

NON-CONFIDENTIAL

**F. No. 6/12/2019-DGTR
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF TRADE REMEDIES
Jeevan Tara Building, 5, Parliament Street, New Delhi-110001**

Dated 11th December, 2020

DISCLOSURE STATEMENT

Case No. OI- 10 /2019

Subject: Anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel originating in or exported from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia.

Sir/Madam,

In accordance with Rule 16 of the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, I am directed by the Designated Authority to disclose the essential facts under consideration in the matter relating to the Flat Rolled Products of Stainless Steel from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia.

2. This Disclosure Statement comprises following four Sections:

Section I: General Disclosure

Section II: Determination of Normal Value, Export Price and Dumping Margin – Non-Confidential

Section III: Assessment of Injury and Causal Link

Section IV: Methodology for arriving at non-injurious price
(Confidential copy for Domestic Industry only)

3. The sections cited above contain essential facts under consideration, which would form the basis for the Final Findings. The reproduction of facts does not tantamount to either acceptance or rejection of any fact/argument/submission. Arguments raised/submissions made by the domestic industry and other interested parties during

the course of the present investigation are reflected in this Disclosure Statement to the extent they are considered relevant to this investigation by the Authority.

4. Notwithstanding the facts given in this Disclosure Statement (including facts given on a confidential basis), the Designated Authority would consider all replies given, on merits, in order to arrive at a final determination.
5. In this Disclosure Statement ‘***’ represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
6. Interested parties may offer their comments, if any, along with soft copy of the same to the email of the undersigned along with a copy marked to the email addresses ‘adv12-dgtr@gov.in jd13-dgtr@gov.in and ac11-dgtr@gov.in, latest by **11:00 AM on 18th December, 2020**. Interested parties are requested not to repeat their earlier submissions if already included and addressed in this disclosure statement.
7. Since anti-dumping investigations are time bound, the Designated Authority shall not entertain any request for extension of time.
8. This issues with the approval of the Designated Authority.

(Mithileshwar Thakur)
Addl. Director General
Email: adg12-dgtr@gov.in
Tel: +91-11-23408729

Enclosures: As above

To,

All Interested Parties

SECTION- 1

Subject: Anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia.

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 Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter referred to as the Rules) thereof, the Designated Authority (hereinafter referred to as the Authority), received a written application from Indian Stainless Steel Development Association (ISSDA), M/s Jindal Stainless Limited, Jindal Stainless (Hisar) Limited and Jindal Stainless Steelway Limited (hereinafter referred to as the applicants or petitioners or domestic industry) on alleged dumping of Flat Rolled Products of Stainless Steel (hereinafter referred to as the subject goods), from People's Republic of China, Korea RP, EU, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, Mexico, UAE, Singapore, Hong Kong, Vietnam and Malaysia (hereinafter referred to as the subject countries) and requested imposition of anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries.

The Authority, on the basis of *prima facie* evidence submitted by the Applicants justifying initiation of Antidumping investigation, issued a public notice vide Notification No. 6/12/2019-DGTR dated 3rd July, 2019 in accordance with Rule 5 of the Rules to examine and determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from the subject countries, and to recommend the amount of antidumping duty, which, if levied, would be adequate to remove the alleged injury to the Domestic Industry.

A. PROCEDURE

1. The procedure described herein below has been followed by the Authority, post receipt of the application, with regard to the subject investigation:
 - i. The Authority notified the Embassies of the subject countries in India about the receipt of the Anti-dumping application before proceeding to initiate the investigations in accordance with sub-rule (5) of Rule 5 *supra*.
 - ii. The Authority sent a copy of the Initiation Notification to the Embassy of the subject countries in India, known producers/ exporters from the subject countries, known importers/ consumers/ users/ associations in India, other Indian producers

and the domestic industry as per the addresses made available and requested them to make their views known in writing within 40 days of the Initiation Notification.

- iii. The Authority provided a copy of the non-confidential version of the application to the known producers/ exporters and to the Embassy of the subject countries in India in accordance with Rule 6(3) of the Rules *supra*.
- iv. The Embassies of the subject countries in India were also requested to advise the exporters/producers from the subject countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/ exporters from the subject countries.
- v. The Authority sent Exporter's Questionnaire to the following known producers/exporters to elicit relevant information in accordance with Rule 6(4) of the Rules:

1	Acerinox sc Malaysia	35	Mh Megah Maju Enterprise
2	Bahru Stainless Son Bho Ptd	36	Nantong Jindi Fastener Co. Ltd
3	Ok Corporation, South Korea	37	Ningbo Polairs Metal Products Co. Ltd
4	Elite optels (h.k.) Limited, China	38	Ningbo Tierslia Imp & Exp co Ltd
5	Evershining International (H.K)	39	Ningbo Yinzhou Gaudhi Metal Products Co Ltd
6	Excelvantage Global Ltd, China	40	Oak Steel Limited
7	Five star Intl Group Ltd, China	41	Perfect Metal Fabrication co. Limited
8	Foshan Chuangshengdian Importand Export Co Ltd, China	42	Posco Daewoo Corporation
9	Foshan Gog Stainless Steel Co Ltd, China	43	Pt Imr Arc Steel Randuhardjo-Pungging
10	Foshan Hinato ceramics co. Ltd. China	44	Pt Imr Arc Steel Dusun Mojosarirejo
11	Foshan International Trade CO Ltd China	45	Pt. Bintang Asia Usahakawasan Industri
12	Foshan Realtime Import & Export Co China	46	Saera Corporation Ltd
13	Foshan Shunhengli Import &Export Co Ltd China	47	Samsung C and T Corporation
14	Foshan Teehoo Stainless Steel co. Ltd, China	48	Shandong Mengyin Huarun Imp&Exp Co Ltd
15	Foshan Yingfa Stainless Steel Co. Ltd china	49	Shandong Mengyin Huarun Impand Exp. Co. Ltd
16	Global Steel, Rublic Of Korea	50	Shenzhen One Touch Business Service Ltd
17	Gotoh & Co. Ltd.Japan	51	Sinosteel Shenzhen Co.Ltd

18	Gs Global Corp Republic of Korea	52	Takara Trading Co Ltd
19	Guangzhou Eversunny Trading Co.Ltd China	53	Topbing International Industrial Limited
20	Guizhou Zhongruixianghe Supply Chain co. Ltd china	54	Toyota Tsusho Corporation
21	Hakko Trading CO LTd Japan	55	Uniexcel Ltd
22	Hongkong Winner Steel Co Ltd, China	56	Walsin Lihwa Corp.
23	Hyosung Corporation, Republic of Korea	57	Wuxi Baoya Metal Co Ltd
24	Hyundai Corporation, Republic of Korea	58	Wuxi Zhongzhixin Stainless Steel Co. Ltd
25	Jfe Shoji Trade Corporation, Japan	59	Xiamen Tancheng Import and Export Co Ltd
26	Jiangsu New Qiujing Stainless Steel Co. Ltd, China	60	Y Viet Company Limited
27	Dongsha N Jieyang Guangdong China	61	Yamasaki Metal and Co. Ltd
28	Jieyang De Bao Ming Stainless steel	62	Yc Inox Co Ltd
29	Jin Metal Korea Co. Ltd.	63	Yieh United Steel Corporation
30	Jin Yang Metal Co. Ltd	64	You Steel Co Ltd
31	Karl Steel Internationalcompany Limited	65	Yuan Long Stainless-Steel Corp
32	Kobayashi Shoji	66	Yuting Industrial Co. Ltd
33	Metal China Industrial Co. Ltd	67	Zhejiang Zhongda Yuantong Industrial Corporation
34	Metal One Corporation		

- vi. The Authority issued a corrigendum to the initiation notification dated 03.07.2020 and clarified the product under consideration in the initiation notification.
- vii. The Authority through communication dated 15.07.2020 granted extension of time for filing comments on PCN.
- viii. The Authority vide communication dated 14.08.2019, notified the PCN to be adopted for providing relevant information and extended the time for filing the questionnaire response. On 13th September, the Authority once again extended the date upto 30th September, 2019 to file questionnaire response.
- ix. In response to the Initiation Notification, the following foreign exporters/producers responded and submitted questionnaire responses:

1. PT. Bina Niaga Multiusaha	24. Outokumpu PSC Benelux B.V.
2. PT IMR ARC Steel	25. Outokumpu S.p.A, EMEA Reporting unit
3. IMR Metallurgical Resources AG	26. Outokumpu Service center GmbH
4. India Coke and Power Pvt Ltd	

5. PT Ekasa Yad Resources	27. Outokumpu Stainless AB
6. Eternal Tsignshan	28. Steel 568 Company Limited
7. Pt. Indonesia Guang Ching Nickle and Stainless Steel Industry (GCNS)	29. Hyundai BNG Steel Co. Ltd.
8. Golden Harbour International Pte Ltd	30. EK Co Ltd
9. Pt Hanwa Indonesia	31. PL Special Steel Co Ltd
10. PT. Indonesia Ruipu Nickel and Chrome Alloy (IRNC)	32. Shon International Co. Ltd.
11. PT. Indonesia Tsingshan Stainless Steel (ITSS)	33. AD Stainless Co. Ltd.
12. Recheer Resources Singapore PTE Ltd.	34. Global Steel
13. Schuang International Development Limited	35. You Steel Co. Ltd.
14. PT. Sulawesi Mining Investment (SMI)	36. SIJ ACRONI D.O.O.
15. Stratus Steels DMCC	37. Bahru Stainless Sdn Bhd
16. PT. Tsingshan Stainless Steel Indonesia	38. Columbus Stainless (Pty) Limited
17. Walsin Lihwa Corporation (WALSIN)	39. Celerity Asia Trade Limited
18. Yieh Corporation Limited (YCL)	40. DK Corporation
19. Yieh United Steel Corporation (YUSCO)	41. NIPPON KINZOKU-Malaysia
20. Yieh Mau Corp (YMC)	42. Acroni DOO
21. Yuan Long Stainless Steel Corp (YLSS)	43. PT. Tsignshan Steel Indonesia
22. Outokumpu Nirosta GmbH	44. Hyosung TNC
23. Outokumpu Press Plate AB	45. Hyundai Corporation
	46. Kim Troung Hung Steel Co. Ltd.
	47. POSCO Asia Company Ltd.
	48. POSCO International
	49. POSCO, Korea RP
	50. Samsung C&T Corporation
	51. POSCO VST Co. Ltd.
	52. Acerinox Europa S.A.U-EU

- x. The Authority sent Importer's Questionnaire to the following known importers/ users of subject goods in India, calling for necessary information in accordance with Rule 6(4) of the Rules:

1. Accurate Steel	2. Home Zone Stainless Private Limited
3. Moonlight Tube Industries	4. Shakti Pumps India Limited
5. Amanat Steels Pvt. Ltd	6. Horizon Chutes Pvt
7. Naman Steel	8. Shree Ashapura Steel Centre
9. Aminox international	10. Hypro Engineers Pvt Ltd.
11. National peroxide limited	12. Shree Mahavir Steel
13. Ankur exports	14. Igp Engineers Private Limited
15. Navgrah fastners pvt ltd	16. Shree Ramdev Metal Mart
17. Anupam impex	18. Inco Steel
19. Navgrah fastners pvt. Ltd.	20. Shree Ramdev Steels Pvt.Ltd.

21. Montex stainless and alloys	22. Inox Stainless
23. Navpad steel centre	24. Shree Swangiya Metal Industries
25. Ashok metal corporation	26. J.Y. International
27. Navyug metal corporation	28. Shree Tube Mfg.Co.Pvt.Ltd.
29. Ashwin impex	30. Jagdamba Cutlery Private Limited
31. Nenava metal corporation	32. Shree Vallabh Metals
33. B.V.S. Overseas	34. Jaiman Metalloys Llp
35. Neptune Steel Impex	36. Shriram Handles
37. Balaji Impex	38. Jainex Steel & Metal
39. NG Industries	40. Siddhant Steel
41. Balaji Niryaat Private	42. Jay Laxmi Metal Corporation
43. Nickel Impex LLP	44. Siddhivinayak Steel
45. Bhalaria metal craft pvt ltd	46. Jayna Steel India
47. Numax steels	48. Silver Steels
49. Bharat Exports	50. Jewel Impex Pvt Ltd
51. Ohsung Electronics India Private Limited	52. Stainox Alloys Pvt Ltd
53. Bhavyadeep Impex	54. Jfe Shoji Trade India Private Limited
55. Om Gurudev Metals	56. Steel International Mahavir Darshan
57. Chanchal Metal & Tube	58. Kamal Metal Corporation
59. P.P. Impex (india)	60. Steel Line (India)
61. Chirag Udyog	62. Keshoram Industries
63. Pacific Metal Trading co	64. Steel Yard Overseas
65. Devdeep Steel Alloys	66. Keyur Kitchenware
67. Param Industries	68. Stride Industries LLP
69. Dhanera impex.	70. Kitchen Essentials
71. Paras Impoexpo Pvt Ltd.	72. Suchi Fasteners Pvt Ltd
73. Dhanera Metal Supply Corporation	74. Kraftwares (India) Private Limited.
75. Phoenix Foils Pvt. Ltd.	76. Suman Metalshop
77. Minox Metal Private Limited	78. Kunal Housewares Pvt.Ltd.
79. Posco-India Pune Processing Center Pvt. Ltd	80. Suncity Sheets Pvt Ltd
81. Divine Overseas Private Limited	82. Larsen & Toubro Limited
83. Rajesh Steel	84. Suncity Strips & Tubes Private Limited
85. Flange Forge India	86. Lubi Industries Llp
87. Rajguru Enterprises Pvt. Ltd	88. Sunder Impex Pvt Ltd
89. Forte Impex Pvt. Ltd.	90. M. P. Steel Centre
91. Ramani Steel House	92. Super Impex
93. Godrej & Boyce Mfg. Co. Ltd.	94. Magppie International Ltd
95. Randen Engineering Pvt.Ltd.	96. Swastik Industries
97. Goodluck Metal Corporation	98. Mahaveer Stainless Steel
99. Riddhi Siddhi Impex	100. Trident Steel
101. Goodluck Steels	102. Mars Housewares
103. Welkin Infotech Private Limited	104. Uttam Steel Alloys Pvt Ltd
105. H. K. Impex Pvt. Ltd.	106. Maruti Suzuki India Limited
107. S S Impex	108. Vishal Steels

109. Him Enterprises	110. Maxim Tubes Company Pvt Ltd
111. Saneet Steelsa	112. Veena Steel Industries
113. Hindustan Inox Limited	114. Mayfair International
115. Saraswati Steel India	116. Victora Auto Pvt. Ltd
117. Hindustan Syringes And Medical Devices Ltd	118. Metal One Corporation India Private Limited
119. Seth Iron & Steel Pvt. Ltd.	120. Vikram Metal [India]
121. Home Zone Metals Private	122. Milan Steel
123. Shah Foils Limited	

xi. The following importers and users of the subject goods responded by filing questionnaire responses:

- a. Godrej and Boyce Manufacturing Co. Ltd.
- b. Saraswati Steel Ltd
- c. Navnidhi Steel and Engg Pvt. Ltd.
- d. NG Industries
- e. Metal One corporation India Pvt Ltd
- f. Marubeni Itochu Steel India Pvt. Ltd
- g. JFE Shoji Trade Corporation
- h. JFE Shoji Trade India Pvt Ltd
- i. Outokumpu India Pvt. Ltd.
- j. POSCO India Processing Center Pvt. Ltd.-Chennai
- k. POSCO India Processing Center Pvt. Ltd.-Delhi
- l. POSCO India Pune Processing Center Pvt. Ltd.
- m. Ohsung Electronics India Pvt Ltd
- n. Maruti Suzuki India Limited
- o. Chromeni Steels Pvt Ltd
- p. POSCO India Processing Center Pvt. Ltd.-Ahmedabad
- q. Ratnamani Metals & Tubes Ltd.
- r. Remi Edelstahl Tubulars Ltd
- s. Suncity Sheets Pvt Ltd
- t. Suncity strips and tubes Pvt Ltd
- u. Rajasthan Prime Steel Processing Center Pvt. Ltd.
- v. Keihin India manufacturing Pvt. Ltd.
- w. Rahual ferromet & Engineering Pvt. Ltd
- x. Inoxcva historically futuristic

xii. The initiation notification was also sent to the associations listed below:

- a. Jagadhri Stainless Steel Re-Rollers Association
- b. The Rajasthan Stainless Steel Re-Rollers Association
- c. Stainless Steel Rollers Association
- d. Wazirpur Industrial Estate Welfare Society
- e. All India Stainless Steel Cold Rollers Associations

- f. Association of Indian Medical Equipment Device
 - g. All India Stainless Steel Industry Association
 - h. Metal and Stainless Steel Merchants Association
 - i. Process Plant and Machinery Association of India
 - j. Delhi Stainless Steel Trade Association
 - k. Steel Furnace Association
- xiii. Following parties have filed submissions during the course of the investigation:
- a. Eternal Tsingshan Group and Pt. Indonesia Guang Ching Nickle and Stainless Steel Industry
 - b. Lubi Industries LLP
 - c. Suncity Sheets Pvt. Ltd. and Suncity Strips & Tubes Pvt. Ltd.
 - d. Bindal Steel Tubes Pvt. Ltd.
 - e. Eternal Tsingshan Group and Pt. Indonesia Guang Ching Nickle and Stainless Steel Industry
 - f. Stainless Steel Pipe and tubes Manufacturing Welfare Association
 - g. South India Stainless Steel pipe and tubes Manufacturers Association
 - h. Steel Furnace Association of India
 - i. Rajasthan Stainless Steel Re-rollers association
 - j. Inox India Pvt. Ltd.
 - k. Outokumpu Oyj
 - l. Kim Troung Hung Steel Co. Ltd.
 - m. Rudhra Impex
 - n. POSCO, Korea RP
 - o. Indian Stainless Steel Development Association
 - p. DOZCO (India) PVT ltd.
 - q. Stainless Steel Pipes & Tubes Manufacturers Association
 - r. Divine Impex
 - s. Government of Hong Kong Special Administrative Region
 - t. Inox India Pvt. Ltd.
 - u. KPV Impex
 - v. M.P. Industries
 - w. Navnidhi Steel & Engg. Co. Pvt. Ltd.
 - x. Process Plant and Machinery Association of India
 - y. DGFT Indonesia
 - z. Shree Ramdev Steels Pvt. Ltd.
 - aa. Shree Ramdev Steels Pvt. Ltd.
 - bb. Suraj Limited
 - cc. TBS Metal Pvt. Ltd.
 - dd. Tamil Nadu Stainless Steel Merchants and Manufacturers Association
 - ee. Outokumpu India Pvt. Ltd.
 - ff. Shiva Trading Co.
 - gg. All India Stainless Steel Importers Association
 - hh. Navnidhi Steel and Engg. Co. Pvt. Ltd.

- ii. Metal & Stainless Steel Merchant's Association
 - jj. Minox Metal Private Limited
 - kk. Non-Ferrous Metal Association
 - ll. Stainless Steel Merchant's Association
 - mm. Meena Metal Impex Pvt. Ltd.
 - nn. Ramani Steel House
 - oo. Paxal Corporation
 - pp. All India Stainless Steel Industries Association
 - qq. Ratnamani Metals & Tubes Ltd.
 - rr. NG Industries,
 - ss. Navnidhi Steel & Engg Co. Pvt. Ltd,
 - tt. Saraswati Steel (India)
 - uu. Shree Ramdev Metalex and MP Industries
 - vv. Rajasthan Stainless Steel Re-Rollers Association
 - ww. All India Stainless Steel Cold Rollers Association
 - xx. Columbus Stainless Steel
 - yy. Bahru Stainless Steel
 - zz. Inox India Pvt. Ltd.
 - aaa. Inox India Pvt. Ltd.
 - bbb. Emit Emmission Control Technologies Pvt Ltd
 - ccc. Eternal Tsingshan Group and Pt. Indonesia Guang Ching Nickle and Stainless Steel Industry
 - ddd. Remi Edelstahl Tubulars Ltd
 - eee. Delhi Stainless Steel Trade Association
- xiv. Following parties filed comments with regard to the methodology to be adopted for making Product Control Number (PCN) for the PUC in the subject investigation:
- a. PT IMR ARC Steel Indonesia
 - b. POSCO VST
 - c. Outokumpu Oyj
 - d. SIJ Acroni d.o.o.
 - e. Ratnamani Metal & Tubes Ltd.
 - f. Eternal Tsingshan Group and Pt. Indonesia Guang Ching Nickle and Stainless Steel Industry
- xv. The following associations and parties have filed letters supporting imposition of antidumping duty:
- a. Steel Authority of India Limited (SAIL)
 - b. Shah Alloys
 - c. Rajasthan Stainless Steel Re-Rollers Association
 - d. All India Induction Furnace Association
 - e. All India Stainless Steel Cold Rollers Association, (Ahmadabad)

- f. Jagadhri Stainless Steel Re- Rollers Association, Haryana
 - g. South India Stainless Steel Pipe and Tubes Manufacturer Association
 - h. Stainless Steel Welded Tubes & Pipes Manufacturers Association (Kolkata)
 - i. Stainless Steel Pipe and Tubes manufacturer Association
 - j. Stainless Steel Re-rolling Association, Delhi
 - k. Delhi Stainless Steel Trade Association
 - l. Wazirpur Industrial Estate Welfare Society
- xvi. 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.
- xvii. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of subject goods for the past three years, and the period of investigation, which was received by the Authority. The Authority has relied upon the DGCI&S data for computation of the volume of imports and required analysis after due examination of the transactions.
- xviii. The Non-Injurious Price (NIP) is based on the optimum cost of production and cost to make & 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 Antidumping Rules has been worked out so as to ascertain whether Antidumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xix. The Authority held an oral hearing on 15th October, 2019 to provide an opportunity to the interested parties to present relevant information orally in accordance to Rule 6 (6), which was attended by the representatives of domestic industry, members of various Stainless Steel Associations, representatives of exporters from various subject countries, importers and users. All the parties who presented their views in the oral hearing were requested to file written submissions of their views expressed orally. The parties were also advised to collect written submissions made by the opposing parties and were allowed to submit their rejoinders thereafter.
- xx. Due to change of the Designated Authority another oral hearing was conducted by the new Designated Authority on 12th December, 2019 in pursuance of the direction given in the judgment delivered by the Hon'ble Supreme Court in the matter of Automotive Tyre Manufacturers' Association (ATMA) Vs The Designated Authority in Civil Appeal 949 of 2006. The parties, who presented their views in the 2nd oral hearing were requested to file written submissions of the views expressed orally, followed by rejoinder submissions. Due to another change of the Designated Authority another oral hearing was conducted by the

new Designated Authority on 6th November 2020. The parties, who presented their views in the 3rd oral hearing were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.

- xxi. The verification of the information provided by the domestic industry and other interested parties was carried out to the extent considered necessary. Only such verified information with necessary rectification, wherever applicable, has been relied upon by the Authority.
- xxii. The Period of Investigation (POI) in the present investigation is April 2018 to March 2019 (12 months). The injury investigation period shall cover the periods 2015-16, 2016-17, 2017-18 and the period of investigation.
- xxiii. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in this disclosure statement.
- xxiv. 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.
- xxv. 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 views/observations on the basis of the facts available.
- xxvi. ‘***’ in this document represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xxvii. The exchange rate for the POI has been taken by the Authority as ₹ 70.82= 1 US\$.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

- 2. The product under consideration in the present investigation as defined in the notice of initiation is “Flat Rolled Products of Stainless Steel” excluding the following:
 - a. Hot rolled stainless steel of 304 grade and width up to 1650mm (with permissible tolerances) from China, Malaysia and Korea, wherein anti-dumping duty was recommended vide notification no 14/30/2013-DGAD,

dated 9th March, 2015 and imposed vide customs notification no. 28/2015-Customs (ADD) dated 5th June, 2015.

- b. Cold rolled stainless steel of 600 mm and above (with permissible tolerances) from China, Korea, EU, USA, Taiwan, Thailand, South Africa, except cold rolled stainless steel of more than 1250 mm having bonafide use as more than 1250 mm, wherein anti-dumping duty was recommended and imposed vide customs notification no. No. 14/2010-Customs, dated 20th February 2010. The said duties were recommended to be extended vide notification no. 5/04/2014-DGAD, dated the 12th October 2015 and were extended vide customs notification no 61/2015- Customs (ADD) dated 11th December 2015.
- c. Blade Steel, also commercially known as razor blade grade steel used in production of razor.
- d. Coin blank falling under 73269099 HS Code used in production of monetary coins.

Submissions made by the domestic industry

3. Submissions made by the domestic industry with regard to the product under consideration are as follows:
 - i. The product under consideration is “Flat Rolled Products of Stainless Steel”. The product scope excludes the following: (a) Hot rolled stainless steel of 304 grade and width up to 1650mm (with permissible tolerances) from China, Malaysia and Korea (b) Cold rolled stainless steel of 600 mm and above (with permissible tolerances) from China, Korea, EU, USA, Taiwan, Thailand, South Africa. (c) Blade Steel, or commercially known as razor blade grade steel used in production of razor and (d) Coin Blank falling under 73269099 used in production of monetary coins.
 - ii. . The scope of the product under consideration includes cold rolled stainless steel of more than 1250 mm having bonafide use as more than 1250 mm, which were expressly excluded from the scope of measures recommended vide notification no No.14/1/2014- DGAD, dated the 19th February, 2016 and imposed vide customs notification no 52/2017-Customs (ADD) dated 24th October, 2017
 - iii. Product under consideration can be transacted in a number of different forms, such as coils, sheets, plates, circles, strips or otherwise. All forms of the product are within the scope of the product under consideration.HR (Hot Rolled) and CR (Cold Rolled) flat rolled products of stainless steel constitute one product on the basis of following criteria
 - a. Production technology- The same production technology is employed for producing HR and CR. The applicants use Electric Arc furnace to produce both HR and CR. While different manufacturers globally may use different technology such as the Rotary Kiln Electric Furnace, but every producer uses the same technology for producing HR and CR forms of flat products of stainless steel.

- b. Manufacturing Facilities/process- The manufacturing process used for HR and CR is same. The production process starts from the stage of raw materials mixing in desired proportion (considering SS scrap, MS scrap, Ferro chrome, ferro silicon etc as the raw materials) to Electric Arc Furnace. The first product in the process is slab. This slab is heated again in induction furnace and then rolled in hot condition. This process is termed as hot rolling. This hot rolled is annealed and pickled-to form Hot Rolled Annealed Pickled (HRAP) coil. The HRAP coil is either sold in the market or processed further into Cold Rolled Annealed Pickled (CRAP) coil. However, the HRAP sold in the market is largely processed further into CRAP by the buyer before eventual end consumption.

However, pproduction skills employed in producing HR and CR products is the same.

- c. Degree of common production process and cost- Analysis of cost of production of HR and CR products (for the same PCN with sole difference of only HR-CR) would show that (a) majority of the costs incurred are common; (b) incremental costs incurred are grossly insufficient, having regard to overall costs. About 90% of the cost is incurred at the HR stage, while remaining 10% costs are incurred at CR stage. Thus, not only the production activities, but also cost incurred are largely up to the HR stage, with CR forming only incremental production activities.
- d. Investment- A comparison of investment made in HR and CR would show that the incremental investment made in CR is only 7-10% of investment made up to HR stage. The capital employed at the stage of HR is INR *** Cr, while the same at the stage of CR is INR *** Cr.
- e. HR and CR both are produced conforming to technical standards such as ASTM, EN, JIN, Josh, BIS, etc. The standards make no distinction between the HR and CR products. ASTM standards are most widely used & followed for Stainless Steel and reference is made to section 3,11,12 and 13 of ASTM 480-17 which provides for Standard Specification for General Requirements for Flat-Rolled Stainless and Heat Resisting Steel Plate, Sheet, and Strip. Section 3 provides for terminology for various forms of flat rolled stainless steel, i.e., sheet, strip, plate. Section 11,12 and 13 specify finishes which further substantiates it. The standard does not differentiate between CR & HR within Sheets or within Plates. Similarly, ASTM A240 which is for SS Plate, Sheet & Strip for vessels & general applications, doesn't differentiate mechanical test requirements between Stainless Steel in HR & CR
- f. The cost and price of Hot rolled products and Cold rolled products move in tandem. Comparison of CR coils with HR coils & CR coils with HR plates of Stainless steel Flat products for various countries shows that whereas difference between CR Coils and HR coils is in the range of 3 to 9% the difference between CR coil and HR Plate was negative, which means the HR Plate is costlier than CR Coil. Similarly, data taken from Fastmarkets (Earlier Metal bulletin) for comparison of weekly price of Asian HR & CR for 12

months (December 2019-November 2020) also shows that the price difference between HR and CR has been in the range of 4-8% only

- g. HR product sold by the petitioners, other domestic producers, and imported into India is largely processed into CR products and then consumed as CR product. To this extent, HR product sold by the industry is only an intermediate. Distinction between HR-CR would imply treating HR sold by domestic industry & consumed after processing as different from CR sold by the domestic industry.
- iv. The issue of whether hot rolled and cold rolled products can both be within the scope of the subject goods has been considered by the Authority in CVD investigation which considered same scope of product under consideration from China. The scope of product under consideration was upheld by the Hon'ble CESTAT in the matter of *M/s Suncity Sheets Pvt. Ltd. v. Union of India/DA*, Anti-dumping Appeal No. 50003 of 2018. The party filed special leave petition before the Hon'ble Supreme court, where one of the grounds raised by them was that HRSS and CRSS are two distinct products and are commercially non-substitutable. The Supreme Court did not find any grounds in SLP to interfere with the order passed by the CESTAT and dismissed the appeal.
- v. While about 80% of SS flat products are consumed only in CR form, the domestic industry has sold 48 %HR, which further implies that this HR sold by the domestic industry was also consumed as CR. The fact that significant part of HR sold by the domestic industry is consumed as CR itself shows that HR is in fact only an intermediate product. Thus, if the product is indeed divided into HR and CR products, then, it would not even be possible to precisely determine either consumption or economic parameters relating to industry.
- vi. The SOP manual explains at para 3.9 that a single investigation should normally involve a single article and its like product. However, in certain circumstances, there could be situations where multiple like products are considered in an investigation to avoid subsequent circumvention or to make the ADD measure more effective. This situation arises when products are generally manufactured together or traded together or value addition between the products are nominal or product is traded in assembled/ semi-assembled/unassembled form. The present investigation qualifies within this criterion mentioned in the manual as (a) HR and CR are manufactured at same location and (b) the value addition from HR to CR is only 5-12%, (c) HR-CR needs be taken together in one investigation to avoid circumvention, as duty on HR but no duty on CR means substitution of imports from HR to CR. Similarly, duty on CR but no duty on HR means substitution of imports from CR to HR, and processing in India, (d) product is traded in assembled/semi-assembled/unassembled form (i.e., semi-finished stage), in as much as imports of HR happens whereas the product is consumed in CR form.
- vii. HR and CR both have been considered in the scope of PUC. Petitioners also refer to the ADD imposed on imports of seamless tubes & pipes wherein the product under consideration included both hot rolled and cold rolled or cold drawn products.

- viii. Reliance placed on *Gujarat Industries & Ors. v. Commissioner of Central Excise-I* by various interested parties, is erroneous and misleading. The dispute in the matter of said case was under the Central Excise Tariff Act, 1985, while the instant case is a dumping case. The latter is not in *pari materia* with the former. The concept of manufacture for the purpose of Central Excise includes incidental activity and even packing and repacking of goods. Extending this meaning to antidumping law will defeat the very purpose of anti-dumping law and the definition of like article and product under consideration. Under antidumping law, manufacture using raw materials should bring into existence a like article. Even otherwise this judgment was referred by the interested parties in the CESTAT and also before Hon'ble Supreme Court in the Civil Appeal filed by *M/s Suncity Sheets Pvt. Ltd.* The Hon'ble Tribunal despite taking note of this decision, concluded that HR and CR are one product and Hon'ble Supreme Court dismissed the Civil Appeal against the Tribunal judgment.
- ix. Cold rolled products are produced only when product hot rolled first are subjected to cold rolling. Cold rolling is done only to achieve desired thicknesses and finishes. However, desired technical specifications are achieved at the stage of hot rolling itself.
- x. Considering of HR and CR as one product is not contrary to the past practice. Rather it is an already adjudged issue to include both HR and CR within the scope of PUC in one single investigation. It has been categorically held that since expenses involved at cold rolling stage are not so significant, and the substantial cost of production is on raw materials and utilities up to steel melting. Thus, the two are mere categories and can be included in the scope of product under consideration in one investigation.
- xi. In a DRI Investigation against imports made by one of the exporters, wherein the competent Authority passed an order holding that the importer and exporter have evaded anti-dumping duties levied on Hot Rolled Flat Products of Stainless Steel of grade 304, it was concluded that the value addition from HR Black Coil to CR SS Coil is significantly less than 35%.
- xii. Various raw materials like scrap, nickel, ferro alloys etc are melted to make stainless steel slab and thereafter cast into HR flat products which is a "substantial transformation". Thus, the raw materials for HR and CR are the same and the production process up to this stage is the same. The process of further manufacturing merely brings in either some finishes or reduces the size or releases the stress in the product developed at the stage of HR production. The basic chemistry of the product however does not undergo any change after HR stage.
- xiii. M/s Bahru Stainless, responding exporter from Malaysia, has also earlier stated that there is hardly any value addition in converting HR Coil to CR Coil, in the antidumping investigation concerning HR 304 from China, Malaysia and Korea RP.
- xiv. MR research corroborates petitioner's argument that under the family of flat products of Stainless Steel, hot rolled comprises only 19% and the rest i.e. 81% of flat product comprises of cold rolled. This means that 80% of hot rolled product is

converted into Cold Rolled Product and thus hot rolled product is an intermediate for cold rolled producers.

- xv. The specifications remain the same between HR and CR products. Only difference between the HR and CR product is in the fact that some products cannot be processed in hot conditions and must be processed in CR conditions. Therefore, in order to achieve the thickness and finish eventually required by the consumer, the product is required to be processed in cold conditions.
- xvi. As regards past investigations, the petitioners refer to the following investigations wherein the Designated Authority in fact has undertaken combined investigations for intermediate and further processed products:
- a. Seamless tubes & pipes – similar to the present case, both hot and cold rolled seamless tubes & pipes were considered as one product.
 - b. Solar Cells & Modules – Solar cells are processed further to produce module. Thus, the scope of product included solar cells and modules made out of solar cells.
 - c. Glass Fibre- AR and CSM-Glass fibre is first produced either as Assembled Glass Roving (AR) or as Direct Glass Roving (DR). AR is processed further to produce CSM and all are covered under the product scope.
 - d. Fatty alcohols- Saturated Fatty Alcohols with carbon chain length of C12, C14, C16, and C18 including single, blends are produced first. Thereafter, products such as unblended are produced by combining/processing products which includes blends of a combination of carbon chain lengths, C12-C14, C12-C16, C12- C18, C-16-18 and C14-C16 and all these were part of product scope.
 - e. Choline chlorides-The product is first produced in liquid form, which can be either sold as it is, or processed further to make solid choline chloride
 - f. Persulphate-ammonium persulphate is used to make potassium and sodium persulphate
 - g. FKM and all three forms were included in the scope of product under consideration.
 - h. PTFE-PTFE resin is produced first. Thereafter, either it is used as it is or processed further to produce other moulding grades and fine powder, which is all covered in the scope.
 - i. Aluminium Foil-Aluminium Foil is produced first and thereafter it is either used as it is or processed further to produce printed or backed with paper, paper board, plastics or similar packing materials
 - j. Caustic Soda- Lye and Flake-caustic lye can be processed further to make solid caustic soda and both forms are covered under product scope
 - k. CPVC resin and compounds-Scope of PUC included resin and compound. CPVC resin can either be sold as it is or can be compounded and then sold in the market. CPCV resin and compound have however treated as one product.
- xvii. The argument of the interested parties that the authority had considered both HR and CR as one product in CVD investigation, not in ADD investigation, holds no

- good because (a) if CVD decision cannot be applied to ADD case, there is no basis for applying a decision arising under excise law; (b) the objective and scope of the product under consideration cannot be contended as different under dumping and subsidy law, (c) the reasons given by the Authority while holding HR and CR as one product are quite important and relevant in considering that decision; (d) Authority has made a number of determinations where the product under consideration included a product type produced after processing another product type, both falling under the scope of the product under consideration.
- xviii. The United States in various investigations has taken the same view and has observed that hot rolled and cold rolled constitute as one product. US has been conducting antidumping and anti-subsidy investigations since 1973 onwards and have imposed duty on various countries. In all these investigations the Commission has included both cold rolled and hot rolled in the scope as one product.
- xix. The contention of other interested parties that the petitioner sells products only if minimum volume is booked is incorrect. The petitioners provided details of orders received for volumes far below than those mentioned by the interested parties..Thus, there is no condition of minimum order prescribed by the domestic industry.
- xx. As regards width and thickness of the subject goods, the petitioners have sold products having thickness more than 80mm and width of more than 1650mm.
- xxi. As regards the argument that domestic industry is not producing grades/types of PUC for which BIS license is not issued to them, it may be seen that Ministry of Steel has notified three BIS stainless steel standards namely IS 5522, IS 15997 and IS 6911 under the Quality Control Order (QCO). Ministry of Steel issues a list of grades outside the purview of QCO. This is updated every quarter and this is continuous and ever evolving process. Non-inclusion of certain grades/ product types within QCO does not mean that such grades are not being produced in the country. There are several grades produced and sold by the domestic industry which are not under BIS yet.
- xxii. per Annex B of EN 10088/2 (European Standard Steel Number) in HR condition, IE finish refers to Hot Rolled heat treated, mechanically descaled materials. This is similar No1 / 2E finish of Jindal. The petitioners have offered like article. Petitioners have the latest technical capability to produce 2E finish and are regularly producing it.
- xxiii. The product produced by the petitioner and respondent are targeted towards the same application/end use and the consumers are using the goods interchangeably, thus rendering the products as like article. While determining the like article, the Authority is required to take into account all the products which fall under the description of the product as long as the same are technically and commercially substitutable. The Authority had held earlier in the matter of imports of cold rolled flat products of stainless steel that difference in production process does not lead to product being different.

- xxiv. Jindal is regularly producing CRAP (Cold Rolled Annealed and Pickled) above 4mm thickness.
- xxv. Consumers' preference or quality of a product cannot be a criterion to exclude a product type from the scope of levy of anti-dumping duty. Further, the products are produced as per laid down standards. Thus, the argument that the quality of the product produced by the domestic industry does not yield better result is flawed. Domestic industry has been producing these grades like 2760 and 904L regularly.
- xxvi. There are many types of surface finishes on stainless steel. Some of these originate from the mill (Rolled finishes) and some are produced with processes like polished, brushed, blasted, etched and coloured finishes. A lot of MSMEs are also involved in making special finishes in India. The domestic industry is capable of making several finishes. These finishes may be made by any of the processes either in the mill or through separate processes. With very minor change in the pattern/ design, a new name is coined. Hence, practically there is no such finish which is not produced or cannot be produced in India. Even the PCN decided by the Authority does not segregate types of finishes and therefore finish is not a significant parameter for distinguishing types of the product.
- xxvii. Petitioners deny the allegation that it has refused to sell low volume of Special finishes and grades used by the laminate industry and hence there is no justification to exclude Special finishes and grades used by the laminate industry. No evidence substantiating such claims has been provided by the interested parties. Since petitioners are producing comparable grades, these ought not be excluded from the scope of product under consideration.
- xxviii. Petitioners have produced and sold precision strips throughout the injury period in sufficient volume.
- xxix. It may be noted that most of the grades or their equivalents are produced in India. However, foreign producers tend to make minor chemistry tweaking and rename the grade. For example Outokumpu grade for which equivalent grades are being provided by the domestic industry are as follows:

Name of grade used by Outokumpu	Equivalence in domestic industry
LDX 2101	UNS S 32101
COR 4622	UNS S 44330
SDX 100	UNS S 32760
2304	UNS S 32304
2507	UNS S 32750
4501	UNS S 32760
4828	1.4828
1.4509	441/EH1.4509,
253MA	UNS S 30815
304L	304L
305	305
430Ti 1	430Ti

436L	436L
------	------

- xxx. It is also a normal practice that, due to typical relation between end user and foreign producer, the consumers don't try the material from domestic producers.
- xxxi. As regards imports of patented product types, it is not established that the domestic industry cannot offer like article to these patented product types. The fact that these are patented does not per se imply that the domestic industry does not offer like article.
- xxxii. Petitioners supply 441 grade as per ASTM UNS S43940 which contains higher Cr than JFE429EX and contains Nb and Si. 441 grade has similar range of Nb and Si as compared to JFE 429EX, with additional Ti content to improve weldability. So, JFE429EX is only an inferior grade than 441. However, if customer requires, JSL can supply material similar to JFE429EX grade. Improvement of r-bar value using hot rolling control process is well known. JSL is using this method for all the 400 series grades to improve r-bar value.
- xxxiii. J441 grade is much better than JFE TF-1. However, if customer requires, JSL can supply material similar to JFE TF-1 grade. The domestic industry will provide what the consumer requires. Production in the present product is largely undertaken against an order placed by consumer.
- xxxiv. JFE410DB is similar to 410DB being made in India and the domestic industry is supplying the same.
- xxxv. Typical Chemistry of 445 is similar to JFE430CuN and it's a regular grade. JSL has Tandem-CAL process in Jajpur unit by means of which higher roughness finish can be manufactured. Domestic industry is supplying the same.
- xxxvi. Petitioners supply 436L grade as per UNS S43600 and SUS436L, which contains higher Cr than JFEMH1 and contains 0.75-1.25% Mo. Petitioner is supplying this grade to different Japanese customers and customers are satisfied with the product. However, if customer requires, domestic industry can supply material similar to JFE MH1 grade.
- xxxvii. Ultra 725 LN, Forta FDX 27, Forta 2404, Core 4622, Ultra 654 SMO, S-Star, S-Star A and G-Star: Plastic mold steel, K-SF24: parts for injectors of automobiles, DSN9 used for exhaust gaskets of automobiles, Forward Series- these grades have not been produced by the Domestic Industry only because of limited requirement in the country and also because consumers are not willing to provide opportunity to the domestic industry. Any such exclusion will lead to widespread manipulation. A number of exclusion requests are of the product types that are sold by the domestic industry. In fact, petitioner has been a regular supplier to the automobile industry.
- xxxviii. NK-430SD, NK-430MA, NK-436L-MN, NK-436LNB, NAS_255NM (N08926), NAS-840 and NAS 254N- the situation is same with these grades, these are not for the auto industry. All these grades can be developed by the domestic industry and requires minor variations. These have not been supplied for lack of orders, and not because of lack of capability.

- xxxix. JFE409L, JFE432LTM, JFE436LT, JFE439L, JFE441 and JFE434LN2- As admitted by the interested party itself that these grades are being produced by the domestic industry, and thus should not be excluded from the scope of product under consideration. It has not been shown or substantiated how the comparable grades are not substitutable.
- xl. 400 series is based on the cutting edge technology of Nippon. Mere difference in technology of a product type does not in itself justify exclusion from the scope of product under consideration.
- xli. Petitioners manufacture 409L with very stringent control of C and N. 409L is better corrosion resistant than NSS HR-2 due to higher Cr content. Petitioners manufacture different grades with dual stabilization of Nb and Ti.
- xlii. Petitioners manufacture 436L as per ASTM grade which is similar to NSS 436. Petitioners manufacture 432 which is similar to NSS 432. Petitioners manufacture grade 439 as per ASTM UNS S43932, with similar chemistry. Typical Chemistry of 409L is similar to NSS409M1.
- xliii. JFE20-5USR, JFE18-3USR, NAS_335X(N08020) and NAS_800(N08810 N08811)- these four grades sought for exclusion are not being produced by the domestic industry because the consumers have not allowed any opportunity to the domestic industry to develop, produce and sell the product and comparable grades also don't exist. Even upon agreement by the domestic industry for exclusion of these four products, any exclusion without specifying the foreign producer, application and Indian importers shall lead to significant evasion of duty.
- xliv. The domestic industry does not require minimum threshold quantity to supply plates of width higher than 1500mm.
- xlv. Stainless steel corresponding to grade UNS S32750 is a super duplex grade and is used in high corrosive areas. It is designated as ISS 2507 of IS 6911 and also reflected in the product brochure of JSL on its website.
- xlvi. The applicants do not produce above 1650mm. However, the requirement in the country is very limited and the same can be met by other domestic producers. Any such exclusion will injure the Indian producers.
- xlvii. The domestic industry domestic produces HR plates below 10mm as well as above 10mm.

B.1 Submissions made by other interested parties

- 4. Submissions made by other interested parties with regard to product under consideration are as follows:
 - i. Cumulation of more than one product in one investigation is not advisable. The language of WTO Article refers to “an article” indicating the necessity of considering a single product. Combining multiple products as one will lead to inaccurate and incorrect assessment of standing, dumping and injury.
 - ii. Upstream and downstream product should not be combined under one product under consideration. Significant value addition and processing is required for processing hot rolled to cold rolled product. Authority in past has considered

separate analysis and assessment for intermediate and downstream product. Such step will create false equality between upstream and downstream manufacturers to the detriment of downstream manufactures. They get excluded because they import upstream product.

- iii. In the case of Rubber Chemical, Penicillin-G and 6 APA, the Authority investigated two distinct products in the same investigation. The Authority took care to identify the individual sources from which such imports were entering and conducted the investigation based on an acknowledged difference of sources of imports.
- iv. The Authority did consider hot rolled and cold rolled as one product in CVD investigation but the Authority should apply discretion in the present case for following reasons:
 - a. There are 15 subject countries in the present investigation. Even if one of the countries does not export any type of product under consideration, it will be subjected to ADD.
 - b. Designated Authority is required to examine whether each product type is exported from each of the subject country. Imports from all the subject countries cannot be cumulated for injury assessment. It will give distorted volume and injury assessment.
 - c. As per PCN wise data provided, share of 'Cold Rolled Flat Products of Stainless Steel' is 90% or more in case of exports from 8 out of 15 subject countries. In case a separate investigation is done for Hot Rolled products, these 8 countries would not be subject countries for the investigation. The domestic industry was aware of this fact, hence enhanced the scope of product.
 - d. The domestic industry is also aware that no initiation would have been done for cold rolled products due to absence of material injury. JSL (Hisar) has accepted that they have done well in CRAP Products.
 - e. It is a settled principle of law that what cannot be done directly, cannot be done indirectly.
- v. HR and CR are distinct products and the same has been established in past cases of HR and CR Products in Gujarat Industries v. Commissioner of Central Excise.
- vi. In several investigations the product not manufactured by the domestic industry was excluded from the scope of product under consideration. Products not being produced by domestic industry should be excluded.
- vii. The domestic industry has installed capacity for width upto 1650mm. However, their actual width available for supply in trimmed edge condition is 1600mm. Even for supplying 1600mm width, for coil/plate/sheet of grade TP/304/L and TP/316/L, they require 1 full heat quantity of 140 MT. For all other grades, 2 full heat quantity of 280 MT is needed. Domestic industry is capable of manufacturing PUC of thickness max upto 80mm. Thus thickness beyond 80mm should be excluded.
- viii. Domestic industry is not producing grades/types of PUC for which BIS license is not issued to them. BIS issued exemption list of grades for import into India, which are not available/produced in India. e.g.: 200 Series Grade 201 J3 & 201 J1,

JFE-MH1, Sandvik 20c & other (item 4, 14, 15, 56, 99, 112, 112) as well as SMO 254, SMO 652, Ultra 6XN, 317LN etc. was exempted from BIS and Ministry of Steel, as they are not available/produced in India. Even though Jindal's website states that it is producing BA finish at Hisar, according to feedback received from end user industry, Jindal Steel is not capable of supplying BA finish material of necessary standard and quality.

- ix. Finish HR 1E- is not produced by Jindal and not mentioned in their product catalogue. It should be excluded.
- x. Cold rolled 2E finish- produced by Outokumpu Tornio, Finland has better surface finish compared to Jindal and other Indian producers.
- xi. There are significant differences in production routes and conditions of material in 2E that Outokumpu Tornio produces on the one hand and Indian producers on the other.
- xii. Cold rolled 2B finish >4mm thick-used in industries such as pharma, water, dairy etc. are not produced and supplied by the domestic industry.
- xiii. Grade 904L, 904LN and 2760: 904L of the petitioners are priced lower than OTK. Despite OTK's higher price, customers prefer material produced by OTK because of better results. Grade 904LN and 2760: 904L are not produced by petitioners.
- xiv. 2B finish in 5mm thickness; 2BB/BA/2R; Austenite (M55); Bricks (M52); Croc Skin (M76); Diamonds (M22); Haze (M64); Ice Crystals (M45); Laser (M69); Leather Grain (M42); Linen (M25); Linen without Slubs (M28); Microlinen (M24); Sand Surface (M60); Square (M21); Deco Supermatt; Deco Microlon (wet, dry); Dry polished, brushed, Duplo (dry polished + brushed), No 6/2J; These products need to be excluded as the end user industry in India is likely to need these grades for ongoing and upcoming projects in coming years.
- xv. Special finishes and grades used by the laminate industry: Indian producers refuse to supply low volumes. Therefore, grades such as SDX 100 and Ultra 6XN must also be excluded.
- xvi. Precision strips are imported at high prices and hence could not have caused injury. Jindal steel does not have sufficient experience to produce these grades and also needs higher volumes to produce them.
- xvii. Special grades such as 410, 393, 304 etc. used by the laminate industry must be excluded. Outokumpu uses specialised mill Avesta Press Plate to achieve stringent mechanical properties. These properties are not achieved in any local mill or any other global mill. Hence, Indian user relies on Outokumpu to supply this material. The volume of such specialized exports is in any case negligible.
- xviii. Patented Products by the exporters from the subject countries, in terms of previous final findings No. 14/6/2008 DGAD dated 24.11.2009 should be excluded.
- xix. Plate 30815 - Plate AISI 600 series including grades AISI 630, AISI 63 I, Euro Norm 1.4841, EN 1.48410 (Also known as AISI 314)- Plate Alloy 800 Series including grades UNS N08800, UNS N0881 1 7 UNS N08825, UNS N08020, UNS N08926, UNS N08367UNS 32750/32760 (as per Duplex) and Plate 31254 are not manufactured by the domestic industry.

- xx. Exclusions need to be provided for the following grades on the ground that these are not produced by the domestic industry:

316 PLUS
Ultra 6XN
Ultra 725 LN
Forta FDX 27
Forta 2404
Core 4622
Ultra 654 SMO
S-Star, S-Star A and G-Star: Plastic mold steel
K-SF24: parts for injectors of automobiles
DSN9: used for exhaust gaskets of automobiles
Forward Series
NK-430SD
NK-430MA
NK-436L-MN
NK-436LNB
NAS_255NM (N08926)
NAS-840
NAS 254N

- xxi. The following grades are not feasible to be produced by the domestic industry and for these even comparable grades do not exist and thus exclusion may be granted:
- a. JFE20-5USR,
 - b. JFE18-3USR
 - c. NAS_335X(N08020)
 - d. NAS_800(N08810 N08811)
 - e. JFE429EX,
 - f. JFE-TF1,
 - g. JFE410DB,
 - h. JFE430CuN
 - i. JFE-MH- 1
- xxii. Grades produced in India but not substitutable with grades exported by JFE Steel: JFE409L, JFE432LTM, JFE436LT, JFE439L, JFE441, JFE434LN2 should be excluded.
- xxiii. 400 series based on the cutting-edge technology of Nippon should be excluded:
- a. NSS HR-2,
 - b. NSS 436,
 - c. NSS 432,
 - d. NSS 439
 - e. NSS 409M1-

- xxiv. JSSL should be excluded from scope of domestic industry and to that extent products supplied by JSSL, Cold rolled STS with width of 600mm or less and/or such grades, supplied by JSSL, should be excluded from PUC.
- xxv. CR STS 441 and CR STS 304 (Cu) should be excluded from the scope of PUC.
- xxvi. Defectives have been considered as product under consideration which are not comparable to prime products as also held in the matter of MDF.

B.2 EXAMINATION BY THE AUTHORITY

- 5. The submissions made by the domestic industry and other interested parties with regard to the scope of the product under consideration and like article related issues have been examined and addressed hereunder.
- 6. The product under consideration as noted in the initiation notice is “Flat Rolled Products of Stainless Steel”, excluding the following:
 - a. Hot rolled stainless steel of 304 grade and width upto 1650mm (with permissible tolerances) from China, Malaysia and Korea wherein anti-dumping duty was recommended vide notification no 14/30/2013-DGAD, dated 9th March, 2015 and imposed vide customs notification no. 28/2015-Customs (ADD) dated 5th June, 2015
 - b. Cold rolled stainless steel of 600 mm and above (with permissible tolerances) from China, Korea, EU, USA, Taiwan, Thailand, South Africa except cold rolled stainless steel of more than 1250 mm having bonafide use as more than 1250 mm, wherein anti-dumping duty was recommended and imposed vide customs notification No. 14/2010-Customs, dated 20th February, 2010. The said duties were recommended to be extended vide notification no. 5/04/2014-DGAD, dated the 12th October, 2015 and were extended vide customs notification no 61/2015-Customs (ADD) dated 11th December 2015.
 - c. Blade Steel, or commercially known as razor blade grade steel used in production of razor.
 - d. Coin Blank falling under 73269099 used in production of monetary coins.
- 7. The product under consideration falls under customs sub-heading nos. 7219 and 7220 of Chapter 72 of the Customs Tariff Act, 1975. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation.
- 8. The Authority notes that that the subject goods are being imported in various grades/sizes/forms. The applicants had proposed Product Control Numbers (PCNs) in order to make a PCN to PCN comparison. Considering the parameters that impact the associated costs and prices of the product, and after taking into account the submissions made by various interested parties, the Authority has adopted PCN methodology which was notified vide communication no. 6/12/2019-DGTR dated 14th August 2019. The PCN methodology adopted in the present investigation is as follows:

SN	Description	PCN	Code
----	-------------	-----	------

SN	Description	PCN	Code
1	Product Type	Hot Rolled	1
		Cold Rolled	2
		Hot Rolled Annealed & Pickled	3
		Cold Rolled Annealed & Pickled	4
2	Grade of the Product	201	201
		202	202
		216	216
		301	301
		304	304
		304L	304L
		309	309
		310/S	310/S
		316	316
		316L	316L
		405	405
		409	409
		410	410
		410S	410S
		415	415
		420	420
		430	430
		432	432
		436	436
		439	439
		441	441
		444	444
446	446		
	DUPLEX	DUP	
	Others – please specify	ORS	
	Special – please specify	SPC	
3	Form of the Product	Coil	1
		Sheet/Plate	2
		Strips	3
		Punched Coil	4
		Reversing Mill Plate	5
		Quarto Plates	6
		Circles	7
		Others-Please specify	8
4	Width of the Product	Of a width below 600 MM	1
		Of a width 600 MM or More but upto1250	2

SN	Description	PCN	Code
		Of a width more than 1250 MM but less than 1650	3
		Of a width more than 1650 MM	4
5	Thickness of the Product	HOT ROLLED PRODUCTS	
		Of a thickness of less than 0.35 MM	1
		Of a thickness of 0.35 MM and above but less than 0.56 MM	2
		Of a thickness of 0.56 MM and above but less than 0.9 MM	3
		Of a thickness of 0.9 MM and above but less than 3 MM	4
		Of a thickness of 3 MM and above but less than 4.75 MM	5
		Of a thickness of 4.75 MM and above but less than 10 MM	6
		Of a thickness of 10 MM and above but not exceeding 14 MM	7
		Of a thickness exceeding 14 MM	8
		COLD ROLLED PRODUCTS	
		Of a thickness of less than 0.5 MM	9
		Of a thickness of 0.5 MM and above but less than 1.0 MM	10
		Of a thickness of 1.0 MM and above but less than 3.0 MM	11
		Of a thickness of 3.0 MM and above but less than 4.75 MM	12
Of a thickness of 4.75 and above but less than 14 MM	13		
Of a thickness exceeding 14 MM	14		
6	Finish of the Product	No Special Finish	1
		Special Finish – please specify	2

9. The basic process involved in the production of the product under consideration involves melting the raw materials, scrap (alloy and non-alloy) and ferro-alloys in an electric arc furnace, where powerful electric arcs start to melt the scrap and alloys. The output from the furnace is a slab. The hot rolling process of slab begins at the reheat furnace where the slabs are heated to between 1100 and 1300°C, depending on the stainless steel grade. The hot rolled products are softened (annealed) and descaled (pickled with acids). The production process is the same between HR and CR upto this stage. Further, the process upto this stage is quite significant, as compared to the process thereafter in terms of production efforts, plant & equipment and investment.

The specifications of the product ,in terms of chemistry,are frozen at the stage of steel melting, irrespective of whether it is a HR or CR stainless steel flats. The same raw materials are used for making HR and CR products. The costs incurred up to this stage forms substantial proportion of the total cost of production in manufacture of stainless steel flats, irrespective of whether it is hot rolled or cold rolled. Barring requirements such as thickness, finishes, most of the requirements of the end product are achieved at this stage itself. The product is either sold as hold rolled (after annealing and pickling), which is further cold rolled by the purchaser, or cold rolled by the producer. Cold rolling of the hot rolled stainless steel takes place in a cold rolling mill, which produces smooth, shiny, finished cold rolled stainless steel by cold rolling the HR steel.

10. The product under consideration includes both hot rolled and cold rolled stainless steel product. Various interested parties have contended that hot rolled flat products and cold rolled flat products are two different products and cannot be treated as one product under consideration. Information provided by the domestic industry shows that Hot Rolled (HR) products and Cold Rolled (CR) products can be treated as one PUC considering (a) both Hot rolled and Cold Rolled products are produced by the same production technology.; (b) Manufacturing facilities are the same upto the stage of Hot rolled Annealing pickling (HRAP). Majority portion of production activities is up to this stage. Further activities are minimal; (c) Essential raw material used for manufacture stainless steel flats i.e. stainless steel scrap, ferro-nickel, ferrochrome, are the same for both Hot rolled and Cold Rolled products.; (d) Majority of the costs/ investment is incurred/ made up to HR stage and only incremental cost/ investment is incurred/ made in cold rolling activity (g) Product specification is the same for both HR and CR products;
11. Similar arguments were raised by interested parties in the CVD investigation conducted on the certain hot rolled and cold rolled stainless steel flat products from China PR. The Authority had concluded in the said countervailing investigation conducted on hot rolled and cold rolled stainless steel flat products from China PR that hot rolled flat stainless steel products and cold rolled flat stainless steel products are two sub-categories of the broad stainless steel category and accordingly included both within scope of one product under consideration. The scope of the product under consideration in the present investigation is the same as the scope of the product under consideration in the referred CVD investigation.
12. The Authority further notes that M/s Suncity Sheets Pvt. Ltd. filed appeal before Hon'ble CESTAT challenging the final finding in the aforesaid investigation on various issues including this one. After hearing the parties, the Hon'ble tribunal in the matter of M/s Suncity Sheets Pvt. Ltd. vs. Union of India, upheld the determination of the Authority and held that Hot Rolled products and Cold Rolled products are rightly considered as one product. The relevant part of the CESTAT order is reproduced below

“We heard all sides of the case and perused the appeal record. On the first issue, regarding the scope of the subject goods, we note that the appellant made great emphasis on the distinction between the HR and CR steel products. Admittedly, the product under consideration is first produced in hot-rolled conditions and thereafter rolled in cold conditions. Various properties of the products are achieved either by right combination to the material at the time of melting of inputs in the furnace by processing in the plant. The producers of the said goods, both in China and in India, hold sufficient facilities to produce products of specifications as required by the consumers. We note that there is no legal requirement of internal homogeneity within the subject goods or for inter-se substitutability of various types of subject goods. The DA examined the production process and concluded that both HR and CR firms can be included for investigation. Even the Customs Tariff main heading did not specify the products for classification separately. It was also noted that substantial cost of production is on raw materials and utilities upto the stage of steel melting. Expenses involved at rolling stage, whether hot or cold, and are not so significant. The DI produces both HR and CR products in a wide range of shape, size and metallurgical composition as per requirement of the customer. The DA also relied on the scope of lesser principle in terms of WTO agreement on subsidies for countervailing measures. As such, we find no infirmity in considering the scope of the subject goods for the present investigation.”

13. M/s Suncity Sheet Pvt. Ltd. had filed Civil Appeal No. 9126 of 2018 before Hon’ble Supreme Court against the CESTAT Final Order No. AD/A/51101/2018-CU(DB), dated 27-3-2018. The Hon’ble Supreme Court dismissed the Civil Appeal No. 9126 of 2018 filed by M/s Suncity Sheets Private Limited against the CESTAT Final Order No. AD/A/51101/2018-CU(DB), dated 27-3-2018 as reported in 2018 (364) E.L.T. 1010 (Tri. - Del.). In view of above-said position, the Authority proposes to treat both Hot Rolled and Cold Rolled Stainless Steel Flat products as one product.
14. Interested parties have relied upon the Hon’ble Supreme court decision in the matter of Gujarat Industries & Ors. v. Commissioner of Central Excise-I, Civil Appeal Nos. 5784-5788 of 2007. It is noted that the said decision pertains to an issue under the Central Excise Tariff Act, 1985 to adjudge liability towards payment of central excise duty. The Authority notes that this decision was brought to the notice of the Hon’ble CESTAT in the matter of M/s Suncity Sheets Pvt. Ltd. vs. Union of India/Designated Authority. The Hon’ble CESTAT however did not accept the contention of the party.
15. The Authority notes that cold rolled products are also hot rolled products only. scrap is melted to cast into slab. Thereafter, slab is hot rolled. Substantial production activities, and value addition takes place upto this stage. The product is further cold reduced to achieve desired thickness and finish. Thus, even though these products are called cold rolled products, the production process of these products is substantially slab casting and hot rolling. It is also noted that the chemistry and chemical composition of the product is decided at the steel melting stage itself. The product’s technical properties

are most important and relevant. While finishing is done to enhance aesthetics, thickness is reduced to cater to end use application of product and product properties are frozen at hot rolling stage itself.

16. Interested parties' argument that the decision of the Authority in the past considering hot rolled flat products and cold rolled flat products as one product under consideration is in the context of countervailing duty investigation and thus cannot be relied in the present anti-dumping case does not have merit as interested parties have not explained how scope of product under consideration differs in anti-dumping investigation and countervailing investigation in terms of identification of product under consideration.
17. It is noted that the US International Trade Commission (USITC) in the investigation on stainless steel plate from Belgium, South Africa and Taiwan finally treated HR and CR stainless steel plate as one product. The USITC had observed that "..... hot-rolled and cold-rolled stainless steel plate shared similar physical characteristics, chemical composition, and dimensions and also shared common channels of distribution and production processes. It further observed that the two products were used in most of the same corrosion-resistant applications and were substitutable for one another without further grinding and polishing. Because there was no clear dividing line between hot-rolled and cold-rolled stainless plate, the Commission defined the domestic like product as all stainless steel plate....."
18. It is further noted that there have been several instances in the past wherein different forms of a product, where one form was produced by processing another form of the product, have been considered as one article,
19. It is noted that the majority of the cost is incurred at the stage of mixing the raw materials, steel melting, and slab casting. The data provided by the domestic industry shows that for the same PCN, the difference in the cost of production of HR and CR products is marginal.
20. In so far as apple-to-apple comparison for calculation of dumping and injury margin is considered, it has been ensured by devising PCN methodology in the present case and conducting PCN wise analysis for dumping and injury margin determination.
21. Therefore, on analysis & examination of the arguments of the interested parties and the decision of Hon'ble CESTAT, the Authority proposes to hold that HR and CR stainless steel flat products do not form two different products and are required to be considered as one product under consideration for the present investigation.
22. The interested parties have sought exclusion of certain grades/ types/ variants/ finishes primarily on the grounds of (a) incapability of the domestic industry to produce them; (b) absence of production and sales by the domestic industry for such products; (c) lack of appropriate quality and (d) patented products. The Authority has carefully examined

the arguments of the interested parties and the domestic industry in respect of the scope of the product under consideration and the like article produced by the domestic industry.

23. Examination of the production capacity and capability of the domestic industry reveals that the domestic industry has the capability to produce subject goods up to 1650mm width. Exclusion of certain types/grades of the product from the investigation is permissible where the imported product is not in commercial competition with the indigenous product and its import, therefore, would not cause any injury to the Domestic Industry.
24. Examination of production capacity and capability of the domestic industry reveals that it does not produce and sell subject goods beyond 80mm thickness. Domestic industry has also admitted during the course of investigation that it does not produce subject goods of width above 1650mm, while contending that other domestic producers do produce or can produce wider width product. The Authority however considers it appropriate to restrict width to 1650 mm and thickness to 80 mm.
25. The interested parties have sought a number of specific exclusions. However, for most of such grades, it is not even the claim of the interested parties that such grades are different so as to make them different products or are commercially or technically not substitutable with the products offered by the domestic industry. It is noted that the product concerned covers a wide variety of product types. It is for this reason that PCNs have been formulated to ensure fair and proper comparison.

A number of exclusions have been sought by interested parties. These exclusion requests have been examined on the basis of information on record, and dealt as under:

- a) Certain exclusions are requested based on final finish and different types of surface finish on stainless steel eg. Finish HR 1E, Cold rolled 2E finish, Cold rolled 2B finish >4mm thick 2B finish in 5mm thickness; 2BB/BA/2R; Austenite (M55); Bricks (M52); Croc Skin (M76); Diamonds (M22); Haze (M64); Ice Crystals (M45); Laser (M69); Leather Grain (M42); Linen (M25); Linen without Slubs (M28); Microlinen (M24); Sand Surface (M60); Square (M21); Deco Supermatt; Deco Microlon (wet, dry); Dry polished, brushed, Duplo (dry polished + brushed), No 6/2J etc. The authority notes that such claims are not substantiated by credible scientific data pertaining to difference in quality limitation on formulation and end uses of merchandise or on physical characteristics as compared to the domestic product. It is also noted that there are various types of surface finish on stainless steel. Some of these originate from the mill (Rolled finishes) and some are produced after undertaking minor processes either in the plant itself or through a separate process.
- b) The argument that because domestic industry does not have BIS license for certain grades, the same cannot be manufactured by the domestic industry and

should thus be excluded does not hold merit as it is seen that BIS license only means that the entities have fulfilled the process and made products as per the laid down standard and does not suggest anything about the supply ability or actual supply of goods made by the parties. It is seen from the information on record that there are various grades sold by the domestic industry that are not covered under BIS.

- c) The domestic industry has shown with evidence sale of certain product types sought to be excluded from the scope of product under consideration such as precision strips, grades with a Cobalt content < 0.2% (nuclear industry requirement), UR 254, UR 316LMo, UREA 316L, UR 16, VIRGO 17.4 PH, Soleil C5, Soleil A2, Soleil A4, Soleil 4003, CR STS 441 and CR STS 304 (Cu).
- d) As regards the submission that “DUPLEX” or “Super Aus” is overly broad and there is no evidence that super austentic grades such as 904L (UR904L) and EN 1.4529 (UR 926) is being produced by the domestic industry, the Authority notes that the domestic industry has shown that duplex and super austentic grades are being sold by the domestic industry and duplex grades produced by the domestic industry have in fact been included in the BIS list as well.
- e) As regards exclusions sought of certain grades, namely, JFE429EX, JFE410DB, JFE430CuN, JFE-MH- 1, NSS HR-2, NSS 436, NSS 432, NSS 439, NSS 409M1, it is noted that the domestic industry has provided evidences of sales made of equivalent grades having similar chemistry in terms of metallurgical composition. The Authority therefore does not find it appropriate to exclude these grades from the scope of the product under consideration.
- f) It has been claimed that comparable grades for grades JFE409L, JFE432LTM, JFE436LT, JFE439L, JFE441, JFE434LN2 have been manufactured in India, but these are not substitutable. It is however seen that there is no submission substantiating the argument of non-substitutability.
- g) There are various grades for which exclusions have been sought for which the domestic industry is not making similar or equivalent grade such as 316 PLUS UTRA 6XN, Ultra 725 LN, Forta FDX 27, Forta 2404 Core 4622, Ultra 654 SMO,S-Star, S-Star A and G-Star: Plastic mold steel, K-SF24: parts for injectors of automobiles, DSN9: used for exhaust gaskets of automobiles, Forward Series, NK-430SD, NK-430MA, NK-436L-MN, NK-436LNB, NAS_255NM (N08926) NAS-840, NAS 254N for auto sectors and UR28 (N08028), UR254 (S31254), UR367 (N08367), UR926 (N08926), UR4565 (S34565), UR31 (N08031), and UR66 (S31266), UR 65 (310LNAG), UR S1 (S30600), UR 16 (304LNAG), UREA 310MoLN (S31050), UREA 316L (S31603), NUCL 304 B4 (S30464) UR 32615 (S32615). The Authority notes that interested parties have not established that these are different products per se and that the domestic industry has not offered like article. The domestic industry has submitted that these grades pertain to the automobile sector and that they have been regular supplier to this sector. The domestic industry has

further submitted that it has been prevented from making such grades due to lack of orders. Domestic industry has provided supportive evidence that they have technology to manufacture and supply such grades. Thus, the Authority does not find it appropriate to exclude these grades from the scope of the product under consideration.

- h) It has been argued that certain grades such as 400 series based on the cutting edge technology, 2E product based on different production routes, SDX 100 and Ultra 6XN, Special grades such as 410, 393, 304, etc used by the laminate industry using specialised mill make the product different. It is noted in this regard that interested parties have not put any evidence on record to prove how their product is different from the product manufactured by the domestic industry. The Authority notes that similar arguments for exclusion of products on the grounds of difference in production process and quality were made in Anti-Dumping investigation concerning import of Cold Rolled Coils and the Authority held “.....the Authority could appreciate that BAF only makes it an efficient process to get the quality end- product rather than a different end product demonstratively in terms of quality and technical terms..... Hence, the Authority treats grades 409 and 409 L produced with BAF process as technically and commercially substitutable with the same produced by domestic industry without using BAF technology.” In the instant case also interested parties have not substantiated their claim that their process results in a product which is not technically and commercially substitutable with the product manufactured by the domestic industry. If the goods are manufactured for the same market and targets the same set of customers and the goods are technically and commercially interchangeable, mere difference in manufacturing facility does not justify exclusion of such products from the scope of product under consideration.
- i) It has been argued that certain grades such as 301LN5, 309s, 2205, Duplex, 316Ti, Grade 904L, 904LN and 2760: 904L of OTK should be excluded as these grades are of higher quality. While contending higher quality, the interested parties have not established the alleged difference in quality and that how the same leads to a different product.
- j) It has been argued that Plate 30815 - Plate AISI 600 series including grades AISI 630, AISI 63 I, Euro Norm 1.4841 (EN 1.48410 (Also known as AISI 314)- Plate Alloy 800 Series including grades UNS N08800, UNS N0881 1 7 UNS N08825, UNS N08020, UNS N08926, UNS N08367UNS 32750/32760 (as per Duplex) - Plate 31254, quarto plates are not manufactured by domestic industry. The Authority notes that these grades cannot be excluded from the scope of PUC because domestic industry is producing similar/equivalent grades.
- k) The domestic industry has admitted that it is not manufacturing following grades/types nor its equivalent grade. The Authority therefore proposes to exclude these grades/types from the scope of the product under consideration.
 - i. JFE20-5USR,

- ii. JFE18-3USR
- iii. NAS_335X (N08020)
- iv. NAS_800 (N08810 N08811)

- l) In the anti-dumping investigation on Cold rolled stainless steel of 600 mm and above, the Authority recommended exclusion of following grades and the same are proposed to be excluded from the scope of product under consideration in this investigation:
- a. Grades AISI 420 high carbon, 443, 441, EN 1.4835, 1.4547, 1.4539, 1.4438, 1.4318, 1.4833 and EN 1.4509
 - b. Product supplied under Indian Patent No. 223848 in respect of goods comprising Low Nickel containing Chromium-Nickel Manganese-Copper Austenitic Stainless steel and representing Grades YU 1 and YU 4, produced and supplied by M/s Yieh United Steel Corp (Yusco) of Chinese Taipei (Taiwan).

26. On the basis of information and evidence on record, investigation conducted, and considering the submissions of the interested parties, the Authority holds that the product under consideration in the present investigation is “Flat Rolled Products of Stainless Steel” excluding the following:

- a. Hot rolled stainless steel of 304 grade and width upto 1650mm (with permissible tolerances) from China PR, Malaysia and Korea RP, wherein anti-dumping duty was recommended vide notification no 14/30/2013-DGAD, dated 9th March, 2015 and imposed vide customs notification no. 28/2015-Customs (ADD) dated 5th June, 2015.
- b. Cold rolled stainless steel flats of 600 mm and above from China PR, Korea RP, EU, USA, Taiwan, Thailand, South Africa, except cold rolled stainless steel of more than 1250 mm having bonafide use wherein anti-dumping duty was recommended and imposed vide customs notification no. 14/2010-Customs, dated 20th February, 2010. The said duties were recommended to be extended vide notification no. 5/04/2014-DGAD, dated the 12th October, 2015 and were extended vide customs notification no 61/2015- Customs (ADD) dated 11th December 2015.
- c. Blade Steel, also commercially known as razor blade grade steel used in production of razor.
- d. Coin blank falling under 73269099 HS Code used in production of monetary coins.
- e. Flat Rolled Products of Stainless Steel of width more than 1650 MM having bonafide use as more than 1650 MM.
- f. Flat Rolled Products of Stainless Steel of thickness greater than 80 MM.
- g. Flat Rolled Products of Stainless Steel of grades/types JFE20-5USR, JFE18-3USR NAS_335X (N08020), & NAS_800 (N08810 N08811)

- h. Grades AISI 420 high carbon, 443, 441, EN 1.4835, 1.4547, 1.4539, 1.4438, 1.4318, 1.4833 and EN 1.4509
- i. Product supplied under Indian Patent No. 223848 in respect of goods comprising Low Nickel containing Chromium-Nickel Manganese-Copper Austenitic Stainless steel and representing Grades YU 1 and YU 4, produced and supplied by M/s Yieh United Steel Corp (Yusco) of Chinese Taipei (Taiwan).

C. SCOPE OF DOMESTIC INDUSTRY & STANDING

C.1 Submissions made by the Domestic Industry

27. Submissions made by the domestic industry with regard to standing are as follows:
- i. The petition has been filed by ISSDA, Jindal Stainless Limited (JSL), Jindal Stainless (Hisar) Limited (JSHL) and Jindal Stainless Steelway Limited (JSSL).
 - ii. Data of Jindal Steelway has not been considered for the purpose of determining standing nor included in the injury information. It has been added as a petitioner only and in case the Authority requires any information with regard to the processing carried out by the company (for instance making circles, Anti Finger Print 2. No.8 Mirror Finish, Embossing, Etching). This was done as the product is being imported in significant volumes in forms such as circles, Anti Finger, Mirror Finish, Embossing, Etching and it is necessary to impose ADD on these forms. JSSL was joined as applicant only to enable the Authority to seek any information that the Authority may consider appropriate and relevant.
 - iii. ISSDA has requested imposition of antidumping duty as an association of domestic producers. However, since JSL and JSHL have individually requested imposition of antidumping duty and have provided all relevant injury information with regard to the present investigation, role of ISSDA is limited only as an applicant. None of the domestic producers of the product and members of ISSDA have questioned the request for antidumping duty filed by ISSDA.
 - iv. Shah Alloys has also provided information relevant to injury assessment.
 - v. Various parties have demanded inclusion of CR manufactures as domestic manufacturers based on the same way Jindal Steelway has been added to the petition. However, Jindal Steelway's production has not been included in gross Indian production. The production activities being undertaken by JSSL and these various producers are only incremental, and does not lead to substantial transformation of the product.
 - vi. Since Jindal Steelway's input is already included in demand assessment, and further since these producers merely transform one form of the product into other, their production has not been included in quantifying total Indian production.
 - vii. The petition is supported by a number of producers/ associations whose members are engaged in manufacturing subject goods, primarily 200 series products. While these domestic producers may not be counted for the purpose of Indian production, standing and demand, yet, it may be noted that these domestic

producers are also concerned with excessive, unwarranted, unnecessary, and above all dumped imports into the country. Since majority of HR sold by the domestic industry gets transformed into CR by these parties, dumping of the product adversely impacts these producers/processors as well.

- viii. ISSDA is willing to provide any such information deemed necessary by the Authority in this regard. There is no requirement of filing information/ documents at the stage of filing of an application. There was an internal mail that was once circulated to certain law firms on the required documents for association, which even the Authority didn't consider necessary so as to give it binding effect through trade notice. Mere placing such requirements in manual does not become binding on the public for their compliance. In any case, ISSDA members are not opposing the present application and ISSDA has support of its members for the present investigation and duties.
- ix. Production of those companies who are processing HR into CR is not required to be added to determine gross production for the reason that input and output of these companies is part of product under consideration and these companies have sourced input either from domestic market or from import. Therefore, the same is already included in determining Indian production/demand.
- x. It is settled principle that one production cannot be counted twice. If this production is already included as HR production in India, the same is not required to be added again. If production is considered on the basis of HR product imported into India and processed into CR, then, such a producer in any case becomes ineligible producer by virtue of the fact that its entire production is based on import of the product under consideration itself. Therefore, such a company in any case is required to be treated as ineligible domestic producer within the meaning of Rule 2(b) of AD Rules.
- xi. If HR processed into CR is required to be added to determine Indian production, then, the HR processed into CR by the petitioners is also required to be added to determine Indian production.
This way petitioners continue to constitute a major producer of the product in the country and production by the petitioner meets the criterion of standing and the petitioner continues to constitute the domestic industry within the meaning of the rules. Thus, even if standing of HR and CR was to be determined separately, the petitioners would have passed the test.
- xii. The Authority, in the CVD investigation of the subject goods from China had observed that since hot rolled and cold rolled steel are one product, the standing has to be seen considering total production of hot and cold rolled flat products of stainless steel.
- xiii. Production of those producers who are buying hot rolled product either from the foreign or domestic suppliers and producing & selling cold rolled product is not required to be added to determine total Indian production in order to ensure that one volume is not accounted for twice.

- xiv. Production of those producers who are buying hot rolled product from the Indian suppliers and selling cold rolled product in the market is already included in the production of hot rolled product.
- xv. Production of those producers who are not producing cold rolled product from or imported hot rolled product or hot rolled product purchased domestically is required to be included in determining Indian production.
- xvi. Even if the production of hot and cold rolled product is segregated, the petitioners still qualify the standing requirements separately for both HR and CR flat rolled products.

C.2 Submissions made by other interested parties

28. Submissions made by other interested parties with regard to domestic industry and standing are as follows:
- i. JSSL is not qualified to be domestic producer, as it only processes and distributes PUC. In that regard reliance has been placed on SDH case. Thus, JSSL is to be removed.
 - ii. As per Trade Notice 13/2018 there are requirements to be followed by companies that are expressing support. The association of members manufacturing 200 series products that are supporting the petitioners, should be clearly identified and those not supporting should also be made transparent.
 - iii. As per JSHL Annual Report for 2017, 2018 and 2019, it has been observed that JSHL has purchased products from PT Jindal Indonesia.
 - iv. ISSDA has not provided requisite documents to qualify as petitioner.
 - v. The Authority determined separate standing for two products in Front Axle Beam and Steering Knuckles.
 - vi. While determining standing, the Authority needs to take into consideration the production of companies that are producing only Cold Rolled Stainless Steel Products to determine whether the production of petitioners constitutes major proportion in the total domestic production of 'Flat Rolled Products of Stainless Steel'.
 - vii. Production of standalone producers of Cold Rolled Stainless Steel, whether they import the upstream products or purchase it locally, should be included to calculate total production of 'Flat Rolled Products of Stainless Steel'. Production activity of these entities is substantial as compared to one of the petitioner company Jindal Stainless Steelway Ltd. Excluding standalone producers of like product is against the WTO provision (EC Salmon Case).

C.3 EXAMINATION BY THE AUTHORITY

29. The application has been filed jointly by ISSDA, Jindal Stainless Limited (JSL), Jindal Stainless (Hisar) Limited (JSHL) and Jindal Stainless Steelway Limited (JSSL). The applicant companies have submitted that they have a related producer in Indonesia, namely, PT Jindal Stainless, Indonesia, which is a producer of subject goods in

Indonesia. However, the related producer has not exported the subject goods to India during the entire injury period. The applicant companies have not imported the subject goods from the subject countries nor are they related to any importer of the subject product in India. Jindal Stainless Steelway Limited (JSSL) is undertaking incremental activity only on the steel being produced by JSL and JSHL. The applicants have clarified that this company has been added only to assist the Authority to seek any information considered relevant to the present investigation and that its production has neither been included in Indian production, nor this company data has been included in injury information. It is noted that verified injury and costing information provided by JSL and JSHL only has been considered. It is thus clarified that the Authority has not considered JSSL as a part of the domestic industry in the present investigation nor it has been considered for purposes of determining standing of the domestic industry or injury determination. The scope of domestic industry for the purpose of Rule 2(b) covers the applicant companies JSL and JSHL only.

30. As regards the documentation requirements for filing of application by ISSDA, it is noted that the requirements would have been relevant if the application was filed only by the association without specific requests from some of the domestic producers in India. These requirements enable the Authority to establish that the application has indeed been filed on behalf of domestic industry, even though such domestic industry constituents have not individually and expressly supported the application. However, in a situation where the applicant is an association as well as some domestic producers, and where the standing of the application is based entirely on the data furnished by individual domestic producers filing application, the documentation requirements no longer remain relevant.
31. Following associations have supported the present investigation, members of whom are the producers of subject goods: -
 - a) Stainless Steel Re-rolling Association,
 - b) Stainless Steel Pipe and Tubes Manufacturer Association,
 - c) Wazirpur Industrial Estate Welfare Society
 - d) Delhi Stainless Steel Trade Association
32. Following domestic producers have individually supported the present investigation: -
 - a) Steel Authority of India Limited (SAIL)
 - b) Shah Alloys Limited.**
33. Production by the applicant companies JSL and JSHL accounts for a major proportion of Indian production. As regards the argument that certain producers of cold rolled products have been excluded from the scope of the domestic industry, it is noted that the producers of cold rolled products merely transform one form of the subject goods into another form. Production by cold rolled producers who produce cold rolled products by procuring hot rolled products from domestic producers is already included in the production by the domestic producers of hot rolled products. Further, production of producers who are producing cold rolled products from imported hot rolled product

are in any way ineligible domestic producers under Rule 2(b) by virtue of imports of the product under consideration. Therefore, production of cold rolled stainless steel flats, either from domestically procured or imported hot rolled stainless steel flats, has not been counted for calculating Indian domestic production for the reasons stated above.

34. Interested parties have argued that separate standing needs to be determined for hot rolled and cold rolled flat rolled products. The Authority notes that standing of the application is required to be determined with reference to the product under consideration and like article offered by the domestic producers. In the present case the product under consideration and like article includes both, hot and cold rolled flat products of stainless steel, as one product; and therefore, the standing of the applicants to file the present application is required to be seen considering total production of hot and cold rolled flat products of stainless steel. The same issue was raised by the interested parties and addressed by the Authority in the countervailing duty investigation on imports of certain Hot Rolled and Cold Rolled Stainless Steel Flat Products from China PR. The determination made in the said finding in this context holds good in the present investigation as well.
35. The Authority after examining the information on record and submissions made by interested parties has determined that JSL and JSHL constitutes “domestic industry” within the meaning of Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. ISSUES ON CONFIDENTIALITY

D.1 Submissions made by the domestic Industry

36. The domestic industry has made the following submissions with regard to confidentiality
- i. The information in the petition contains data of two related companies, JSL and JSHL, and thus non-confidential petition should have been considered treating two-petitioner companies as de-facto one company. It should be considered that there is de-facto one petitioner company, as the two petitioners are part of one group only.
 - ii. Excessive confidentiality has been claimed by all the exporters. The response has been filed without complying with the provisions mentioned in the trade notice. Petitioners are also unable to offer comments on merits of the information filed because of grave deficiencies in the responses.
 - iii. Information of utmost importance have been completely claimed confidential thus preventing the domestic industry from offering any effective comments. Misleading and erroneous data have been filed in the response

- iv. Exporters/producers should file a proper non-confidential version of the responses to enable reasonable understanding of the response filed by them on confidential basis.

D.2 Submissions made by other interested parties

- 37. The other interested parties have made the following submissions with regard to confidentiality:
 - i. Applicant domestic industry comprises of three companies and therefore aggregate figures should have been disclosed regarding relevant economic parameters in accordance with Trade No. 10/2018.
 - ii. Nature of adjustments made on prices as per MEPS report is not disclosed. The manner in which PCNs were considered comparable not revealed. Normal value for OTK must be based on sales in domestic market as provided in the questionnaire response.
 - iii. Entire calculation for export price has been claimed confidential

D.3 EXAMINATION BY THE AUTHORITY

- 38. With regard to confidentiality of information, Rule 7 of the Rules provides as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and subrule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

- 39. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. 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 versions of the evidences submitted by various interested parties in the form of public file.

E. MISCELLANEOUS SUBMISSIONS

E.1 Submissions made by the domestic industry

40. The domestic industry has made the following miscellaneous submissions:
- i. This investigation warrants for retrospective duty because there is a history of dumping not just in India but globally. Dumping margin determined in the present case is too significant. There is significant dumping in a relatively short period and Global capacity of subject goods is significantly higher than the global demand.
 - ii. Imposition of countervailing duty led to decline in imports from China and increase in imports from other sources. Anticipating the measures, exporters have increased exports in huge quantities in the month of August. It is likely to further increase if measures are not invoked immediately.
 - iii. There is huge underutilized capacity in MSME sector in India. The surge in imports has already threatened their existence. Several units have closed down and many are contemplating closure.
 - iv. Because of price distortion created in the domestic market owing to dumped and subsidized imports even the producers in the organized sector such as SAIL and Shah Alloys are running their capacities at much low level.
 - v. The fact of low volume of exports from some countries is misleading, as their prices are lower/lowest for the PCNs exported. If volume and price of imports from different countries are compared on PCN to PCN basis, it will be evident that (a) the subject countries individually having low overall share in volume have very high share in volume in these PCNs where exports have been made, (b) these countries are majority suppliers in most of these PCNs, (c) the price at which goods have been exported are quite comparable to the price of other major countries suppliers in these PCNs.
 - vi. Mere non-filing of details in set format or not being clear about the legal provisions does not mean that MSME is not clear about the cause of injury. The prescribed formats being extremely complicated and difficulty of members (several) to present information in the same format has been repeatedly pointed out. Their letters to the Authority clearly reflect the abysmal misery suffered by the MSME sector.
 - vii. Injury to the Indian industry is on account of uninterrupted presence of cheap unfair imports. Surge of import has resulted in closure of several MSME units.
 - viii. The current pattern of import clearly shows the volume of imports despite all these duties. Imports of the product have in fact surged significantly in last 17 years despite these duties and existence of sufficient capacities in the country.

- ix. The petitioner has filed a petition for ADD and not for safeguard duties. Further, in the context of negligibility test, Rule 14 (d) of AD Rules is applicable. Reliance has also been put on Article 5 (6) (f) of the WTO Agreement.
- x. The impact of proposed ADD on the eventual end product would be negligible. The end products are not *inter se* interchangeable from the consumer's point of view. The impact of the duty imposed would only be 0.15%-0.60% of value in auto industry, 0.45% of kitchen utensils, etc.
- xi. Those transactions where the import price shows abnormally high price having regard to the description and type to the product has been treated as abnormal import transaction and marked ABPUC. If the import price reported in the transaction is substantially higher than the price at which the product type is transacted in Indian market, it must be considered that the import has happened for some other reason and such transactions must be excluded for the present purposes.
- xii. The authority has considered import on the basis of DGCI&S import data and not on any other basis. The petitioner is unaware of the source referred by the interested party and therefore not in a position to comment on the same.
- xiii. While initiating antidumping investigation the Authority found that there is a prima facie evidence showing dumping causing injury and similarly while initiating the anti-subsidy investigation, the Authority found prima facie evidence of subsidy granted by Indonesian government causing injury to the domestic industry. This, however, cannot be interpreted in the manner the interested party is projecting that 'it is either dumping that is causing injury or it is either subsidy by Indonesian Govt. that is causing injury'. Both, dumping and subsidy, are 'a fact' that can be established from the information being provided to the Authority by all the interested parties.
- xiv. Dumping and subsidy can both be a cause of injury to the domestic industry. Petitioners has claimed in the antidumping application as well that there are direct indirect subsidies being given to the Indonesian producers which is making them produce goods at artificially low prices. It is also, noteworthy that as per analysis of DGCI&S data for the month of August as made available, the imports from Indonesia is around 121,636 MT. Thus, imports have increased exponentially in post POI.
- xv. Imports are not negligible. Rule 14 (d) and Annexure II of the Antidumping Rules is referred to and relied upon. The steel industry globally is undergoing a change. With new capacities being installed by various producers leading to addition of capacity in a market which was already suffering from surplus capacities and various jurisdictions restricting their domestic market, producers are looking for opportunities to export goods everywhere.
- xvi. Most of the countries are forced to follow the prices being led by major players. It has been demonstrated that dumping margin and injury margin from each of the subject country is significantly positive. Further, the share of the imports of these countries in the respective PCN sold in the domestic market is significant.

- xvii. There is no clause/provision requiring additional reason to be provided to conduct investigation against countries having share below 3% except for what is provided under the law. The only requirement under the Rules is to see whether the individual country having share below 3% of total imports are collectively forming more than 7% of imports
- xviii. As regards contention that many of such sources do not even have a manufacturing base but even such countries are covered as subject countries, and that there are no such cases initiated by any other jurisdiction, petitioner strongly disputes such contention of the parties and is in fact surprised at the argument. It was the exporter concerned who provided relevant document claiming that the goods were indeed produced in the exporting country. Such being the case, it is not even open to the exporter and importer to now contend that the investigation is in respect of exporting countries not engaged in manufacturing. This clearly amounts to fraudulent practice by such parties who are claiming differently before the Designated Authority and before the Central Government.
- xix. The authority has in the past conducted investigation and recommended ADD in respect of exporting countries even when there was no full fledged production in those countries.
- xx. Imports from Australia, Brazil and Canada are merely 40MT, 90MT and 20 MT in absolute terms and 0.09%, 0.03% and 0.01% of total imports respectively. The country with lowest share included in the list of subject countries is Thailand with import volume of 835 MT and has been a regular exporter of subject goods throughout the injury period. Petitioners have also not included countries such as Philippines, Saudi Arabia, Switzerland and Turkey whose share in imports are equivalent to that of the countries named by the interested party. So the argument of the interested parties that exclusion of Brazil, Australia and Canada violates the MFN principle, is baseless.
- xxi. It is highly misplaced argument that duties will lead the petitioner companies to have monopoly. It is also relevant to note that the effect of dumping to the domestic industry is largely in terms of price parameters. The Indian industry is hit by the dumped imports from subject countries. As stated elsewhere, the Indian capacity is of 4.7 million tons whereas the demand is only of 2.6 million tons.
- xxii. History of dumping is established from the fact that dumping in one form or other form of subject goods have continued since 20020. Further China becoming a net exporter from being a net importer of subject goods has led to number of cases not just domestically but also internationally.
- xxiii. The applicants have followed the guidelines issued by the Authority vide trade notice No.01/2018 and have provided hard copy of the sorted T/T DGCI&S data as is required.
- xxiv. The interested parties have the liberty to procure DGCI&S transaction wise data and analyse the same and submit their claims to the Authority on the basis of their understanding of the PUC. The Authority will, after considering the information made available by all interested parties and also through its independent analysis, determine imports appropriately. Having made known the source of information

and also the raw data of such information there is no ground to argue any violation of rights.

- xxv. Import transactions wherein width has not been mentioned have been considered as part of PUC. The other interested parties may however quantify and substantiate to the contrary.
- xxvi. There is no public information with regard to imports subject to ADD after circumvention order and imports not subject to ADD. Accordingly, in view of absence of information, petitioners have not segregated these imports. Relevant information in this regard is available either with the DG Systems or with interested parties. The authority may kindly ascertain the claims made by these parties from importers/consumers who have filed questionnaire response.
- xxvii. The demand of the country is not met by the petitioner companies alone. The capacity with the Indian industry is 4.7 million tons as against the demand of 2.6 million tons. Capacity with the petitioner is being enhanced post POI. The plant is awaiting clearance for commercial operations and is expected to be operational in the immediate future. There is no alleged demand supply gap.

E.2 Views of other interested parties

- 41. The other interested parties have made the following miscellaneous submissions:
 - i. The observation in CVD Initiation notification shows that the alleged material injury to the domestic industry has been caused by the alleged subsidized imports from the subject country i.e. Indonesia which clearly disputes the tenability of present proceedings.
 - ii. Domestic industry claimed alleged dumping of subject goods from subject countries as the cause of injury when they had to file the application for antidumping duties and shifted the cause of injury to subsidized imports from Indonesia when they had to file the anti-subsidy duty application where POI and PUC remained the same in both the matters.
 - iii. India so far has not initiated any anti-dumping proceedings or imposed ADD on negligible imports but the present case is a deviation from such a position and what is provided under second limb of Rule 14 (d).
 - iv. Inclusion of so many countries with negligible imports is not supported with any reasoning for such inclusions in the present matter. Many of such sources do not even have a manufacturing base but even such countries are covered as subject countries. There are no such cases initiated by any other jurisdiction
 - v. Import prices from Brazil, Australia and Canada, are below the alleged injurious imports from subject countries. Exclusion of Brazil, Australia and Canada violates the MFN principle.
 - vi. Sampling of product types has no precedent in WTO practice. Petitioners have not provided reason on basis of which sampling can be done. A limited sampling will lead to lopsided selection. Thus, sampling should be rejected.

- vii. Petitioner failed to discharge its onus to prove history of dumping which is likely to cause massive injury, for imposition of retrospective duty. Petitioner failed to provide any evidence of history of dumping and massive dumping in relatively short time.
- viii. Any information which forms a part of the case record cannot be withheld from the interested parties subject to the provisions of the confidentiality. It would not be appropriate legally to give us only the hard copy of the data when the same is also available on record in excel format on which no confidentiality has also been claimed.
- ix. Applicants have not provided the methodology to classify an import transaction as product under consideration in case width is not mentioned in the description
- x. The applicants have not provided the methodology to apply the “Bonafide Criterion” while segregating the import transactions with width above 1250 mm as PUC or Non-PUC.
- xi. Domestic industry comprising of JSL and JSHL, despite the assumption of operation at full capacity, is not in a position to cater to domestic demand. Contribution of three major producers with JSL and JSHL also results in demand supply gap of 9,22,000 MT. The projected demand is also going to rise. Thus, imports are necessary.
- xii. Claims made by MSME should not be accepted by the Authority as MSME is not clear about the cause of injury. Further, they should adhere to the formats applicable to them.
- xiii. The domestic industry has attempted to review its application for Safeguard duty.
- xiv. It is unclear from the transaction wise sorted data what constitutes ABPUC.
- xv. Import data provided by the domestic industry is inflated, Imports from the subject countries have not increased, further, if wrong transactions are removed from the import data, the imports from the subject countries will further reduce.
- xvi. Excluded products have also been termed as product under consideration. The domestic industry should respond to the issue urgently and again provide T/T import data.
- xvii. Total imports from Korea is 73,822 MT in POI in the petition whereas data procured from EXIM bank shows import volume from Korea RP is 28,182 MT under HS Code 7220 and 66, 566 MT under HS Code 7219. Since majority of imports under 7219 are already attracting duty and are excluded from the product scope, hence, total volume of imports from Korea cannot be 73,822 MT. Imports of HR 304 and CR products width greater than 1250 mm are only two categories of import under HS Code 7219. Substantial amount of import from Korea should be NPUC and the import volume should be equivalent to 28,182 MT.

E.3 Examination by the Authority

- 42. The Authority has examined miscellaneous issues, to the extent considered relevant, raised by the domestic industry and other interested parties as follows:

- i. As regards contentions raised by the interested parties that initiation of CVD investigation against Indonesia shows that injury is on account of subsidized imports from Indonesia, the Authority notes that imports from Indonesia and other countries have increased in the POI and are at dumped and injurious prices causing injury to the domestic industry as is established from the analysis at relevant places. It is noted that the injury to the domestic industry could be through multiple sources and in fact it is relevant to segregate injury being caused due to other factors. There is nothing in law to bar conducting both ADD and CVD investigations simultaneously on imports of one product from the same source. The WTO does not bar imposing both ADD and CVD duties and the only bar is that the two cannot be imposed to account for the same situation of dumping and export subsidization.
- ii. As regards the contention that imports from various countries are negligible and investigation has been incorrectly initiated against such source imports, it is verified at the stage of initiation that subject countries having less than 3% of import cumulatively accounted for 7% or more.
- iii. As regards the contention that if measures are imposed, the Indian market will be closed to imports and it will adversely impact the downstream Industry, the Authority notes that the purpose of anti-dumping duty is only to create a level playing field and to provide relief to domestic industry due to injurious effect of dumping. The anti-dumping duty is not envisaged to provide undue protection to the domestic industry. Moreover, none of the interested parties have provided any evidence to show that imposition of duty against imports from the subject countries would be detrimental to the downstream industry.
- iv. As regards the contention that excel file of transaction-by-transaction imports were claimed confidential by the domestic industry, the procedure for sharing and procuring import data has been laid down in the Trade Notice 07/2018 dated 15th March 2018. It provides that (i) the sorted import data relied upon by the domestic industry can be shared in hard copy & (ii) interested parties can seek authorization from the Authority for seeking raw transaction by transaction import data from DGCI&S. Hard copy of the sorted import data was made accessible to the interested parties based upon declaration/undertaking as per prescribed format. The interested parties who requested for procurement of import data from DGCI&S and provided undertaking as per Trade Notice 07/2018 were also granted authorization to obtain import data in excel file from DGCI&S. The Authority thus notes that the procedure now being applied is consistent, uniform across parties and investigations and provides adequate opportunity to the interested parties to defend their interests.
- v. As regards the contention of the interested parties that imports are necessary in view of demand supply gap, the Authority notes that there are other domestic producers apart from the domestic industry and the production details considered for the Indian industry is comparable to the Indian demand. In any case, demand supply gap can only justify imports of goods, not the phenomenon of dumping.

- vi. , The Authority has examined the import data procured from DGCI&S after appropriately considering the submissions made by interested parties on incorrect assessment of imports in the present determination.

SECTION-II

F. MARKET ECONOMY TREATMENT (MET), NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

F.1 Submissions made by the domestic Industry

43. The submissions made by the applicants with regard to normal value, export price and dumping margin are as follows:
 - i. There is particular market situation (PMS) in Indonesia which is affecting price comparison and thus the costs of the producers in Indonesia should be rejected. Tsingshan Group in Indonesia has benefited from significant subsidies in Indonesia.
 - ii. Subsidies (direct or indirect, explicit or implicit) exist in the form of subsidized funds (domestic and cross border), land at less than adequate remuneration, access to coal and ore at low prices, export restraints/restrictions on exports of ore concentrates leading to artificially low price of ore and coal in Indonesia, etc. These subsidies may not be fully captured under the Agreement of Subsidies & Countervailing Measures (ASCM).
 - iii. Input prices of subject goods are distorted in the Indonesian market and by virtue of the same, domestic selling prices are not reliable and hence not comparable to the export price. Therefore, the domestic price of the company in Indonesia cannot be adopted for determination of normal value.
 - iv. Petitioners have worked out the normal value for all the subject countries based on information available and where no information was available, normal value for China has been constructed based on cost of production of domestic industry.
 - v. Normal values for Japan, Taiwan, EU, Korea PR and USA have been determined based on the prices prevailing in these subject countries as per the MEPS Stainless Steel Review publication which reports domestic steel pricing data for flat and long product.
 - vi. Normal values for Thailand, South Africa, Singapore, Mexico, Hong Kong, Vietnam, Malaysia & UAE- have been determined on the basis of best estimates of cost of production, and after additions for selling, general & administrative expenses and reasonable profits, because there was no publicly available information.
 - vii. The selling price of PT Jindal Indonesia has been taken as normal value for Indonesia. Tsingshan Group in Indonesia is operating in a particular market situation, its cost of production is distorted due to distortions in input prices, the company is selling the product in domestic market under such situation that its prices are not appropriate for determination of normal value. In view of the same,

neither the selling price nor the cost of production of the company is appropriate for determination of normal value.

- viii. For calculation of export price, petitioner have relied upon transaction wise import data procured from DGCI&S.
- ix. The dumping margin determined for each of the subject country is positive and above de minimis. The Authority has determined PCN and the Authority may kindly determine PCN wise dumping margin.

F.2 Submissions made by other interested parties

- 44. The submissions made by other interested parties with regard to normal value, export price and dumping margin are as follows:
 - i. In reference to petitioners proposing not to use actual domestic price of Indonesian producer as a normal value but to construct on outside records, it is submitted that GOI policies including in mining sector do not constitute PMS within Art. 2.2 of ADA. In EU-Dumping measures affecting Argentina and EU-Dumping measures affecting Indonesia, it was said that investigating authority cannot deviate from using actual record of producer provided it is in accordance with generally accepted accounting principles (GAPP).
 - ii. The PUC as defined involves various inter se types with varying cost and price and it is important that the Authority carries out the calculations of dumping and injury in the present case on a PCN basis.
 - iii. MEPS prices are based on forecasts and not on prevailing prices in EU. There is no evidence that prices in MEPS are above cost of production.

F.3 EXAMINATION BY THE AUTHORITY

- 45. The investigation was initiated in respect of imports of product under consideration from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia.
- 46. Analysis of questionnaire response filed by various parties shows that significant material has been sold by these parties through affiliated or unaffiliated trading companies in Hong Kong, Singapore and UAE. There is sufficient evidence to indicate that the exports from these countries are covered in the responses filed by producers from other subject countries and that subject goods exported from these countries are not manufactured in these countries. There is also no evidence to show the existence of production facility for manufacture of subject goods in these countries in any of its forms.
- 47. Accordingly, Authority proposes to hold that investigations in respect of Hong Kong, Singapore and UAE is not maintainable in the absence of any evidence of production of

these goods in these countries. The investigations in respect of these countries is therefore proposed to be terminated.

48. As regards imports from Mexico, South Africa, Thailand, USA and Vietnam, the authority notes that the volume of imports from the each of these countries is below 3%. Further, the cumulative volume of imports from Mexico, South Africa, Thailand, USA and Vietnam is below 7%. Rule 14 of the Rules provides that the Designated Authority shall terminate an investigation if it is determined that the volume of the dumped imports, actual or potential, from a particular country accounts for less than three percent of the imports of the like product, unless, the countries which individually account for less than three percent of the imports of the like product, collectively account for more than seven percent of the import of the like product. Since volume of imports from Mexico, South Africa, Thailand, USA and Vietnam cumulatively accounts for less than seven percent of the imports of subject goods in India, investigations in respect of Mexico, South Africa, Thailand, USA and Vietnam is also proposed to be terminated.
49. In view of the above, the present investigation is limited to imports from China, European Union, Indonesia, Japan, Korea, Malaysia and Taiwan. These countries i.e. China, European Union, Indonesia, Japan, Korea, Malaysia and Taiwan shall only be hereinafter referred to as “subject countries”.

DETERMINATION OF NORMAL VALUE

50. 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);*
51. The Authority notes that questionnaires were sent to known producers/ exporters in subject countries Following exporters and producers have responded in the present investigation and have filed questionnaire response. These questionnaire responses

have been examined for their sufficiency for determination of individual dumping margin.

<p>a. PT. Bina Niaga Multiusaha</p> <p>b. PT IMR ARC Steel</p> <p>c. IMR Metallurgical Resources AG</p> <p>d. India Coke and Power Pvt Ltd</p> <p>e. PT Ekasa Yad Resources</p> <p>f. Eternal Tsingshan</p> <p>g. Pt. Indonesia Guang Ching Nickle and Stainless Steel Industry (GCNS)</p> <p>h. Golden Harbour International Pte Ltd</p> <p>i. Pt Hanwa Indonesia</p> <p>j. PT. Indonesia Ruipu Nickel and Chrome Alloy (IRNC)</p> <p>k. PT. Indonesia Tsingshan Stainless Steel (ITSS)</p> <p>l. Recheer Resources Singapore PTE Ltd.</p> <p>m. Schuang International Development Limited</p> <p>n. PT. Sulawesi Mining Investment (SMI)</p> <p>o. Stratus Steels DMCC</p> <p>p. PT. Tsingshan Stainless Steel Indonesia</p> <p>q. Walsin Lihwa Corporation (WALSIN)</p> <p>r. Yieh Corporation Limited (YCL)</p> <p>s. Yieh United Steel Corporation (YUSCO)</p> <p>t. Yieh Mau Corp (YMC)</p> <p>u. Yuan Long Stainless Steel Corp (YLSS)</p> <p>v. Outokumpu Nirosta GmbH</p> <p>w. Outokumpu Press Plate AB</p>	<p>x. Outokumpu PSC Benelux B.V.</p> <p>y. Outokumpu S.p.A, EMEA Reporting unit</p> <p>z. Outokumpu Service center GmbH</p> <p>aa. Outokumpu Stainless AB</p> <p>bb. Steel 568 Company Limited</p> <p>cc. Hyundai BNG Steel Co. Ltd.</p> <p>dd. EK Co Ltd</p> <p>ee. PL Special Steel Co Ltd</p> <p>ff. Shon International Co. Ltd.</p> <p>gg. AD Stainless Co. Ltd.</p> <p>hh. Global Steel</p> <p>ii. You Steel Co. Ltd.</p> <p>jj. SIJ ACRONI D.O.O.</p> <p>kk. BAHRU STAINLESS SDN BHD</p> <p>ll. COLUMBUS STAINLESS (PTY) LIMITED</p> <p>mm. Celerity Asia Trade Limited</p> <p>nn. DK Corporation</p> <p>oo. NIPPON KINZOKU-Malaysia</p> <p>pp. Acroni DOO</p> <p>qq. PT. Tsingshan Steel Indonesia</p> <p>rr. Hyosung TNC</p> <p>ss. Hyundai Corporation</p> <p>tt. Kim Troung Hung Steel Co. Ltd.</p> <p>uu. POSCO Asia Company Ltd.</p> <p>vv. POSCO International</p> <p>ww. POSCO, Korea RP</p> <p>xx. Samsung C&T Corporation</p> <p>yy. POSCO VST Co. Ltd.</p>
---	---

F.4 Market economy Treatment and Normal value for China PR

Determination of Normal Value for producers and exporters in China PR

52. It is noted that none of the producers of subject goods in China PR have claimed market economy treatment. Therefore, the Authority has adopted the constructed normal value determined in terms of Para-7 to Annexure-1 to the Rules. As per the provisions of Para

7 of Annexure I, the normal value in China PR is required to be determined based on price or 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 normal value may be determined on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include a reasonable profit margin.

53. 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 on the basis of price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. The Normal Value for all the producer/exporters of the subject goods from China PR has accordingly been constructed and the same is shown in the Dumping Margin Table below.

F.5 Determination of Normal Value for producers and exporters in Korea RP, Indonesia, Japan, EU, Malaysia & Taiwan

General Methodology for working out Normal Value

54. It was first determined 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. 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.
55. 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.
56. Wherever there were no domestic sales or no profitable domestic sales of particular PCN/ grade, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.

Korea RP

Normal Value for M/s Hyundai BNG Steel Co., Ltd (“Hyundai BNG”) Korea RP, (Producer)

57. During the POI, Hyundai BNG has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.
58. Hyundai BNG has claimed adjustment on account of credit cost & inland freight and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for Hyundai BNG has been determined and the same is shown in the Dumping Margin Table below

Normal Value for M/s POSCO and POSCO International Korea RP, (POSCO Group)

59. During the POI, POSCO Group has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.
60. POSCO Group has claimed adjustment on account of packing cost, warehousing expenses, credit cost & inland freight and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for POSCO Group has been determined and the same is shown in the Dumping Margin Table below

Normal Value for DK Corporation

61. During the POI, DK Corporation has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.
62. DK Corporation has claimed adjustment on account of credit cost & inland freight and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for DK Corporation has been determined and the same is shown in the Dumping Margin Table below

Japan

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

63. During the POI, JFE has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.
64. JFE has claimed adjustment on account of inland freight, storage cost, insurance and credit cost and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for JFE has been determined and the same is shown in the Dumping Margin Table below

Nippon Steel Stainless Steel Corporation (NSSSC) Japan

65. During the POI, NSSSC has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.
66. NSSSC has claimed adjustment on account of commission, rebate, claim and credit cost and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for NSSSC has been determined and the same is shown in the Dumping Margin Table below

Nippon Steel Corporation (NSC) Japan

67. During the POI, NSC has sold the subject goods in the domestic market to related user only. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.
68. NSC has claimed adjustment on account of credit cost and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for NSC has been determined and the same is shown in the Dumping Margin Table below

Nippon Kinzoku, Japan (Nippon)

69. During the POI, Nippon has sold the subject goods in the domestic market to related and unrelated parties. However, no resale details in Appendix-4C and 5 have been provided by Nippon. Therefore, Authority is unable to perform the ordinary course of trade test to determine profit making domestic sales transactions with reference to the

cost of production of subject goods. Accordingly, the normal value for Nippon is proposed to be determined on the basis of facts available.

Daidu Steel Co.

70. The authority notes that Daidu Steel Co. has submitted the exporters' response claiming to be producer of subject goods and has informed that it has exported the subject goods through traders. However, the authority notes that Daidu Steel Co. has not submitted any details about domestic sales and other costing information. With regard to exports to India, Daidu Steel Co. has submitted only Appendix-3C. Therefore, the authority is unable to determine the normal value for Daidu Steel Co. in the absence of any information and therefore rejects the response filed by Daidu Steel Co. Accordingly, the normal value for Daidu Steel Co. is determined on the basis of facts available.

Nippon Yakin Kingyo (NYK)

71. NYK has provided information pertaining to their domestic sales, exports to India and cost of production in the exporter's questionnaire. NYK has claimed normal value on the basis of sales made in the domestic market. However, due to reasons given in subsequent paragraphs with regard to determination of export price, the Authority notes that individual dumping margin could not be determined for NYK. Therefore, normal value for NYK has not been determined on the basis of the information provided in exporter's questionnaire response and the same has been determined on the basis of facts available.

EU

Normal Value for Outokumpu Stainless Oy, Outokumpu Stainless AB, Sweden, Outokumpu Nirosta GmbH, Germany, Outokumpu Pressplate AB, Outokumpu Spa Italy, Outokumpu PSC Benelux B.V. ("Outokumpu Group")

72. During the POI, Outokumpu Group has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production

along with reasonable addition for administrative, selling & general costs and for profits.

73. Outokumpu Group has claimed adjustment on account of shipping cost, insurance and credit cost and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for Outokumpu Group has been determined and the same is shown in the Dumping Margin Table below.

Normal value for SIJ Acroni D.O.O, Slovenia (Acroni)

74. During the POI, Acroni has sold the subject goods in the domestic market to related and unrelated parties. It is seen that the company has sold significant volume of the product having width above 1650 mm in the Indian market, which has been excluded from the scope of the product under consideration. Therefore, all sales of product having width above 1650mm have been excluded from the calculations. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.

75. Acroni has claimed adjustment on account of freight and other expenses and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for Acroni has been determined and the same is shown in the Dumping Margin Table below.

Malaysia

Normal value for Bahru Stainless Sdn. Bhd (“Bahru”)

76. During the POI, Bahru has sold the subject goods in the domestic market to related and unrelated parties. 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 for particular PCN is 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 for particular PCN is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales of particular PCN, normal value was constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits.

77. Bahru has claimed adjustment on account of ocean freight, inland freight, insurance and credit cost and the same have been allowed by the authority. Accordingly, normal value at ex-factory level for Bahru has been determined and the same is shown in the Dumping Margin Table below.

Indonesia

Normal Value for PT. Indonesia Ruipu Nickel and Chrome Alloy (IRNC), PT. Indonesia Guang Ching Nickel and Stainless Steel Industry (GCNS) and PT. Indonesia Tsingshan Stainless Steel (ITSS) [“Tsingsan Group”]

78. During the POI, Tsingsan Group has sold the subject goods in the domestic market to related and unrelated parties. The domestic sales are in sufficient volumes when compared with exports to India. The Authority examined the questionnaire response filed by the various companies in the group and find that the same is grossly incomplete and insufficient for determination of individual dumping margin. The Group has provided insufficient information and evidence on the following:

- a) There are a number of related producers in the group who have produced and sold the goods for exports to India. The questionnaire response filed shows a cumulative export of *** MT to India. These exports have been made through a complex web of related and unrelated traders.
- b) It is seen that the Group sold the material to a number of related parties in India. Further, while related importers filed importer questionnaire response, no information has been provided with regard to resale price of the imported product – whether in same form or after processing, and whether the same were at profit or loss.
- c) The Authority notes that “export price” means the price of the article exported from the exporting country or territory and in cases where there is no export price or where the export price may be unreliable because of association or a compensatory arrangement between the exporter and the importer or a third party, the export price may have to be constructed on the basis of the price at which the imported articles are first resold to an independent buyer or if the article is not resold to an independent buyer, or not resold in the condition as imported, on such reasonable basis as may be determined in accordance with the rules. In the present case, since the related importers have either not filed importer questionnaire response, or those who have filed importer

questionnaire response have not provided information with regard to resale price to an independent buyer to determine the reliability of export price.

- d) The information with regard to cost of production shows that the producers have done or got done job work within group companies. It is however found that the value charged for such job work is nowhere explained and justified with regard to their appropriateness, particularly when the job work has been done or got done from an affiliated party.
- e) The income statement shows “Other fee” as an item of income. However, the cost of production statement shows negative values towards the same.
- f) The Group has got significant funds from China. The interest costs reported by the company does not adequately explain the costs of the funds borrowed from China. Further, little / no information has been furnished with regard to costs on funds borrowed from the parent or affiliated company, resulting in inadequate/ insufficient information for determination of appropriate cost of production.

79. The Authority also notes that the applicants made detailed claims on inadmissibility of the cost of production and existence of particular market situation. However, barring reference to legal provisions and WTO decision, the Group provided no factual information and evidence to rebut the claims made by the applicants. The attention of the Authority has also been drawn to the determination made by the European Commission in respect of the Group (for HR products), wherein the Commission has not accepted the cost of production reported by the exporter.

80. It is also seen that the producers within the Group have sourced raw materials/inputs both captively and from affiliates. The transfer price for captive consumption are materially different from the selling price to affiliates. Further, despite specific question in the questionnaire on how the transfer price of captive input or purchase from affiliates represents fair market value, no evidence has been provided to substantiate that such values represent market values. The Authority notes that the Group has not provided sufficient information and evidence to rebut the claims made by the applicants.

81. In view of the above, the Authority proposes to hold that information on record is not sufficient to determine individual dumping margin for the Group. However, the Authority recognizes that the Indonesian producers are being subjected to parallel anti- subsidy investigations and it would be unfair to subject them to both anti-dumping and anti subsidy duties. The Authority would therefore adequately address this and ensure that no foreign producer/ exporter is subjected to both anti-dumping and anti subsidy duties for the same situation.

PT. Bina Niaga Multiusaha (BNM)

82. During the POI, BNM has sold the subject goods in the domestic market to unrelated parties. However, no PCN is mentioned by BNM in Appendix-4A. Therefore, Authority is unable to perform the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. Accordingly, the Authority has not determined individual dumping margin and the normal value for BNM is proposed to be determined on the basis of facts available.

Normal value for PT IMR ARC Steel, Indonesia (IMR ARC)

83. IMR ARC has provided information pertaining to their domestic sales, exports to India and cost of production in the exporter's questionnaire response. IMR ARC has claimed normal value on the basis of sales made in the domestic market. However, due to reasons given in subsequent paragraphs relating to export price, Authority has not determined individual dumping margin for IMR ARC.

Taiwan

Walsin Lihwa Corporation, Taiwan (WLC)

84. WLC has provided information pertaining to their domestic sales, exports to India and cost of production in the exporter's questionnaire response. WLC has claimed normal value on the basis of sales made in the domestic market. However, due to reasons given in subsequent paragraphs relating to export price, Authority has not determined individual dumping margin for WLC.

Yieh United Steel corporation, Taiwan (YUSC)

85. YUSC has provided information pertaining to their domestic sales, exports to India and cost of production in the exporter's questionnaire response. YUSC has claimed normal value on the basis of sales made in the domestic market. However, due to reasons given in subsequent paragraphs relating to export price, Authority has not determined individual dumping margin for YUSC.

Yuan Long Stainless Steel corporation, Taiwan (YLSSC)

86. YLSSC has provided information pertaining to their domestic sales, exports to India and cost of production in the exporter's questionnaire. YLSSC has claimed normal value on the basis of sales made in the domestic market. However, due to reasons given in subsequent paragraphs relating to export price, Authority has not determined individual dumping margin for YLSSC.

Normal value in case of non-cooperating producers/exporters from Korea RP, Indonesia, Japan, EU, Malaysia & Taiwan

87. The Authority notes that no other producer/exporter from Korea RP, Indonesia, Japan, EU, Malaysia, & Taiwan have responded in the present investigation. For all the non-cooperative producers/exporters from Korea RP, Indonesia, Japan, EU, Malaysia & Taiwan, the Authority has determined normal value at ex-factory level on the basis of facts available and the same is shown in the Dumping Margin Table below.

EXPORT PRICE

Korea RP

Export Price for M/s Hyundai BNG Steel Co., Ltd (“Hyundai BNG”) Korea RP, (Producer) along with Traders

88. Hyundai BNG, a producer of the subject goods in Korea RP, has filed a questionnaire response along with its related /unrelated trading companies. These trading companies exported the subject goods to India manufactured by the Hyundai BNG during the POI. All of these Exporters/Traders have filed their Questionnaire responses with the Designated Authority.

89. Hyundai BNG has exported the subject goods to India directly to unrelated Indian importers. The exports are on FOB/CFR/CIF basis. Hyundai BNG has claimed adjustment on account of inland freight, ocean freight, Port handling expenses, packing cost and credit cost and the same have been allowed. The export price has accordingly been determined for Hyundai BNG and the same is shown in the Dumping Margin Table below.

Export price for M/s POSCO and POSCO International Korea RP, (POSCO Group) and its traders.

90. POSCO Group filed questionnaire response along with its unrelated/related trading companies who have exported the subject goods to India manufactured by the POSCO Group. POSCO Group has also made direct/indirect exports to its related importers in India during the POI.

91. The export sales of POSCO Group directly and through its cooperating unrelated/related trading companies are on FOB/C&F basis. POSCO Group has claimed adjustment on account of inland freight, ocean freight, handling charge, packing cost, bank charges and credit expenses and the same have been allowed.

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

Export Price for DK Corporation

92. DK Corporation, a producer of the subject goods in Korea RP, has filed questionnaire response. DK Corporation has exported the subject goods to India directly to unrelated Indian importers. The exports are on FOB/CFR/CIF basis. DK Corporation has claimed adjustment on account of inland freight, insurance, ocean freight, Port handling expenses, packing cost, bank charges and credit cost and the same have been allowed. The export price has accordingly been determined for DK Corporation and the same is shown in the Dumping Margin Table below.

Japan

Export Price for M/s JFE Steel Corporation (“JFE”) Japan, (Producer) and its traders.

93. JFE filed questionnaire response along with its unrelated/related trading companies who have exported the subject goods to India manufactured by JFE. JFE has also made indirect exports to its related importers in India during the POI. Some of the traders have also exported the subject goods to related importers in India.
94. The export sales of JFE through its cooperating unrelated/related trading companies are on FOB/FAS basis. JFE has claimed adjustment on account of inland freight, and credit expenses and the same have been allowed. Accordingly, the export price has been determined for JFE at ex-factory level and the same is shown in the Dumping Margin Table below.

Export Price for Nippon Steel Stainless Steel Corporation (NSSSC) Japan, (Producer) and its traders.

95. NSSSC filed questionnaire response along with its unrelated/related trading companies who have exported the subject goods to India manufactured by NSSSC.
96. The export sales of NSSSC through its cooperating unrelated/related trading companies are on FOB basis. NSSSC has claimed adjustment on account of inland freight, commission and credit expenses and the same have been allowed. The authority notes that some of the traders have exported the subject goods to India at a price which does not cover for traders’ expenses. The authority has, therefore, made appropriate adjustments on account of traders’ expenses also. Accordingly, the export price has been determined for NSSSC at ex-factory level and the same is shown in the Dumping Margin Table below.

Export Price for Nippon Steel Corporation (NSC) Japan, (Producer) and its traders.

97. NSC filed a questionnaire response along with its unrelated trading companies who have exported the subject goods to India manufactured by NSC.
98. The export sales of NSC through its cooperating unrelated trading companies are on FOB basis. NSC has claimed adjustment on account of credit expenses and the same have been allowed. The authority notes that some of the traders have exported the subject goods to India at a price which does not cover for traders' expenses. The authority has, therefore, made appropriate adjustments on account of traders' expenses also. Accordingly, the export price has been determined for NSC at ex-factory level and the same is shown in the Dumping Margin Table below.

Export Price for Nippon Kinzoku, Japan (Nippon)

99. As stated above, the Authority holds not to accept the exporter's questionnaire response filed by the producer. Accordingly, the Authority has determined the export price for Nippon on the basis of facts available.

Export Price for Daidu Steel Co.

100. As stated above, the Authority holds not to accept the exporter's questionnaire response filed by the producer. Accordingly, the Authority has determined the export price for Daidu Steel on the basis of facts available.

Export Price for Nippon Yakin Kingyo (NYK)

101. From the response filed by NYK, the Authority notes that the producer has exported the subject goods to India through unrelated trader namely M/s. Kanemasu. This trader has not filed their exporters' questionnaire response in the subject investigation. Therefore, the Authority holds not to accept the response of NYK because the complete export chain for a significant portion of the exports made to India is not before the Authority. Accordingly, individual dumping margin has not been determined for NYK.

Export Price for Outokumpu Group and its traders

102. Producer and exporters from Outokumpu Group filed questionnaire response who have exported the subject goods to India manufactured by them. The export sales of Outokumpu Group were on CIF/FOB basis. Producers in Outokumpu Group have claimed adjustment on account of shipping, insurance and credit expenses and the same have been allowed. Accordingly, the export price has been determined for Outokumpu Group at ex-factory level and the same is shown in the Dumping Margin Table below.

Export Price for SIJ Acroni D.O.O, Slovenia (Acroni)

103. Acroni , a producer of the subject goods in EU, has filed a questionnaire response. Acroni has exported the subject goods to India directly to unrelated Indian importers. The exports are on CIF basis. Significant sales reported by Acroni pertains to products which are beyond the scope of the product under consideration. Accordingly, the Authority has excluded all those exports and has determined export price for the company. Acroni has claimed adjustment on account of inland freight, insurance, ocean freight and Port handling expenses and the same have been allowed. The export price has accordingly been determined for Acroni and the same is shown in the Dumping Margin Table below.

Malaysia

Bahru Stainless Sdn. Bhd (“Bahru”)

104. Bahru, a producer of the subject goods from Malaysia has filed a questionnaire response. Bahru has exported the subject goods to India directly to unrelated Indian importers. The exports are on CIF basis. Bahru has claimed adjustment on account of inland freight, insurance, ocean freight, port handling expenses, commission and credit cost and the same have been allowed. The export price has accordingly been determined for Bahru and the same is shown in the Dumping Margin Table below.

Indonesia

Export Price for PT. Indonesia RuiPu Nickel and Chrome Alloy (IRNC), PT. Indonesia Guang Ching Nikel and Stainless Steel Industry (GCNS) and PT. Indonesia Tsingshan Stainless Steel (ITSS) [“Tsingsan Group”] and its traders

105. Tsingsan Group filed a questionnaire response along with some of its unrelated/related trading companies who have exported the subject goods to India manufactured by producers in Tsingsan Group. Tsingsan Group has also made indirect exports to its related importers in India during the POI. Some of the traders have also exported the subject goods to related importers in India. However, since the Authority is unable to determine individual normal value for the Group for the reasons elaborated hereinabove, the Authority has not determined individual export price and dumping margin for the Group.

Export Price for PT. Bina Niaga Multiusaha (BNM)

106. As stated above, the Authority is unable to accept the exporter’s questionnaire response filed by the producer. Since the Authority is unable to determine individual

to India is not before the Authority. Accordingly, individual export price and dumping margin for YLSS has not been determined.

Export Price in case of non-cooperating producers/exporters from Korea RP, Indonesia, Japan, EU, Malaysia, & Taiwan

111. The Authority notes that no other producer/exporter from Korea RP, Indonesia, Japan, EU, USA, Malaysia, & Taiwan has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters from Korea RP, Indonesia, Japan, EU, Malaysia, & Taiwan, the Authority has determined export price at ex-factory level on the basis of facts available and the same is shown in the Dumping Margin Table below. The information received from the DGCI&S has been used for the purpose. Price adjustments have been made on account of ocean freight, insurance, commission, port expenses, inland freight and bank charges to arrive at the net export price in respect of the said countries and the same is shown in the Dumping Margin Table below.

Export price of all the producers and exporters from China PR

112. None of the producers/exporters from China PR have cooperated in the present investigation. In view of such non-cooperation, the Authority has determined the export price in respect of these countries on the basis of facts available in terms of Rule 6(8) of the AD Rules. The Authority has relied upon DGCI&S import data for the purpose of determining export price. Price adjustments have been made on account of ocean freight, insurance, commission, port expenses, inland freight and bank charges to arrive at the net export price in respect of the said countries and the same is shown in the Dumping Margin Table below.

G. Dumping Margin

Considering the normal value and export price determined, as elaborated above, the Authority has determined dumping margin, as below

S. No	Country	Producer	Net Export Price (USD per MT)	Dumping Margin Price (USD per MT)	Dumping Margin %	Dumping Margin % Range
1.	Korea RP	M/s Hyundai BNG Steel Co., Ltd	***	***	***	0-10
2.	Korea RP	M/s POSCO and POSCO International Korea RP, (POSCO Group)	***	***	***	10-20
3.	Korea RP	DK Corporation	***	***	***	10-20

4.	Korea RP	All Others	***	***	***	20-30
5.	Japan	Nippon Steel Stainless Steel Corporation	***	***	***	10-20
6.	Japan	Nippon Steel Corporation	***	***	***	20-30
	Japan	JFE	***	***	***	10-20
7.	Japan	All Others	***	***	***	25-35
8.	EU	SIJ Acroni D.O.O, Slovenia	***	***	***	0-10
9.	EU	Outokumpu Group	***	***	***	0-10
10.	EU	All Others	***	***	***	5-15
11	Malaysia	Bahru Stainless Sdn. Bhd	***	***	***	30-40
12	Malaysia	All Others	***	***	***	20-30
13	Indonesia	All producers	***	***	***	20-30
14	China PR	All producers	***	***	***	55-65
15	Taiwan	All producers	***	***	***	25-35

SECTION- III

H. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

H.1 Submissions made by the domestic industry

113. The domestic industry has made the following submissions with regard to injury and causal link:
- a. Participating companies have provided relevant information in respect of like article to the extent feasible and separately available. However, in those situations where the information is not separately available in respect of the like article, because separate identification of that information is not reasonably available, information has been provided in respect of the narrowest group or range of products, which includes the like article and for which the necessary information is available and can be provided in consonance with the provisions of Annexure II.
 - b. Demand for the subject goods has increased throughout the injury period.
 - c. Imports from the subject countries have declined till 2017-18 and thereafter increased significantly in the POI. Further, imports in relation to production and consumption have also followed the same trend.
 - d. Imports from China had declined significantly post imposition of countervailing duties in 2017.
 - e. Imports from subject countries (excluding China) when compared to base year have now shown a significant increase in absolute terms and in relation to total imports, production of domestic industry, and sales of domestic industry. As stated earlier, imports post initiation of duties have intensified further.
 - f. Significant capacities created by PT ITSS in Indonesia is disproportionate to the domestic demand and is mainly targeted to global market. Further, the company is supported by significant government explicit/implicit, direct/indirect subsidies. Consequently, the cost of production is lower making the Indonesian producer the de-facto price setter in a number of markets, including India. As a direct corollary, other countries have been forced to follow this trend.
 - g. The price undercutting has been determined only for those import transactions whose landed price of imports is below selling price of the domestic industry, as the concern

is against injurious imports, and not non-injurious imports. The petitioner in that reference had substantiated its argument by relying on WTO Report in the matter of *European Communities – Anti-Dumping Duties on Malleable Cast Iron Tube or Pipe Fittings from Brazil*.

- h. The petitioners request determination of price undercutting considering only those import transactions whose landed price of imports is below selling price of the domestic industry. However, even if price undercutting is determined on totality basis, the weighted average price undercutting is positive and significant positive during the investigation period.
- i. The petitioners have determined price underselling and the same is significantly positive.
- j. The price underselling should be determined only considering those import transactions which have occurred at a price below NIP of the domestic industry. The above-stated case of *European Communities – Anti-Dumping Duties on Malleable Cast Iron Tube or Pipe Fittings from Brazil*, is also equally applicable for calculation of injury margin. In this context, reference is also made to Hon'ble Tribunal's order in the matter of *Kothari Sugars & Chemicals Limited vs. Designated Authority*.
- k. Prices of major inputs such as scrap, nickel, ferro alloys have increased over the injury period thus resulting in increase in direct costs over the injury period. In particular, between POI and preceding year, there has been significant increase in prices of inputs and resultantly the material costs.
- l. The domestic industry has not been able to increase its selling price due to presence of dumped imports in the market, because of the price suppressing impact from import. The petitioners quantified prices suppression considering the increase in the input prices and increase in the selling prices.
- m. The capacity with the domestic industry has remained the same over the injury period. Indian capacity for the product is sufficient to cater to the entire domestic demand and imports are entirely unnecessary for this reason. However, utilization of production capacities are significantly low in India. The capacity with the Indian industry is estimated at *** lac MT whereas the demand is around *** Lac MT.
- n. The production and sales of the domestic industry has increased over the injury period. The same, however declined in the POI. Further, the domestic industry has not been able to take up the market which was expected to be vacated by Chinese suppliers post imposition of dumping and countervailing duties. Imports increased from present subject counties at dumped prices, preventing the domestic industry from increasing its sales to the extent of production and capacities.
- o. The petitioners are exporting the subject goods at financial losses. The petitioners would not have undertaken these loss making exports, had there been a good market for the product in the country.
- p. The profitability of the domestic industry improved till 2017-18. The same, however declined significantly in the POI;
- q. The cash profits and return on investments have followed the same trend as that of profits.
- r. The industry had hoped to improve its prices and profitability with the imposition of CVD. However, this remained short lived in view of dumping. The CVD on China was imposed in 7th September 2017 and the trends clearly show improvement before significant dumping started in the POI.
- s. The industry was prevented from increasing its prices even to the extent of increases in input cost. The significant price suppression faced by the industry has led to

significant deterioration in the profitability of the domestic industry. Thus, the price parameters of the domestic industry have been significantly impacted

- t. Considering the Hon'ble Tribunal's decision, in *Acrylic Fibre Manufacturers v. Designated Authority*, the decline in profits of the domestic industry cannot be regarded as inconsequential or insignificant. While profits, cash profits and ROI should have improved, given imposition of CVD on Chinese imports, the same has rather declined to negative levels.
- u. Market share of domestic industry and domestic producers as a whole has not increased to the extent it should have increased with the imposition of CVD on China.
- v. The productivity has improved. Despite improvement in productivity, the profitability of the domestic industry deteriorated.
- w. Inventories with the Domestic Industry though declined but remains significant however a significant proportion of the production takes place against confirmed orders.
- x. The domestic industry was expected to gain the market share vacated by China pursuant to CVD duties coming in place. However, imports from other countries and dumping being resorted by China has led to the adverse impact. Further, growth in terms of the price parameters has been negative in the POI.

H.2 Submissions made by other interested parties

114. Following are the submissions made by other interested parties with regard to Injury and causal link
- a. Cumulation is inappropriate for two reasons: i) The product scope differs for different countries, due to the exclusions. ii) The conditions of competition between the imports from the EU and the other subject countries; and between the imports from the EU and the like domestic product.
 - b. Sources for production volumes in non-confidential indexed format, are not cited or provided. Jindal should be required to provide publicly available support for these figures. If adequate support is not provided in the confidential version, the case should be terminated.
 - c. Jindal is related to PT Jindal Stainless Indonesia, which is a member of the Jindal Group and it is possible Jindal also is an importer from its Indonesian affiliate; and hence, should be excluded from standing.
 - d. Most of the information in Annexure 3.2 (with the exception of certain grades and what the petitioners call "comparable PCNs") has been deleted from the non-confidential version. The petitioner allegedly based its calculations on MEPS data, which are clearly non-confidential. The petitioner used other sources for products where no MEPS prices were available. The petition fails to provide any information on the source of this information, nor on the type of adjustments made to calculate the normal value; nor on the overall result of the calculations.
 - e. Petitioner failed to provide any disclosure of the export prices used in the calculation of dumping though the import data is open to the public.
 - f. Sample product types in its calculation of dumping has little or no precedent in the practice of WTO members, and is likely to distort dumping margin. There is no

reason to engage in “sampling,” as DGTR has ample experience in analyzing data on steel products.

- g. Insufficient disclosure concerning the adjustments made by the petitioners in order to convert export price (allegedly reported on CIF basis) to ex works level. Though petition does mention that certain adjustments were made, yet it fails to provide any explanation as to how these were calculated, except that they were based on petitioner’s own estimates. Such estimates cannot be confidential.
- h. There has been no significant increase in the allegedly dumped imports; in fact, they have decreased both in absolute terms and relative to consumption in India.
- i. Attempts have been made to explain the decrease in total imports by citing the imposition of ADD on Chinese imports. This is irrelevant.
- j. It is WTO-inconsistent to initiate an investigation where there is a mismatch – i.e., the investigating authority removes a portion of the subject imports from its analysis. The DGTR must look at total imports from the targeted countries overall in order to assess the impact of imports on local producers as well as the overall state of the market.
- k. Imports from the EU fell from 36,457 in 2015-2016 to 25,425 MT in the POI. This decrease is not related to imposition of ADD on Chinese imports. Import volumes from the EU have no basis for injury.
- l. combined imports from all subject countries show the same declining trend.
- m. Assuming the imports decreased on account of the imposition of AD duties on China, this is wholly irrelevant to the issue of injury and causation. As it is in this case, where imports decline sharply, it does not matter why this happened. All that matters is that it declined. Because the imports declined substantially, there is no basis to find that it caused injury by their volume.
- n. Petitioner’s attempt to show undercutting is questionable. Petitioner has applied “zeroing”. “Zeroing” is inconsistent with the WTO AD Agreement. ***But for “zeroing,” undercutting by the EU would be low or non- existent (0-10%.*** Undercutting of zero, cannot be a cause of injury; and even where undercutting is in the range of 10%, this also would not be injurious in light of low and declining imports. As the “injury margin” range from the EU between 5 and 15% it is unlikely that price undercutting would be positive or significant.
- o. The price level of EU imports provided by Jindal is artificially low (and undercutting overstated) because it has not included imports of OTK products of wide and special-grade products, that are high in price and Jindal does not produce.
- p. There is no injury as the Petitioner’s total sales, profits, output, market share, sales realisation, employment and productivity, capacity utilisation. The petition also gives no evidence of “actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investments.”
- q. If there is a Threat of Injury, it is from imports from China and Indonesia, but not from the EU.
- r. Imports from the EU has dropped in recent times. There is no evidence of any freely disposable capacity or inventory build-ups as far as EU is concerned.

- s. The petition focuses on Indonesia/China as far as threat is concerned and provides no information for including EU in the case.
- t. There is lack of causation as there are counter-trends between the imports and the domestic industry's performance.
- u. Cash profit shows some decline, however cash flow is generally not just for PUC but for company as a whole and thus does not reflect the actual position
- v. HRSS and CRSS are not single product. This is leading to incorrect analysis. The products are completely different, the cost and price is different.
- w. The technology adopted by Tsingshan is completely different. The product quality also differs significantly.
- x. Reason for decline in performance could be shutting down of petitioners' plant in Vizag, as stated in JSHL's 2017-18 Annual Report.
- y. domestic industry suffered injury, if any, on account of the significant decline in the exports sales i.e., to the tune of 26% in the POI as compared to the immediately preceding year and 36% as compared to 2016-17.
- z. The finance cost has been increased significantly from 100 (Indexed) in the base year to 113 (Indexed) during the POI. This apparently has impacted the performance of the applicants adversely.
- aa. During the year 2017-18 M/s Jindal Stainless Limited received interest refund of *** crores. This fact is clearly mentioned in Note 23 of their Annual Report for the year 2017-18. Accordingly, we request the Authority to add back the same in the interest cost of the year 2017-18 for the purpose of proper trend analysis
- bb. Reasons for decline in performance, if any, of domestic industry is due to: significant increase in interest payment on long term borrowings. JSL has exited corporate debt restructuring with effect from March 31, 2019. The aggregate liability on account of exit from CDR as on March 31, 2019 was determined Rs. ***. This is a onetime cost and could have resulted in decline in performance.

H.3 EXAMINATION BY THE AUTHORITY

- 115. The Authority has taken note of the submissions made by the interested parties with regard to injury to the domestic industry and causal link examination. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.
- 116. The present investigation, as mentioned above, is limited to imports from China, European Union, Indonesia, Japan, Korea, Malaysia and Taiwan only for the reasons stated. These countries i.e. China, European Union, Indonesia, Japan, Korea, Malaysia and Taiwan shall only be hereinafter referred to as "subject countries".

H.4 Cumulative assessment

- 117. As per Annexure II para (iii) of the AD Rules which provides that in case imports of a product from more than one country are being simultaneously subjected

to an anti-dumping investigation, the Designated 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 per cent expressed as percentage of export price and the volume of the imports from each country is three per cent of the import of like article or where the export of individual countries is less than three per cent, the imports collectively account for more than seven per cent 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.

118. In this regard, the Authority observes as follows:

- a. the margins of dumping from each of the subject countries are more than the limits prescribed above;
- b. the volume of imports from each of the subject countries is more than the de-minimis limits prescribed;
- c. cumulative assessment of the effect of imports is appropriate as the exports from the subject countries not only directly compete inter se but also with the like articles offered by the Domestic Industry in the Indian market.
- d. imported and domestic product are being used interchangeably and there is direct competition between the domestic product and imported product.

119. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the subject goods from People's Republic of China, Korea RP, EU, Japan, Taiwan, Indonesia and Malaysia on the domestic industry in the light of conditions of competition between the imported product and like domestic product.

120. The Authority has taken note of the submissions made by the domestic industry and the other interested parties. Annexure II of the AD Rules provides for objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in domestic market for the like articles; and (b) the consequent impact on domestic producers of such products. While examining the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. With regard to price effect of dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to price of the like article in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree or prevent price increase which would have otherwise occurred to a significant degree.

121. The Authority has taken note of various submissions of the domestic industry and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.

H.5 Volume Effect of dumped imports and Impact on domestic Industry

i. Assessment of Demand

122. For the purpose of the present investigation, Authority has defined demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources. The questionnaire response filed by the exporters from Japan shows higher volume of imports of subject goods as compared to the volume reported in DGCI&S and thus volume of imports for Japan has been considered as per the questionnaire response examined. It is noted that the product under consideration is being imported into India both in cold and hot rolled conditions. Further, the product under consideration is being produced by the companies such as petitioners who are producing both hot and cold rolled product. Some producers of cold rolled product procure hot rolled either from the domestic market or from imports. Therefore, production and sales of these producers has not been counted to determine consumption of the product under consideration in India in order to avoid double accounting of one production. The demand so assessed is as follows:

Demand	Unit	2015-16	2016-17	2017-18	POI
Subject Countries including China	MT	3,97,098	3,92,066	3,45,596	3,40,582
China PR	MT	2,35,949	2,41,703	1,52,821	62,705
Other Countries	MT	58,286	45,524	68,812	56,227
Countries/products attracting ADD	MT	39,435	30,839	34,829	59,232
Domestic industry	MT	***	***	***	***
Domestic industry	Index-MT	100	107	131	133
Other Indian Producers	MT	***	***	***	***
Other Indian Producers	Index-MT	100	101	110	110
Total Demand	MT	***	***	***	***
Indexed Demand	MT	100	102	114	115

123. It is seen that demand for the subject goods has increased consistently over the injury period including POI.

ii. Imports in absolute terms

124. With regard to volume of the subject 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 import volumes for the injury period are as under:

Import Volume-Total

Particulars	Unit	2015-16	2016-17	2017-18	POI
Subject Countries	MT	3,97,098	3,92,066	3,45,596	3,40,582
China PR	MT	2,35,949	2,41,703	1,52,821	62,705
Subject Countries-Without China	MT	1,61,149	1,50,363	1,92,775	2,77,877
EU	MT	36,457	32,584	30,221	25,425
Indonesia	MT	93	4,024	8,601	76,102
Japan	MT	45,244	49,323	56,491	45,014
Korea	MT	35,491	38,255	65,681	73,822
Malaysia	MT	28,793	11,321	6,413	30,698
Taiwan	MT	15,071	14,857	25,367	26,817
Other Countries	MT	58,286	45,524	68,812	56,227
Countries/products subject to ADD	MT	39,435	30,839	34,829	59,232
Total	MT	4,94,819	4,68,429	4,49,237	4,56,041

125. The Authority notes that imports from the subject countries as a whole has declined over the injury period. It is noted in this regard that countervailing duty has been imposed on imports from China PR in September 2017 and consequently imports declined from China PR. However, the volume of imports from China remains significant even after imposition of CVD. The investigation has shown that the dumping margin and injury margin in respect of imports from China are higher than the existing quantum of subsidy duty. The Authority, in order to make objective examination, has examined imports from subject countries by both, including and excluding China PR, from total imports of subject countries.

126. Imports from China PR have declined from 235,949 MT in the base year to 62,705 in the POI. However, imports from other subject countries have increased from 161,149 MT in the base year to 277,877MT in the POI, registering an increase of 72% over the base year. Thus, decline in imports from subject countries as a whole is due to imposition of countervailing duty on China PR. However, imports from subject countries other than China PR have increased significantly. Further, imports in absolute terms from China PR also remain significant in the POI despite imposition of countervailing duty measures.

iii. Import in relation to production and consumption

127. The Authority considered whether the imports of the product have shown an increase in relation to production or consumption in India. Table below shows the data in this regard.

Imports from Subject Countries (excluding China) in relation to	Unit	2015-16	2016-17	2017-18	POI
Indian Production	%	***	***	***	***
Indexed		100	87	100	145
Consumption	%	***	***	***	***
Indexed		100	91	105	150
Imports from Subject Countries (including China) in relation to					
Indian Production	%	***	***	***	***
Indexed		100	92	72	72
Consumption	%	***	***	***	***
Indexed		100	97	76	74

128. The Authority notes that

- i. Imports from subject countries in relation to production and consumption shows a declining trend in view of decline in imports from China PR after imposition of countervailing duty.
- ii. Imports (excluding China PR) in relation to Indian production and consumption shows an increasing trend in the POI.
- iii. Imports from China shows a declining trend in relation to Indian production and consumption shows an increasing trend in the POI. However, the volume of Chinese imports in the POI was significant.
- iv. It has been submitted by the domestic industry that imports are significant in relation to production and consumption, despite domestic producers having sufficient capacity to cater to the demand in India.

H.6 Price effect of subject imports and impact on domestic industry

129. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the Domestic Industry on account of the dumped imports from subject countries has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production,

net sales realization (NSR) and the non-injurious price (NIP) of the Domestic Industry have been compared with landed price of imports of the subject goods from the subject countries. The Authority has carried out the analysis of price undercutting and price underselling on PCN basis as there is significant variation in the per MT prices of various PCNs.

i. Price Undercutting

130. For the purpose of price undercutting analysis, the net selling price of the Domestic Industry has been compared with the landed value of imports from the subject countries. While computing the net selling price of the Domestic Industry all taxes, rebates, discounts and commissions have been deducted and sales realization at ex works level has been determined for comparison with the landed value of the dumped imports. For the purpose, considering the PCN adopted in the present investigation, the Authority has compared landed price of imports with the selling price of the domestic industry for comparable types. Thus, weighted average price undercutting has been determined after considering associated import volumes. Accordingly, the undercutting effects of the dumped imports from the subject countries works out as follows:

Price Undercutting

Country/Region	Qty	Avg. Landed Price	Price Undercutting		Range
			Rs/MT	%	
CHINA	62,705	1,17,226	***	***	10-20
EU	25,425	1,92,777	***	***	0-10
INDONESIA	76,102	1,37,996	***	***	0-10
JAPAN	45,014	1,05,089	***	***	20-30
KOREA	73,822	1,36,404	***	***	0-10
MALAYSIA	30,698	1,31,218	***	***	10-20
TAIWAN	26,817	1,52,500	***	***	0-10
Grand Total	3,40,582	1,34,098	***	***	0-10

131. It is seen that the price undercutting from each of the subject countries is positive and significant. Imports of the product under consideration are undercutting the prices of domestic industry in the market.

ii. Price suppression and depression

132. In order to determine whether the dumped imports are suppressing or depressing 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 on the basis of the cost of sales and selling price furnished by the domestic industry is shown as per the table below

Particulars	Unit	2015-16	2016-17	2017-18	POI
Cost of sales	Rs./MT	***	***	***	***
Index		100	99	104	116
Selling price	Rs./MT	***	***	***	***
Index		100	106	118	129

133. It is seen that both, cost of sales as well as selling price has increased over the injury period. However, the selling price which was below the level of cost of sales upto 2016-17. However, the selling price fell below cost of sales once again during POI. Existence of positive price undercutting and increase in prices less than the increase in costs indicates that the imports were preventing the price increases that would have otherwise occurred in the market.

H.7 Economic Parameters relating to the Domestic Industry

134. The AD Rules require that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, 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, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Accordingly, performance of the domestic industry has been examined over the injury period.

i. Production, Capacity, Capacity Utilization and Sales

135. Position of the domestic industry over the injury period with regard to Production, Capacity, Capacity Utilization and Sales was as follows:

Particulars	UOM	2015-16	2016-17	2017-18	2018-19
Production	MT	***	***	***	***
Index		100	112	127	125
Capacity	MT	16,00,000	16,00,000	16,00,000	16,00,000
Index		100	100	100	100
Capacity Utilization	%	***	***	***	***
Index		100	112	127	125

Sales-Domestic	MT	***	***	***	***
Index		100	107	131	133
Sales-Export	MT	***	***	***	***
Index		100	133	126	100
Sales-Total	MT	***	***	***	***
Index		100	112	130	126
Demand	MT	***	***	***	***
		100	102	114	117

136. Authority notes that-

- a. Capacity with the domestic industry has remained constant over the injury period.
- b. The production and sale of the domestic industry increased over the injury period. However, whereas the production increased by 12 index points in 2016-17 and 15 index points in 2017-18, it declined by 2 index points in the POI. Further, whereas sales increased by 7 index points in 2016-17 and 24 index points in 2017-18, it increased by only 2 index points in POI.
- c. While capacity utilization of the domestic industry increased till 2017-18, it declined in POI.
- d. Comparison of changes in demand, subject imports with production and domestic sales of the domestic industry shows that whereas the domestic industry was able to increase its production and domestic sales, the increase in imports (excluding China PR) is disproportionate to the increase in domestic sales by the domestic industry.
- e. It has been claimed by the domestic industry that it is exporting the product at financial losses in spite of adequate demand in the domestic market.

ii. Profitability, return on investment and cash profits

137. Position of the domestic industry over the injury period with regard to profitability, ROI and cash profit are as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI
Cost of Sales	Rs/MT	***	***	***	***
Indexed		100	99	104	116
Selling Price	Rs/MT	***	***	***	***
Indexed		100	109	118	129
Profit/ Loss	Rs/MT	***	***	***	***
Indexed		-100	-19	9	-4
Profit/ Loss	Rs. Lacs	***	***	***	***
Indexed		-100	-20	12	-5
Cash Profit	Rs. Lacs	***	***	***	***
Indexed		-100	19	73	47
PBIT	Rs. Lacs	***	***	***	***
Indexed		-100	76	133	107
Return on Capital Employed	%	***	***	***	***

Indexed		-100	82	138	120
---------	--	------	----	-----	-----

138. From the above information, the Authority notes that:

- a. The domestic industry was into financial losses earlier. Antidumping duty was imposed on some products (on Hot Rolled Flat products of grade 304) in March 2015. Losses of the domestic industry however, turned into profit, though sub-optimal, in 2016-17. The ADD on products circumventing duty on imports of cold-rolled stainless steel flat products from certain countries was imposed in October 2017 and thereafter CVD was imposed on Chinese imports on 7th September 2017. These measures resulted in further recovery of the domestic industry with return on investment touching 10% in 2017-18. However, once again the domestic industry ran into financial losses in the POI on account of dumped imports.

iii. Market share

139. Position of the domestic producers over the injury period with regard to market share are as follows:

Market Share in Demand	Unit	2015-16	2016-17	2017-18	POI*
Subject Countries	%	***	***	***	***
Indexed		100	97	76	74
China	%	***	***	***	***
Indexed		100	100	57	23
Subject Countries-Without China	%	***	***	***	***
Indexed		100	91	105	150
Other Countries	%	***	***	***	***
Indexed		100	76	103	84
Countries/Products attracting ADD	%	***	***	***	***
Indexed		100	76	77	130
domestic industry domestic Sales	%	***	***	***	***
Indexed		100	105	114	115
Other Indian Producers	%	***	***	***	***
Indexed		100	99	97	95
Total Demand	%	100%	100%	100%	100%
Indexed		100	100	100	100

140. It is seen that imports from subject countries (excluding China PR) increased over the injury period. With imposition of countervailing duties on subject goods from China PR, the market share of China PR has declined.

iv. Employment and wages

Particulars	UOM	2015-16	2016-17	2017-18	2018-19
Wages	Rs Lacs	***	***	***	***
Indexed		100	111	162	157
Wages	Rs/MT	***	***	***	***
Indexed		100	99	128	125
No of Employees	MT	***	***	***	***
Indexed		100	102	107	107
Productivity per Day	MT	***	***	***	***
Indexed		100	112	127	125

141. Employment and wages paid have increased over the injury period. Productivity has increased in terms of production per day during the injury period before registering decline in the POI.

v. Inventories

142. Position of the domestic industry with regard to Inventories is shown below:

Inventories	UOM	2015-16	2016-17	2017-18	POI
Opening	MT	***	***	***	***
Indexed		100	108	115	87
Closing	MT	***	***	***	***
Indexed		100	106	81	79
Average	MT	***	***	***	***
Indexed		100	107	97	83

143. It is seen that the level of average inventories with the domestic industry have declined in the POI. The inventories, however, remained significant.

vi. Growth

Particulars	UOM	2015-16	2016-17	2017-18	2018-19
Production	%		12%	13%	-1%
Sales	%		7%	22%	2%
Capacity Utilization	%		9%	11%	-1%
ROI	%		13%	4%	-1%
Cash Profit	%		119%	280%	-35%

144. The growth in volume parameters as well as price parameters excluding sales quantity was negative during POI.

vii. Ability to raise capital investment

The Petitioner has submitted that ability to raise fresh investment are judged considering present and potential demand for the product under consideration. Long term viability of the product under consideration is dependent upon strong profitable business, which is impacted due to subject imports.

viii. Factors affecting domestic prices

145. 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 is below the selling price and the cost of production of the Domestic Industry, causing price undercutting. It is also noted that the demand for the subject goods was showing increase during the injury period including the POI and therefore it could not have been a factor affecting domestic prices.

H.8 Magnitude of Injury and Injury Margin

146. Non-Injurious Price for the domestic industry has been determined on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP has been considered for comparing the landed price of each PCN from each of the subject country for calculating injury margin. For determining NIP, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. The production in POI has been calculated considering the best capacity utilisation and the same production has been considered for arriving per unit fixed cost. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. Average Net Fixed Assets plus Average Working Capital) for the product under consideration was allowed as pre-tax profit to arrive at the NIP as per procedure prescribed in Annexure-III. The non-injurious price for each PCN so determined has been compared with the landed prices of imports from the subject countries for comparable PCN to determine the injury margin as follows:

S. No	Country	Producer	Landed Value (USD per MT)	Injury Margin (USD per MT)	Injury Margin %	Injury Margin Range
1.	Korea RP	M/s Hyundai BNG Steel Co., Ltd	***	***	***	0-10
2.	Korea RP	M/s POSCO and POSCO International Korea RP, (POSCO Group)	***	***	***	0-10
3.	Korea RP	DK Corporation	***	***	***	5-15
4.	Korea RP	All Others	***	***	***	5-15
5.	Japan	Nippon Steel Stainless Steel Corporation	***	***	***	Oct-20
6.	Japan	Nippon Steel Corporation	***	***	***	0-10
		JFE	***	***	***	0-10
7.	Japan	All Others	***	***	***	15-25
8.	EU	SIJ Acroni D.O.O, Slovenia	***	***	***	5-15
9.	EU	Outokumpu Group	***	***	***	Negative
10.	EU	All Others	***	***	***	5-15
13.	Malaysia	Bahru Stainless Sdn. Bhd	***	***	***	Oct-20
14.	Malaysia	All producers	***	***	***	20-30
15.	Indonesia	All producers	***	***	***	20-30
16.	China PR	All producers	***	***	***	20-30
17.	Taiwan	All producers	***	***	***	10-20

H.9 OBSERVATION ON INJURY

147. The performance of the domestic industry is summarized below:

- a) While overall dumped imports from the subject counties have declined, dumped imports excluding Chinese imports have increased in absolute terms, in relation to production and consumption in India.

- b) Production of the domestic industry increased till 2017-18 and declined in the POI, despite increase in demand and imposition of measures on other countries.
- c) The domestic industry has been prevented from increasing its production and sales to the extent it could have on account of low priced dumped imports.
- d) Dumped imports are undercutting the prices of the domestic industry.
- e) While the domestic industry was not facing any suppressing or depressing effects till 2017-18, the domestic industry faced price suppression in the POI.
- f) Imports are preventing the domestic industry from raising its prices even to the extent of cost of production, leading to financial losses.
- g) While the performance of the domestic industry improved earlier , it has once again suffered financial losses and deterioration in cash profits and ROI in the POI.

H.10 OTHER KNOWN FACTORS AND CAUSAL LINK

148. As per the AD Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which at the same time are injuring the Domestic Industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the Domestic Industry. It has been examined below whether factors other than dumped imports could have contributed to the injury to the Domestic Industry.

a) Volume and price of imports from third countries

149. Imports from other countries are at prices higher than import price from subject countries or low in volume, or are already subject to measures. Further imports from China PR are already attracting countervailing duty. The authority is also conducting a countervailing duty investigation against Indonesia. Thus, any other third country imports are not causing injury to the domestic industry.

b) Contraction in Demand

150. It is noted that the demand of the subject goods has increased consistently over the entire injury period. Thus, the injury to the Domestic Industry was not due to contraction in demand.

c) Development of Technology

151. The Authority notes that the investigation has not shown any material change in technology for production of the product, which could have caused injury to the domestic industry.

d) Performance of other products of the company

152. The Authority notes that the performance of other products being produced and sold by the Domestic Industry does not appear to be a possible cause of injury to the Domestic Industry, and the authority has only considered information for the PUC in its injury examination. The information on record shows that the domestic industry has earned profits before tax, cash profits, and return on investments in the products beyond the scope of the product under consideration. The Authority has however not considered the profits relating to products not under consideration, and has considered only performance relating to product under consideration only, as is mandatorily required to be seen in a trade remedy investigation.

Particular	Unit	2015-16	2016-17	2017-18	2018-19
Profit before tax					
Product under consideration	Rs. Lacs	***	***	***	***
		(100)	(17)	47	(19)
Domestic operations	Rs. Lacs	***	***	***	***
		(100)	(20)	12	(5)
Export operations	Rs. Lacs	***	***	***	***
		100	50	365	(153)
Products not under consideration	Rs. Lacs	***	***	***	***
		100	80	84	110
Return on investment					
Total for PUC	%	***	***	***	***
		(100)	(250)	(475)	150
Products not under consideration		***	***	***	***
		100	42	37	47
Cash profits					
Total for PUC	Rs. Lacs	***	***	***	***
		(100)	84	87	13
Products not under consideration	Rs. Lacs	***	***	***	***
		100	89	122	171

e) Trade Restrictive Practices and Competition between the Foreign and Domestic producers

153. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. The domestic producers compete with the landed prices of the subject goods. The price of the domestic industry is influenced substantially by the landed price of subject goods. Moreover, no evidence has been submitted by any interested party to suggest that the conditions of competition between the foreign and the domestic producers have undergone any change.

f) Export performance

154. The domestic industry has made exports in the injury period. However, export profitability has been segregated and only profitability pertaining to domestic operations has been considered. The domestic industry contended that the significant loss making exports and injury suffered in exports is a result of lack of demand for the product in the domestic market. The domestic industry contended that the adverse performance in exports should be considered as a result of dumping of the product in the country.

I. FACTORS RELEVANT FOR INJURY AND CAUSAL LINK:

155. The following parameters are relevant for injury and causal link determination:

- a. Dumped imports from the subject counties have increased in absolute terms, in relation to production and consumption in India, when imports from China PR are excluded. However, the same have declined when considered subject countries as a whole. Further, the imports from China have declined.
- b. Dumped imports are undercutting the prices of the domestic industry.
- c. The price undercutting has prevented domestic industry from raising prices to the extent of cost increases.
- d. Imports are preventing the domestic industry from raising its prices even to the extent of cost of production, leading to financial losses. The decline in profits has led to decline in cash profits/cash flows and return on investment;
- e. Growth of the domestic industry has become negative in respect of a number of parameters because of dumping

156. The essential facts of the investigation gathered by the Designated Authority during the course of the investigations and analyzed by the Authority in the present disclosure statement are being disclosed to the interested parties in order to enable these interested parties to offer their comments on these facts

157. The Authority would conclude on the matter after receiving the comments of the interested parties on this disclosure statement.

SECTION-IV

(Confidential copy for Domestic Industry only)

METHODOLOGY FOR DETERMINATION OF NON-INJURIOUS PRICE

158. The NIP has been determined by adopting the verified information/data relating to the cost of production for the period of investigation i.e. 1st April, 2018 to 31st March, 2019 in respect of domestic industry, and the cost data submitted by said domestic industry duly certified by Chartered/Cost Accountants. Detailed analysis/examination and reconciliation of the financial and cost records maintained by the company, wherever applicable, were carried out for this purpose. The NIP for the domestic industry has been determined in terms of the principles outlined in Annexure III to the AD Rules as briefly described below:

- a) **RAW MATERIAL COST:** The best utilization of raw materials by the domestic producer, over the POI and preceding three years period, at the POI rates was considered.
- b) **COST OF UTILITIES:** The best utilization of utilities by the domestic producer, over the POI and preceding three years period, at the POI rates was considered.
- c) **PRODUCTION:** The best utilization of production capacity over the POI and preceding three years period was considered.
- d) **SALARY & WAGES:** Propriety of the expenses grouped under this head and charged to the cost of production was examined. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production.
- e) **DEPRECIATION:** The reasonableness of the amount of depreciation charged to the cost of production was examined to ensure that no charge has been made for facilities not deployed on the production of the subject goods. Amortization of foreign currency monetary items translation difference accounts included under depreciation had been disallowed.
- f) **IDENTIFICATION AND ALLOCATION/APPORTIONMENT OF EXPENSES:** The reasonableness and justification of various expenses claimed for the POI has been examined.
- g) **REASONABLE RETURN ON CAPITAL EMPLOYED:** A reasonable return (pre-tax) @ 22% on average capital employed (i.e., Average Net Fixed Assets and Average Working Capital) for the product under consideration was allowed for

recovery of interest, corporate tax and profit. Interest is allowed as an item of cost of sales and after deducting the interest, the balance amount of return has been allowed as pre-tax profit to arrive at the NIP.

- h) NIP FOR THE DOMESTIC INDUSTRY: The NIP for the subject goods in respect of the production for domestic sales by domestic industry, so computed works out to Rs *** per MT.