression and that price undercutting should not be examined in isolation in a situation where the Domestic Industry has been constantly forced to reduce its prices to match with the landed value of imports. If the Domestic Industry does not respond to imports by bringing down its prices, it will lose more customers and the injury would be more severe.

### **Price Underselling**

91. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from subject counties. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports. Comparison of weighted average NIP of the domestic industry with weighted average landed price of imports shows as follows:

Particulars	UOM	Japan	Korea RP	China PR	Ukraine
Weighted average-Non injurious price	Rs/MT	***	***	***	***
Landed Price	Rs/MT	***	***	***	***
Price Underselling	Rs/MT	***	***	***	***
Price Underselling	%	***	***	***	***
Price Underselling	% Range	10-20	20-30	20-30	25-35

92. It is seen that the landed price of the subject goods from subject countries were significantly lower than the NIP determined for the domestic industry.

### **Price Suppression/Depression**

93. In order to determine whether the dumped imports are suppressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown as per the table below:

Particulars	Unit	2012-13	2013-14	2014-15	April 2015- Dec 2015	POI (July 2015- Dec 15)
Cost to make and sell	Rs./MT	***	***	***	***	***
Trend	Indexed	100	103	101	93	92
Domestic Selling Price	Rs./MT	***	***	***	***	***
Trend	Indexed	100	99	99	82	80
Landed Value		***	***	***	***	***
Trend	Indexed	100	101	97	74	69

94. The authority notes that that the cost to make and sell have decline by 8 indexed points during the POI as compared to 2012-13. On the other hand, the selling price has declined by 20 indexed points during the same period which is much higher than the reduction in cost to make and sell. It is observed that due to a significant decline in landed value of 31 indexed points from 2012-13 to the POI, the domestic industry has been forced to reduce its selling price. The imports were thus suppressing the prices of the domestic industry in the market.

### **Economic parameters of the domestic industry**

95. Annexure II to the Anti-dumping Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

### **Production, Capacity, Capacity Utilization and Sales**

96. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization was as follows:

Particulars	Unit	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Installed Capacity	MT	61,48,000	72,21,716	89,20,404	89,20,404	44,77,750	89,55,500
Total production	MT	39,13,055	41,51,750	47,89,793	48,48,850	22,92,142	45,84,284
Capacity Utilisation		63.65%	57.49%	53.69%	54.36%	51.19%	51.19%

97. The authority notes that capacity utilization of the domestic industry has declined from 63.65% during 2012-13 to 51.19% during the POI. The domestic industry has been able to achieve best capacity utilisation of 63.65% during 2012-13. It is observed that due to increased quantities of dumped imports of the PUC into India, the domestic industry has not been able to utilise its spare capacity.

### **Profits, profitability, return on investment and cash profits**

Profit/ (Loss)	Unit	2012-13	2013- 14	2014- 15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Profit	Rs. Lacs	(***)	(***)	(***)	(***)	(***)	(***)
Trend	Indexed	(100)	(449)	(301)	(1,144)	(594)	(1,189)

Profit/MT	Rs./MT	(***)	(***)	(***)	(***)	(***)	(***)
Trend	Indexed	(100)	(443)	(271)	(1,015)	(1,090)	(1,090)

Cash Profits	Unit	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Cash Profits	Rs. Lacs	***	(***)	(***)	(***)	(***)	(***)
Trend	Indexed	100	(188)	(50)	(668)	(351)	(702)
Cash Profit/MT	Rs./MT	***	(***)	(***)	(***)	(***)	(***)
Trend	Indexed	100	(186)	(45)	(593)	(644)	(644)

Particulars	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
ROCE	***%	***%	***%	(***)%	(***)%	(***)%
Trend	100	46	91	(48)	(58)	(58)

98. It is observed from the above table that the return on capital employed has been significantly affected. Due to increased quantities of dumped imports, the domestic industry is unable to earn a reasonable return on its investments. It is also noted that the cash profits have turned into cash losses and the situation only worsened during the POI.

### Market Share

99. The effects of the dumped imports on the market share of the domestic industry have been examined as below:

Particulars	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Demand (MT)	61,90,166	57,58,211	61,76,999	61,34,524	31,64,828	63,29,656
Indexed	100	93	100	99	51	102
Market Share						
Share of Petitioners	28.6%	31.2%	31.8%	32.5%	30.5%	30.5%
Share of Supporters	8.0%	9.0%	7.5%	9.1%	9.2%	9.2%
Share of Other Producers	39.9%	39.3%	35.5%	31.2%	29.4%	29.4%
Share of Subject countries	19.4%	18.6%	22.1%	25.1%	29.0%	29.0%

Share of Other countries	4.1%	2.0%	3.0%	2.0%	1.7%	1.7%
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100. The market share of the Domestic Industry has decreased during POI in comparison to the immediately preceding period even though demand for the subject goods has been rising in India during the same period. This is due to the reason that the imports have aggressively captured the increase in demand.

101. The market share of import from the subject countries has constantly been increasing.

### **Growth**

Particulars	Unit	2013-14	2014-15	April 15 to Dec 15 (A)	POI(A)
Production	%	6%	15%	1%	-5%
Market Share	%	9%	2%	2%	-6%
Cost of Production	%	3%	-2%	-7%	-1%
Selling Price	%	-1%	0%	-17%	-3%
Loss per unit	%	343%	-39%	274%	7%
Return on Capital Employed	%	-54%	-19%	-230%	-21%

102. The Authority notes that the growth of the domestic industry with regard to production, domestic sales, capacity utilization, profits, return on investment and cash profits remained negative during the entire injury investigation period. The situation worsened during the POI (A), despite positive growth in demand for the PUC in the country. On the whole, the growth of the domestic industry has been negative over the injury period.

### **Ability to raise capital investments**

103. The Authority notes that given the rising demand of the product in the country, the domestic industry has made investments in plant and machinery. However, despite these investments, the performance of the domestic industry has deteriorated considerably and further investment may get adversely affected.

### **Level of dumping & dumping margin**

104. It is noted that imports from the subject countries are entering into the country at dumped prices and that the margins of dumping are significant.

### **Factors Affecting Domestic Prices**

105. The examination of the import prices from the subject countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc., shows that the landed value of imported material from the subject countries, except Japan, is below the selling price and the non-injurious price of the domestic industry, causing significant price under-cutting, price under-selling, price suppression and price depression in the Indian market. Thus, the primary factor affecting the domestic prices is landed value of subject goods from the subject countries.

### **Conclusion on injury**

106. It is thus seen that there has been a significant increase in the volume of dumped imports from the subject countries in absolute terms. The imports have increased significantly in relation to consumption and production of the product in India. Imports have thus increased both in absolute terms and in relation to production and consumption in India. Dumped imports have had significant adverse price effect in terms of price suppression, price depression and price under-cutting. Effect of dumped imports has been to reduce the domestic prices of the subject goods. Low priced dumped imports have forced the domestic industry to fetch a market price which could not even cover its cost. The domestic industry is suffering significant price underselling. There exists significant price depression and suppression due to low priced dumped imports coming in India. The dumping margin determined by the Authority is quite significant. With regard to consequent impact of dumped imports on the domestic industry, it is noted that dumped imports from the subject countries have adversely impacted the performance of the domestic industry in respect of production, domestic sales, capacity utilization, market share, profits, cash profits and return on investment. The Domestic Industry's profitability and return on capital employed have been drastically affected. Thus, the Authority provisionally concludes that the domestic industry has suffered material injury.

### **Causal Link**

107. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry. The examination of causal link between dumping and material injury to the domestic industry has been done as follows:

### **Imports from third countries**

108. The imports from countries other than subject countries are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry. Moreover, the price at which goods are coming from other countries is much higher than the price at which goods are coming from subject countries.

### **Contraction in demand**

109. The demand for the subject goods has shown an increasing trend. Accordingly, fall in demand cannot be the reason for injury to the domestic industry. In fact, the domestic industry has not been able to increase its sale and market share commensurate to increase in demand.

**Trade restrictive practices of and competition between the foreign and domestic producers**

110. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

**Developments in technology**

111. The technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor of causing injury to the domestic injury.

**Changes in pattern of consumption**

112. The domestic industry is producing the type of goods that have been imported into India. Possible changes in pattern of consumption are not a factor that could have caused claimed injury to the domestic industry.

**Export performance**

113. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In fact, exports by the domestic industry have not materially declined. In any case, the domestic industry has considered domestic performance wherever possible.

**Performance of the domestic industry with respect to other products**

114. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

**Productivity of the domestic industry**

115. The Authority notes that deterioration in productivity has not caused injury to the domestic industry.

**Factors establishing causal link**



116. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has materially deteriorated due to dumped imports from the subject countries. Causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

- Imports of the subject goods have increased in absolute terms over the entire period of investigation. Imports of the PUC from the subject countries have increased in absolute terms.
- Imports of the subject goods have increased relative to production and also relative to consumption in India.
- Market share of the dumped imports from subject countries has increased.
- The Domestic Industry has not been able to increase its production and sales commensurate with the increase in demand.
- There is significant price depression and suppression due to low priced dumped imports coming into India.
- The Domestic Industry's profitability and return on capital employed have been drastically affected. The return on capital employed, net profits and cash profits have followed a negative trend during the entire injury period and the losses have further increased during the POI.

117. The above analysis indicates that the Domestic Industry is suffering material injury due to increasing dumped imports of PUC into India. There exists a strong nexus between the increase in dumped imports of the subject goods and the material injury being suffered by the Domestic Industry.

### **Conclusion on Injury and Causation**

118. From the above examination of injury and causal link, the Authority provisionally concludes that the domestic industry has suffered injury as a result of dumping of the subject goods from the subject countries. There has been a significant increase in the volume of dumped imports from the subject countries in absolute terms throughout the injury period and in relation to production and consumption in India. The dumped imports have had significant adverse effect on the prices of the domestic industry in the market. The dumping margin for the subject countries has been determined and is considered significant. Dumped imports from the subject countries have adversely impacted production, sales and capacity utilization. Market share of the subject imports has significantly increased. Performance of the domestic industry has significantly deteriorated in respect of profits, cash profits and return on investments. The Authority provisionally concludes that the domestic industry has suffered injury as a result of dumped imports from the subject countries.

119. The Authority has determined the non-injurious price for the domestic industry and compared with the landed values of the subject imports of the responding exporters to determine the injury margin. The injury margin so determined has been considered for determination of weighted average injury margin. The injury margins have been determined as follows:

### Injury Margin

S.No	Country	Producer	Exporter	NIP	Landed Price	Injury Margin	Injury Margin %	Injury Margin Range %
1.	Korea RP	M/s Hyundai Steel Company	1. M/s Hyundai Steel Company, Korea RP 2. M/s Hyundai Corporation, Korea RP 3. M/s. LG International Corp, Korea RP. 4. M/s P&A Corporation, Korea RP	***	***	***	(***)	(15-25)
2.	Korea RP	M/s POSCO	1. M/s POSCO, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP 3. M/s LG International Corp., 4. M/s Hyundai Corporation, Korea RP 5. M/s Samsung C&T Corporation, Korea RP 6. M/s POSCO Asia Co. Ltd, Hong Kong 7. POSCO Processing & Service Co., Ltd., Korea RP	***	***	***	***	40-50
3.	Korea RP	M/s Dongkuk Industries Co. Ltd	1. M/s Dongkuk Industries Co. Ltd, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP 3. Kowon Trading Corp, Korea	***	***	***	(***)	(55-65)
4.	Japan	JFE Steel Corporation	1. JFE Shoji Trade Corporation, Japan, 2. Honda Trading Corporation, Japan, 3. Nissan Trading Co. Ltd, 4. Ohmi Industries Ltd, Japan 5. Mitsui & Co. Ltd, Japan 6. Metal One Corporation, Japan.	***	***	***	***	5-15
5.	Japan	M/s. Nippon Steel & Sumitomo Metal Corporation	1. Honda Trading Corporation, Japan 2. Kanematsu Corporation Ltd, Japan 3. Marubeni-Itochu Steel Inc., Japan 4. Metal One Corporation, Japan 5. Mitsui & Co. Ltd, Japan 6. Nippon Steel & Sumikin Bussan Corporation, Japan 7. Sumitomo Corporation, Japan 8. Toyota Tshusho Corporation, Japan	***	***	***	***	20-30
6.	China PR	M/s Angang Steel Company Limited	1. M/s Angang Group Hong Kong Co. Ltd, Hong Kong 2. LG International Corp., Korea RP	***	***	***	***	10-20
7.	China PR	M/s Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd.	1. M/s JiangsuShagang International Trade Co., Ltd., China PR, 2. M/s Xinsha International Pte Ltd, Singapore 3. M/s Lu Qin (Hong Kong) Co., Ltd., Hong Kong 4. M/s Future Materials Industry (Hong Kong) Co., Ltd, Hong Kong	***	***	***	***	40-50

8.	Ukraine	Zaporizhstal Integrated Iron and Steel Works PJSC	Metinvest International SA, Switzerland	***	***	***	***	25-35
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120. The level of dumping margins and injury margins as determined are considered significant.

**Landed Value and Injury Margin for other producers and exporters from the subject countries**

121. The landed value to India in respect of other producers and exporters in the subject countries has been determined on the basis of best information available. Information provided by the responding exporters has been adopted for the purpose. The injury margin so worked out is mentioned in the table below.

Particulars	UOM	Japan	Korea RP	China PR	Ukraine
NIP	US\$/MT	***	***	***	***
Landed Value	US\$/MT	***	***	***	***
Injury Margin	US\$/MT	***	***	***	***
Injury Margin %	%	***	***	***	***
Injury Margin % Range	% Range	20-30	40-50	40-50	25-35

**Indian industry's interest & other issues**

122. The Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and, therefore, would not affect the availability of the products to the consumers.

123. It is recognized that the imposition of anti-dumping duties might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of these product. The domestic industry submitted that imposition of proposed duty shall have insignificant cost implications for the consumer. Therefore, fair competition in the Indian market will not be reduced by the anti-dumping measures, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

**Recommendations**

124. After examining the submissions made and issues raised, and considering the facts available on record, the Authority provisionally concludes that:

- (a) The product under consideration has been exported to India from the subject countries below normal value.
- (b) The domestic industry has suffered material injury on account of subject imports from the subject countries.
- (c) The injury has been caused by the dumped imports of the subject goods from the subject countries.

125. The Authority notes that the investigation was initiated and it was notified to all interested parties. Adequate opportunity was given to the exporters, importers and other interested parties to provide information on the aspects of dumping, injury and causal link. Having initiated and conducted an investigation into dumping, injury and the causal link thereof in terms of the Anti-Dumping Rules and having established a positive dumping margin as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional anti-dumping duty is necessary to offset dumping and injury.

126. Having regard to the lesser duty rule, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of provisional anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries, from the date of notification to be issued in this regard by the Central Government, as the difference between the landed value of the subject goods and the amount indicated in Col 8 of the duty table appended below, provided the landed value is less than the value indicated in Col 8. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

### Duty Table

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9	10
1.	7209, 7211, 7225 and 7226	Cold rolled / cold reduced flat steel products of iron or non-alloy steel or other alloy steel, of all widths and thickness, not clad, plated or coated	Korea RP	Korea RP	M/s Hyundai Steel Company	1. M/s Hyundai Steel Company, Korea RP 2. M/s Hyundai Corporation, Korea RP 3. M/s. LG International Corp, Korea RP. 4. M/s P&A Corporation, Korea RP	NIL (Please Refer Note -1 below the Duty Table)	MT	US\$

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
2.	-do-	-do-	Korea RP	Korea RP	M/s Hyundai Steel Company	1. M/s Hyundai Steel Company, Korea RP 2. M/s Hyundai Corporation, Korea RP 3. M/s. LG International Corp, Korea RP. 4. M/s P&A Corporation, Korea RP	594	MT	US\$
3.	-do-	-do-	Korea RP	Korea RP	M/s POSCO	1. M/s POSCO, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP 3. M/s LG International Corp., 4. M/s Hyundai Corporation, Korea RP 5. M/s Samsung C&T Corporation, Korea RP 6. M/s POSCO Asia Co. Ltd, Hong Kong 7. POSCO Processing & Service Co., Ltd., Korea RP	594	MT	US\$
4.	-do-	-do-	Korea RP	Korea RP	M/s Dongkuk Industries Co. Ltd	1. M/s Dongkuk Industries Co. Ltd, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP 3. Kowon Trading Corp, Korea	NIL (Please Refer Note -2 below the Duty Table )	MT	US\$
5.	-do-	-do-	Korea RP	Korea RP	M/s Dongkuk Industries Co. Ltd	1. M/s Dongkuk Industries Co. Ltd, Korea RP 2. M/s POSCO Daewoo Corporation, Korea RP	594	MT	US\$

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
						3. Kowon Trading Corp, Korea			
6.	-do-	-do-	Korea RP	Korea RP	Any combination other than S. No. 1, 2, 3, 4 & 5		594	MT	US\$
7.	-do-	-do-	Korea RP	Any country other than those subject to anti-dumping duty	Any	Any	594	MT	US\$
8.	-do-	-do-	Any country other than those subject to anti-dumping duty	Korea RP	Any	Any	594	MT	US\$
9.	-do-	-do-	Japan	Japan	JFE Steel Corporation	1. JFE Shoji Trade Corporation, Japan, 2. Honda Trading Corporation, Japan, 3. Nissan Trading Co. Ltd, 4. Ohmi Industries Ltd, Japan 5. Mitsui & Co. Ltd, Japan 6. Metal One Corporation, Japan.	594	MT	US\$
10.	-do-	-do-	Japan	Japan	M/s. Nippon Steel & Sumitomo Metal Corporation	1. Honda Trading Corporation, Japan 2. Kanematsu Corporation Ltd, Japan 3. Marubeni-Itochu Steel Inc., Japan 4. Metal One Corporation, Japan 5. Mitsui & Co. Ltd, Japan 6. Nippon Steel & Sumikin Bussan Corporation, Japan 7. Sumitomo Corporation, Japan 8. Toyota Tshusho Corporation, Japan	594	MT	US\$
11.	-do-	-do-	Japan	Japan	Any combination other than S. No. 9 & 10		594	MT	US\$
12.	-do-	-do-	Japan	Any country other than those subject to anti-dumping duty	Any	Any	594	MT	US\$
13.	-do-	-do-	Any country	Japan	Any	Any	594	MT	US\$

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
			other than those subject to anti-dumping duty						
14.	-do-	-do-	China PR	China PR	M/s Angang Steel Company Limited	1. M/s Angang Group Hong Kong Co. Ltd, Hong Kong 2. LG International Corp., Korea RP	594	MT	US\$
15.	-do-	-do-	China PR	China PR	M/s Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd.	1. M/s JiangsuShagang International Trade Co., Ltd., China PR, 2. M/s Xinsha International Pte Ltd, Singapore 3. M/s Lu Qin (Hong Kong) Co., Ltd., Hong Kong 4. M/s Future Materials Industry (Hong Kong) Co., Ltd, Hong Kong	594	MT	US\$
16.			China PR	China PR	Any combination other than S. No. 14 & 15		594	MT	US\$
17.			China PR	Any country other than those subject to anti-dumping duty	Any	Any	594	MT	US\$
18.			Any country other than those subject to anti-dumping duty	China PR	Any	Any	594	MT	US\$
19.	-do-	-do-	Ukraine	Ukraine	Zaporizhstal Integrated Iron and Steel Works PJSC	Metinvest International SA, Switzerland	594	MT	US\$
20.	-do-	-do-	Ukraine	Ukraine	Any combination other than S. No. 19		594	MT	US\$
21.	-do-	-do-	Ukraine	Any country other than	Any	Any	594	MT	US\$

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
				those subject to anti-dumping duty					
22.	-do-	-do-	Any country other than those subject to anti-dumping duty	Ukraine	Any	Any	594	MT	US\$

Note-1: Only applicable for following quality/grades:

- i. Plain Carbon steels with Carbon  $\leq$  0.15% and maximum UTS  $\leq$ 410 MPa - conforming to:
  - a. Commercial quality;
  - b. Drawing / Deep Drawing quality (D/DD)
  - c. Extra Deep Drawing quality (EDD)
- ii. Plain Carbon High Strength steels whether or not Interstitial Free, with UTS  $\geq$  350MPa - IF-HS or HS
- iii. Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS  $\geq$  590MPa
- iv. Bake-Hardening Steel with minimum UTS  $\geq$  370MPa (BH)
- v. Dual-Phase Steel with minimum UTS  $\geq$  370MPa (DP)

Note-2: Only applicable for following quality/grades:

- i. Micro-alloyed steels of Advanced High Strength Quality with minimum UTS  $\geq$  590MPa having width  $\leq$  600mm oiled and with trimmed edges.
- ii. Medium and High Carbon steels with Carbon  $>$ 0.15% having width  $\leq$ 600mm oiled and with trimmed edges.

### FURTHER PROCEDURE

127.The procedure as below would be followed subsequent to notifying the preliminary findings: -

- a. The Authority invites comments on these provisional findings from all the interested parties and the same, considered relevant by the Authority, would be considered in the final findings;



- b. Exporters, importers, the applicants and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views known, within forty days from the date of the publication of these preliminary findings. Any other interested party may also make known its views within forty days from the date of publication of these findings.
- c. The Authority would conduct further verification to the extent deemed necessary.
- d. The Authority would disclose the essential facts as per the Anti-dumping Rules before announcing the final findings.

**(A. K. Bhalla)**  
**Additional Secretary & Designated Authority**