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**F. No. 7/6/2021-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001**

Dated: 14th September, 2021

FINAL FINDING

NOTIFICATION

(Case No. A.D (SSR)-06/2021)

Subject: Final Findings in the Sunset review investigation concerning imports of “Cold Rolled/cold reduced flat steel products of iron or Non-Alloy Steel, or other Alloy Steel of all width and thickness - not clad, plated or coated” originating in or exported from China PR, Japan, Korea RP and Ukraine.

F. No.7/6/2021-DGTR - Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “Rules” or “AD Rules”);

A. BACKGROUND OF THE CASE

1. On 19th April 2016, the Directorate General of Trade Remedies (hereinafter referred to as “Designated Authority” or “Authority”) initiated an anti-dumping investigation on “cold-rolled flat products of alloy or non-alloy steel” (hereinafter referred to as “cold rolled steel” or “subject goods” or “product under consideration”) originating in or exported from China PR, Japan, Korea RP and Ukraine (hereinafter referred to as “subject countries”) to examine the nature and extent of dumping and its injurious effect on the domestic industry. The original petition for imposition of anti-dumping duty was filed by Steel Authority of India Limited, JSW Steel Limited, ArcelorMittal Nippon Steel India Limited (Formerly Essar Steel India Limited) and JSW Steel Coated Products Limited.
2. The Authority issued the preliminary findings on 3rd August 2016 vide Notification No. No.14/12/2016-DGAD and recommended for imposition of provisional anti-dumping duty (ADD) in the form of reference price. The Central Government imposed the provisional

anti-dumping duty on the subject goods on 17th August 2016 vide Notification No. 45/2016-Customs (ADD) for a period of six months. The provisional antidumping duty was extended on 7th February 2017 till 16th April 2017 vide Notification No. 06/2017-Customs (ADD).

3. The Authority issued the final findings on 10th April 2017 vide Notification No. 14/12/2016-DGAD and recommended imposition of anti-dumping duties for five years. On the basis of the aforesaid findings, the Central Government imposed the definitive anti-dumping duty in the form of reference price vide Notification No.18/2017-Customs (ADD) dated 12th May 2017 for a period of five years w.e.f. 17th August 2016.
4. In terms of Section 9A (5) of the Act, ADD imposed shall unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review, whether the expiry of anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury. Further, Rule 23(1B) of the Rules provides as follows:

"any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry."

5. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of the anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.
6. And whereas, in terms of above provisions, Indian Steel Association, on behalf of Steel Authority of India Limited, JSW Steel Limited, JSW Steel Coated Products Limited, and ArcelorMittal Nippon Steel India Limited (hereinafter also referred to as the "Applicant" or "Applicant companies" or "domestic industry") filed an application before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of Sunset review investigation concerning imports of "Cold Rolled/cold reduced flat steel products of iron or Non-Alloy Steel, or other Alloy Steel of all width and thickness - not clad, plated or coated" (hereinafter also referred to as the "product under consideration" or the "subject goods") originating in or exported from China PR, Japan, Korea RP and Ukraine (hereinafter also referred to as the "subject countries"). The petition is supported by Tata Steel Limited and Tata Steel BSL Limited (erstwhile Bhushan Steel Limited). The request was based on the grounds that the expiry of the measure was likely to result in continuation of dumping of the subject goods and consequent continuation of material injury to the Domestic Industry as well as a likelihood of recurrence of material injury.

7. And whereas, in view of the duly substantiated application filed by the Applicant, the Authority issued a public notice vide Notification No. F. No. 7/6/2021-DGTR dated 31st March 2021, published in the Gazette of India, initiating sunset review investigation on imports of the product under consideration from China PR, Japan, Korea RP and Ukraine in accordance with AD Rules and to examine whether the expiry of the said duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
8. Pursuant to the initiation of sunset review, Anti-dumping duty has been extended till 15th December 2021 vide Notification No. 37/2021-Customs (ADD) dated 29th June 2021.
9. The scope of the present review covers all aspects of the Final Findings Notification No.14/12/2016-DGAD dated 10th April 2017 which had recommended the imposition of ADD on imports of subject goods originating in or exported from the subject countries.

B. PROCEDURE

10. The procedure described below has been followed in this investigation:
 - i. The Authority vide Notification no. 7/6/2021-DGTR issued a Notification dated 31st March 2021, published in the Gazette of India, Extraordinary, initiating sunset review of antidumping duties imposed on the imports of the subject goods, originating in or exported from the subject countries.
 - ii. The Authority sent a copy of the initiation notification dated 31st March 2021 to the Embassies of the subject countries in India, known producers and exporters from the subject countries, known importers/users and the other interested parties, as per the available information. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
 - iii. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassies of 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 their 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 shared with the Embassies along with the names and addresses of the known producers/exporters from the respective subject countries.
 - v. Upon the request made by the interested parties, the Authority granted extension of time upto 3rd June 2021 to file their response as well as submissions.
 - vi. The Authority sent exporters' questionnaires to the following known exporters in the subject countries in accordance with the Rule 6(4) of the Rules to elicit relevant information:
 - a. Jiangsu Shagang Group Company Limited
 - b. Angang Steel Company
 - c. Xinsa International Pte. Ltd. (Trader)

- d. Future Materials Industry (Hong Kong) Co. Ltd. (Trader)
 - e. Lu Qin (Hong Kong) Co. Ltd. (Trader)
 - f. Angang Steel Company Limited (Producer)
 - g. Baoshan Iron & Steel Co. Ltd., Ltd (Producer)
 - h. Baosteel Singapore Pte. Ltd. (Trader)
 - i. Nippon Sumitomo
 - j. JFE Steel Corporation
 - k. Nissan Trading Co. Ltd. (Trader)
 - l. Sumitomo Corporation (Producer)
 - m. Honda Trading Corporation (Trader)
 - n. Ohmi Industries (Trader)
 - o. Kanematsu Corporation (Trader)
 - p. Nisshin steel Co. Ltd. (Producer)
 - q. Marubeni Itochu Steel Inc. (Trader)
 - r. Toyota Tshusho Corporation (Trader)
 - s. Nippon Steel & Sumikin Bussan Corporation (Trader)
 - t. Mitsui & co. Ltd. (NCV Pending) (Trader)
 - u. JFE Shoji Trade Corporation (Trader)
 - v. Metal One Corporation (Trader)
 - w. POSCO
 - x. Hyundai Steel Co Ltd
 - y. Dongkuk Steel Mill Col Ltd.
 - z. Kowon Trading Corp (Trader)
 - aa. Dongkuk Industries Co. (Producer)
 - bb. Samsung C&T Corporation- (Hyundai) (Trader)
 - cc. Hyundai Steel Company (Producer)
 - dd. P&A Corporation (Trader)
 - ee. LG International Corp. (Trader)
 - ff. Hyundai Corporation (Trader)
 - gg. Posco Daewoo Corporation (Trader)
 - hh. Posco, Korea (Producer)
 - ii. Posco Processing & Service Co. Ltd. (Trader)
 - jj. Zaporizhstal Integrated Iron and Steel Works (Producer)
 - kk. Metinvest International SA (Trader)
- vii. Following companies have filed the exporter questionnaire responses as producers/exporters of the product under consideration:
- a. POSCO Korea RP
 - b. POSCO Asia Company Limited
 - c. POSCO International Corporation
 - d. Samsung C&T Corporation
 - e. Dongkuk Industries Co. Ltd.
 - f. GS Global Corporation

- g. Hyundai Corporation
- h. Hyundai Steel Company, Korea RP
- i. IONCSTEEL Co. Ltd.
- j. Kowon Trading Corp.
- k. LG International Corp
- l. JFE Steel Corporation
- m. Nippon Steel Corporation
- n. Kobe Steel Ltd.
- o. Honda Trading Corporation
- p. JFE Shoji Corporation
- q. Kanematsu Corporation
- r. Marubeni-Itochu Steel Inc.
- s. Metal One Corporation
- t. Nissan Trading co. Ltd.
- u. Nippon Steel Trading Corporation
- v. Ohmi Industries Limited
- w. Steel Center Co. Ltd.
- x. Sumitomo Corporation Global Metals Co. Ltd.
- y. Tetsusho Kayaba Corporation
- z. Toyota Tsusho Corporation
- aa. Young Steel Co. Ltd.

viii. The Authority forwarded a copy of the notification to the following known importers/consumers/user associations of subject goods in India and advised them to make their views known in writing within the prescribed time limit in accordance with the Rule 6(4) of Rules:

- a. Toyota Kirloskar Motor Pvt. Ltd
- b. Sungwoohitech India Limited
- c. PHA India (P) Ltd.
- d. TI Metal Forming
- e. Pyunghawa India Pvt. Ltd.
- f. Hyundai Motors India Ltd
- g. Hwashin Automotive India Pvt. Ltd.
- h. Sungwoo Stamping Pvt. Ltd.
- i. Myoung Shin India Automotive Private Ltd
- j. YSI Automotive Pvt. Ltd.
- k. Kwang Jin India Autosystems Pvt. Ltd
- l. Dymos Lear Automotive India Pvt. Ltd.
- m. Nippon Steel & Sumikin Pipe India Private Limited
- n. Rajasthan Prime Steel Processing Center Pvt. Ltd
- o. TT Steel Service India Pvt. Ltd.
- p. Baosteel India Company Pvt. Ltd.
- q. Hyundai Steel India Limited

- r. Posco Electrical Steel India
 - s. Posco Maharashtra Steel Pvt. Ltd.
 - t. Baosteel Company India Pvt
 - u. POSCO IDPC, POSCO ICPC And POSCO IPPC
 - v. Maruti Suzuki India Limited
- ix. Following importers/users responded and filed importer/user questionnaire responses:
- a. POSCO Maharashtra Steel Pvt Ltd.
 - b. POSCO India Processing Center Pvt Ltd
 - c. POSCO India Pune Processing Center Pvt Ltd
 - d. Hyundai Motor India Ltd
 - e. Hyundai Steel Anantapur Private Limited
 - f. Hyundai Steel India Pvt Ltd
 - g. Hyundai Steel Pipe India Pvt Ltd
 - h. Kia Motors India Pvt Ltd
 - i. POS – Hyundai Steel Mfg. (I) Pvt Ltd
 - j. JFE Shoji Steel Pvt. Ltd.
 - k. Metal One Corporation India Pvt Ltd
 - l. Nippon Steel Trading India Pvt Ltd
 - m. TT Steel Service India Pvt Ltd.
 - n. Nippon Steel Pipe India Pvt Ltd
 - o. Rajasthan Prime Steel Processing Centre Pvt Ltd.
- x. The following Associations and other interested parties have participated or filed submissions during the course of investigation:
- a. The Japan Iron and Steel Federation
- xi. The period of investigation for the purpose of the present review is 1st April 2019 to 30th September 2020 (18 months). The injury examination period has been considered as the period from April 2016 - March 2017, April 2017 - March 2018, April 2018 - March 2019, and the POI.
- xii. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange 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 import data for computation of the volume & value of imports and injury analysis.
- xiii. Verification of the information and the data submitted by the domestic industry and the responding producers in the subject countries was carried out to the extent deemed necessary. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of this final findings.

- xiv. The Non-Injurious Price (hereinafter referred to as 'NIP') based on the 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 Anti-Dumping Rules has been worked out so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xv. Considering the fact that the subject goods are being imported in various grades/sizes/dimensions, the Authority after taking into account views of the interested parties, and in line with the approach made in the original investigation, finalised Product Control Numbers (PCNs) in order to make a PCN-to-PCN comparison for computing the dumping and injury margin. Accordingly, the Authority has made PCN to PCN comparison for the purpose of computing dumping and injury margin in the present review investigation.
- xvi. The Authority held oral hearing on 2nd August 2021 to provide an opportunity to the interested parties to present information orally in accordance with Rule 6(6). Oral hearing was held through video conferencing in view of the special circumstances arising out of the COVID-19 pandemic. All the parties who presented their views in the oral hearing were requested to file written submissions in order to enable opposing interested parties to file rejoinders thereafter.
- xvii. A disclosure statement containing the essential facts in this investigation which would form the basis of the final findings was issued to the interested parties on 03.09.2021 and the interested parties were allowed time upto 09.09.2021 to comment on the same. The comments on the disclosure statement received from the interested parties have been considered, to the extent found relevant, in this final findings' notification.
- xviii. The submissions made by the interested parties during the course of the investigation and the oral hearing, have been addressed in this final finding to the extent considered relevant by the Authority.
- xix. The information provided by the interested parties on confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to the 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.
- xx. 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 treated such parties as non-cooperative and recorded its finding on the basis of 'facts available'.
- xxi. *** in this final finding represents information furnished by interested parties on confidential basis and so considered by the Authority under the Rules.
- xxii. The exchange rate adopted by the Authority for the subject investigation is US \$1= 73.17.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

11. The product description is the same as was decided by the Authority in the final findings of the original investigation dated 10th April 2017.
12. The product under consideration is:

"Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated.

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

These steels may find applications spread across various end-usages including but not limited to automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate etc. and many more applications.

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

- a) *Stainless Steel.*
- b) *High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium (V) with a combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.*
- c) *Silicon Electrical Steels conforming to Grain Oriented and Non- Grain Oriented Steels i.e., alloy steels containing by weight, at least 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel."*

13. The PUC is used in many applications and sectors such as automotive, oil and gas line pipes/exploration, cold-rolling, pipe and tube manufacturing, infrastructure and construction, general engineering & fabrication, earth-moving & mining equipment, storage tanks, low pressure heaters, capital goods including plant and process equipment for cement, fertilizer, refineries etc. The PUC is classified under Custom Tariff Headings 7209, 7211, 7225 and 7226 of the Customs Tariff Act, 1975. The customs classification is indicative only and is in no way binding on the scope of the present review investigation.
14. In the original investigation, Product Control Number (PCN) methodology was proposed by the domestic industry, and the Authority determined PCNs in order to make a fair PCN to PCN comparison for computing the dumping margin. The Authority proposed PCN methodology in the notice of initiation of the sunset review and invited the interested parties to provide their comments within 10 days from the date of initiation.
15. The Authority issued final PCN methodology vide letter dated 22 April 2021. The PCNs prescribed and adopted by the Authority for the present sunset review is given below:

S. No.	Attributes	No. of Digits	Description	Code
1	Product	1	CRFH - Cold Rolled Full Hard including Partially Hard	F
			Annealed - Cold Rolled Annealed	A
2	Form	1	"Coil" including slit coil	X
			"Not-In-Coil" including sheets and blanks of various shapes and sizes	Y
3	Alloy /Non-Alloy	1	Alloy	L
			Non-Alloy	N
4	Quality (Annealed)	4	Plain Carbon steels with Carbon =< 0.15% and maximum UTS <=410 MPa - conforming to: a. Commercial quality; b. Drawing / Deep Drawing quality (D/DD) c. Extra Deep Drawing quality (EDD)	Q01Q
			Plain Carbon steels with Carbon =< 0.06% and maximum UTS <= 350MPa - conforming to Interstitial Free - Extra Deep Drawing quality (IF-EDD)	Q02Q
			Plain Carbon High Strength steels whether or not Interstitial Free, with UTS >= 350MPa - IF-HS or HS	Q03Q

S. No.	Attributes	No. of Digits	Description	Code
			Plain Carbon and / or Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS ≥ 440 MPa	Q04Q
			Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS ≥ 590 MPa	Q05Q
			Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS ≥ 780 MPa	Q06Q
			Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS ≥ 980 MPa	Q07Q
			Bake-Hardening Steel with minimum UTS ≥ 370 MPa (BH)	Q08Q
			Dual-Phase Steel with minimum UTS ≥ 370 MPa (DP)	Q09Q
			Corrosion Resistant Steel (CORTEN)	Q10Q
			Medium and High Carbon steels with Carbon $>0.15\%$	Q11Q
			Any other grades / quality	Q12Q
5	Thickness	1	≤ 0.50 mm	G
			$> 0.50 \leq 0.80$ mm	H
			$> 0.80 \leq 1.20$ mm	I
			> 1.20 mm	J
6	Width	1	≤ 600 mm	1
			> 600 mm ≤ 900 mm	2
			> 900 mm	3
7	Longitudinal Edges (Edge Condition)	1	As Rolled edges / mill edges	R
			Trimmed edges	S
8	Surface Treatment / Surface Preparation	1	Oiled	O
			Unoiled	U
Example: A non-alloy Cold Rolled Full Hard steel product is in coil form. It is a corrosion resistant product of thickness exceeding 1.2mm, having width of 700mm with trimmed edges and unoiled surface treatment. The PCN for this product will be (11 digits): FXNQ10QJ2SU				

C.1 Submissions made by the domestic industry

16. The following submissions have been made by the domestic industry during the course of the investigation –

- a. The domestic industry has not proposed PCN wise determination in this sunset review.
- b. If PCN methodology is adopted, the Authority should adopt the same methodology as original investigation and conduct a PCN-to-PCN comparison for only dumping margin calculation.
- c. Serial numbers 6 (Width), 7 (Longitudinal Edges) and 8 (Oiled/Unoiled) can be deleted since these do not have significant impact on product differentiation.
- d. Exclusion of any grade should be decided on technical specifications. Any submission relating to supply or quality related constraint ought to be made by a user and not by competing foreign producers/exporters.
- e. Exclusion claimed by the interested parties is improper and not based on any technical or logical considerations. Quality of product or usage of product types by automobile sector cannot be the relevant criteria for deciding the exclusion of a particular product type. In *DSM Idemitsu v. Designated Authority & 2000* (119) E.L.T. 308, the Hon'ble Tribunal noted that difference in quality cannot be the relevant criteria for considering imported product as different from the domestic like product.
- f. In the original investigation, Authority noted that interested party like Maruti Suzuki India Ltd, GPT Steel Industries and Hyundai Motor India Limited have requested for exclusion of various grades from the product scope but have claimed confidentiality on such exclusion lists or PCN lists and therefore their request for exclusion cannot be granted.
- g. Nippon Steel Corporation has wrongly claimed that the domestic industry is not producing grades exported by Nippon Steel Corporation. In Questionnaire response filed by Nippon Steel Corporation, only one grade namely "Automobile use WSS-M1A367-A22 of 0.65mm thickness" has been noted as not being produced by the domestic industry.
- h. Grade WSS-M1A367-A22 of 0.65mm thickness is meant for automobile usage and is specific to one particular automobile company. The domestic industry also has technical approval from the automobile company for this grade.
- i. In the original investigation, the Authority has observed that the domestic industry either manufactured exactly matching PCN or a closely resembling PCN for each PCN for which the interested parties had requested exclusion. The scope of the product under consideration cannot change in the present sunset review as no new claim has been made regarding exclusion of any specific product type by the interested parties.
- j. The domestic industry has provided confidential PCN wise information regarding its cost and prices to the Authority.
- k. PCN wise information is relevant in an investigation or sunset review for determination of dumping margin and injury margin. No other aspect of the investigation is based on PCN wise analysis.

C.2 Submissions made by the other interested parties

17. The following submissions have been made by the other interested parties during the course of the investigation:
- a. The domestic industry has failed to provide any PCN wise information, in absence of which domestic industry's application cannot be considered duly substantiated as required under the AD Rules.
 - b. Nippon Steel Corporation, one of the Japanese Mills, produces and exports various grades which are either not produced by the domestic industry or are not commercially or technically substitutable with the grades produced by the domestic industry. Grades exported by Nippon Steel Corporation must be excluded from the scope of the PUC.
 - c. It is DGTR's practice to specifically exclude certain grades from the scope of the investigation as the domestic industry did not show sufficient evidence to prove that they supplied such grades in the POI and did not show equivalence of its grades that were sought to be excluded by the exporters.
 - d. The price of the subject goods for automobile usage are much higher than common usage and therefore either nil dumping margin should be determined for the subject goods meant for automobile usage or the subject goods meant for automobile usage should be excluded.

C.3 Examination by the Authority

18. The product under consideration noted in the original investigation was as below:

"Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated.

The PUC includes cold rolled / cold reduced flat steel products in coils or not in coils including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. The product concerned covers cold-rolled / cold-reduced flat steel products conforming to prime or non-prime quality whether or not rolled from 4-high reversible mill, 6-high reversible mill, Sendzimir mill, 20-high cold rolling mill, Pickling Lines and Tandem Cold Rolling Mills (PLTCM), Continuous Annealing Line (CAL) or any other cold rolling / cold reducing processes. These products may be oiled or supplied without oil of any type, standard, specification and grade. These products may be conforming to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra high strength steels, alloy steels, microalloyed steel, TRIP steel (Transformation Induced Plasticity), tin mill black plates (TMBP), and many more qualities, whether or not vacuum degassed through any vacuum degassing process. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not

aluminium killed / non-ageing quality and whether or not containing Boron and / or Titanium and/or Vanadium or any other suitable elements of any level by weight.

These steels may find applications spread across various end-usages including but not limited to automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate etc. and many more applications.

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

- a) Stainless Steel.*
- b) High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium (V) with a combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.*
- c) Silicon Electrical Steels conforming to Grain Oriented and Non- Grain Oriented Steels i.e., alloy steels containing by weight, at least 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel."*

19. It is noted that subject goods exported to India are identical to the goods produced by the domestic industry. The subject goods produced by the domestic industry are comparable to the imported goods from the subject countries in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially interchangeable. Accordingly, for the purpose of the present investigation, the subject goods are produced by the domestic industry is being treated as 'Like Article' to the subject goods being imported from the subject countries.
20. Interested parties like Hyundai Steel Company, Korea RP, who have sought exclusion of product grades meant for automobile usage have stated that the automobile grades are imported at higher prices as compared to the grades of common usage and therefore these grades can be excluded from the scope of the product under consideration. The Authority notes that the import of goods at higher prices cannot be the reason for seeking exclusion of such goods from the scope of the product under consideration. In the original investigation, the Authority observed that exclusion of products such as "automotive" and "E&E" are generic, vague and unacceptable. The Authority also noted that in the absence of a specific request for product exclusion, no exclusion request can be accepted.
21. The Authority also notes that products cannot be excluded because they are meant for specific segment of user industry in India. Also, Hyundai Steel Company, Korea RP has not claimed that technical specifications or product types of these imported products are different from the goods produced and supplied by the domestic industry. Hyundai Steel Company, Korea RP has also not provided a list of grades to the other interested parties for which exclusion request has been made.

22. Regarding exclusion of product grades based on difference in quality between imported product and the like domestic product, the Authority notes that exclusions cannot be granted from the scope of product under consideration based on the argument of difference in quality. Difference in quality will not make an article different. The fact that qualities may be different, does not imply that the imported product is different from the domestic like product. The Authority also notes that the aspect of quality not being a factor for exclusion of a product from the scope of 'like article' has been held by the Hon'ble CESTAT in DSM Idemitsu Limited vs Designated Authority in which it was held that "The plea of the appellants' counsel is not convincing since he did not adduce any evidence/technical literature with reference to process of manufacture to show that product manufactured by the domestic manufacturers was different from the goods exported into India. He failed to substantiate that they are not similar and interchangeable except stating that they were of different grades. Difference in quality will not make an article as different and Designated Authority was right in observing 'that the fact that qualities may be different, does not imply that the imported product and the domestic are not like articles'. We do not find any valid reason to disturb the findings given by the Designated Authority on this issue".
23. With regard to the claim of Nippon Steel Corporation for exclusion of grade not produced by the domestic industry, Authority notes that Grade WSS-M1A367-A22 of 0.65mm thickness is specific to one user specification and not a distinguishable product type. Also, the domestic industry has shown that it has received technical approval for the grade from such user. Communication from the user industry granting technical approval for grade WSS-M1A367-A22 to the domestic industry has also been submitted.
24. Accordingly, the scope of the PUC in the present sunset review investigation is same as in the original investigation.
25. The interested parties have failed to show any technical differences between the grades for which they have sought exclusion and the like article produced by the domestic industry. Merely stating that technical and quality differences exist is not sufficient to categorically state that the grades produced by Nippon Steel Corporation are neither produced by the domestic industry nor commercially or technically substitutable with the grades produced by the domestic industry.
26. Accordingly, the scope of product under consideration in the present sunset review investigation is:

"Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated.

The PUC includes cold rolled / cold reduced flat steel products in coils or not in coils including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. The product concerned covers cold-rolled / cold-reduced flat steel products conforming to prime or non-prime quality whether or not rolled from 4-high reversible mill, 6-high reversible mill, Sendzimir mill, 20-high cold rolling mill,

Pickling Lines and Tandem Cold Rolling Mills (PLTCM), Continuous Annealing Line (CAL) or any other cold rolling / cold reducing processes. These products may be oiled or supplied without oil of any type, standard, specification and grade. These products may be conforming to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra high strength steels, alloy steels, microalloyed steel, TRIP steel (Transformation Induced Plasticity), tin mill black plates (TMBP), and many more qualities, whether or not vacuum degassed through any vacuum degassing process. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not aluminium killed / non-ageing quality and whether or not containing Boron and / or Titanium and/or Vanadium or any other suitable elements of any level by weight.

These steels may find applications spread across various end-usages including but not limited to automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate etc. and many more applications.

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

- a) Stainless Steel.*
- b) High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium (V) with a combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.*
- c) Silicon Electrical Steels confirming to Grain Oriented and Non- Grain Oriented Steels i.e., alloy steels containing by weight, at least 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel."*

The PUC is classified under Custom Tariff Headings 7209, 7211, 7225 and 7226 of the Customs Tariff Act, 1975. The customs classification is indicative only and is in no way binding on the scope of the present review investigation.

D. DOMESTIC INDUSTRY AND STANDING

27. Rule 2(b) of the Antidumping Rules define domestic industry as under:

"(b) "domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such

case the term, 'domestic industry' may be construed as referring to the rest of the producers."

D.1 Submissions made by the domestic industry

28. The following submissions have been made by the applicant during the course of the investigation:
- a. Domestic producers constituting the domestic industry in the present sunset review are the same as in the original investigation. The domestic industry has 40-50% share in total Indian production of the subject goods during the POI. The share of domestic industry constitutes a major proportion share in the total domestic production in accordance with Rule 2(b) of the AD Rules.
 - b. If the share of supporters is also taken into account, the domestic industry and supporters together have 60-70% share in the total Indian production of the subject goods.

D.2 Submissions made by the other interested parties

29. The following submissions have been made by the other interested parties during the course of investigation:
- a. No member company has authorized the applicant Association to file an application with the Authority for the initiation of the present investigation. Numerous requisite documentations to be filed on behalf of the applicant companies empowering the applicant Association to file the petition have not been provided.
 - b. The supporters of the Petition have not provided information as per the requisite format and form as per Trade Notice No. 13/ 2018 and Trade Notice No. 14/ 2018.
 - c. The supporters are related to the exporters of the PUC from Japan.

D.3 Examination by the Authority

30. The application has been filed by the Indian Steel Association (ISA) on behalf of Steel Authority of India Limited, JSW Steel Limited, JSW Steel Coated Products Limited and ArcelorMittal Nippon Steel India Limited. Relevant information and documents have been provided by the Association as prescribed by the Authority. The application is supported by Tata Steel Ltd. and Tata Steel BSL Ltd.
31. Steel Authority of India Limited, JSW Steel Limited and JSW Steel Coated Products Limited have neither imported the subject goods from the subject countries nor they are related to any exporter or importer of the subject goods.
32. Producer/exporter Nippon Steel Corporation (previously known as Nippon Steel & Sumitomo Metal Corporation) has no direct shareholding in ArcelorMittal Nippon Steel India Limited but is a minority shareholder in an intermediate holding company.

ArcelorMittal Nippon Steel India Limited has not imported the PUC from Nippon Steel Corporation during the POI.

33. Rule 2(b) of the AD Rules provides discretion to the Authority on the issue of exclusion of a domestic producer from the ambit and scope of the domestic industry on account of its relationship with an exporter in the subject country. Authority notes that relationship of ArcelorMittal Nippon Steel India Limited with Nippon Steel Corporation is not such so as to cause ArcelorMittal Nippon Steel India Limited to behave differently from other non-related producers.
34. The Authority holds that there is no justification to consider ArcelorMittal Nippon Steel India Limited as ineligible domestic industry under Rule 2(b) of the AD Rules.
35. It is noted that the applicant Association has provided necessary information for the purpose of the present sunset review investigation in the addendum to the petition. The supporters have provided the requisite information as prescribed in the Trade Notice No. 13 of 2018.
36. The Authority holds that Indian Steel Association is an eligible applicant.
37. As per evidence available on record, the applicant companies/producers (Steel Authority of India Limited, ArcelorMittal Nippon Steel India Limited, JSW Steel Limited and JSW Steel Coated Products Limited) account for a major proportion in the domestic production of the like article in India. It is noted that the applicant producers, along with the supporters, account for more than 50% of the total domestic production. In view of the above, the Authority holds that the applicant producers constitute eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3), of the Rules supra.

E. MISCELLEANOUS SUBMISSIONS

E.1 Submissions made by the domestic industry

38. The following submissions have been made by the domestic industry during the course of the investigation:
 - a. Interested parties which have registered themselves with the Authority within timelines prescribed and have not filed any questionnaire response may not be prevented from participating in other stages of the investigation but the Authority may grant more weightage to the submissions made by interested parties, which have provided their questionnaire responses.
 - b. The Authority may adopt sampling methodology in the present review due to participation of large number of producers/exporters and to ensure a timely conclusion of the review.

E.2 Submissions by other interested parties

39. The following submissions have been made by other interested parties during the course of investigation:
- a. No substantive evidence has been provided by the applicant to prove the satisfaction of condition to initiate present sunset review investigation. The Petition is not duly substantiated, and initiation fails to meet threshold set by Rule 23 of AD Rules.
 - b. The claim concerning domestic industry's 22% return on capital employed for determination of non-injurious price is highly inflated and is not based on real situation.
 - c. Indian steel companies are under scrutiny by the Competition Commission of India for allegations concerning price cartelization.
 - d. Domestic industry enjoys benefits from various favourable government policies.
 - e. Transaction-wise import data of product under consideration has not been provided to the interested parties in excel format.
 - f. Sampling of producers/exporters is not warranted as there are very few producers who have participated in the investigation. Majority of participating entities from subject countries are exporters/traders of subject goods.
 - g. Post-POI information has not been provided by the domestic industry. Post-POI information of domestic industry should be analysed by the Authority in a sunset review investigation.
 - h. Anti-dumping duty has not been imposed by Ministry of Finance pursuant to other anti-dumping investigations despite recommendation of the Authority.

E.3 Examination by the Authority

40. The submissions made by the domestic industry and the opposing interested parties and considered relevant, are addressed by the Authority as below:
41. The current sunset review investigation was initiated on the basis of sufficient prima facie evidence submitted by the applicant. The Authority examined the claims of the domestic industry and initiated the sunset review investigation on being satisfied that there was sufficient prima facie evidence to show that cessation of anti-dumping duty is likely to lead to continuation/recurrence of dumping and consequent injury to the domestic industry.
42. Regarding the initiation of investigation by CCI on domestic steel producers, the Authority notes that the Authority in this sunset review investigation has examined the need for continuation of anti-dumping duty, which is based on the likelihood of continuation or recurrence of dumping and injury in the event of revocation of the existing anti-dumping duty. This is in line with the observation of the Hon'ble Supreme Court in Haridas Exports Vs. All India Float Glass Mfrs. Association and Ors that the CCI operates in a different field to that of the Authority in an anti-dumping investigation and they have no bearings on each-other. Any allegation of cartelization is beyond the ambit of the Authority and the CCI is empowered separately to adjudicate upon such allegations.

43. Regarding the rejection of recommendations of the Authority by the Ministry of Finance in several cases, the Authority notes that non-imposition of anti-dumping duty by the Ministry of Finance pursuant to recommendation by the Authority in other investigations or reviews is beyond the scope of the present sunset review. Anti-dumping duty is recommended by the Authority in a sunset review after examining the existence of likelihood of the continuation or the recurrence of dumping and injury.
44. Regarding the issue of excessive return on capital employed, the Authority notes that 22% return on capital employed has been allowed for calculation of non-injurious price for the domestic industry as per the consistent practice of the Authority and the interested parties have not presented any evidence to show that 22% return on capital employed should not be applied in the present sunset review.
45. Regarding existing measures by Government of India to support domestic steel industry, the Authority notes that the various existing policy initiatives taken by the Government are not aimed at remedying the injurious impact of dumped imports. Such initiatives do not arrest dumped imports that causes injury to the domestic industry. Existence of government policies for domestic steel industry cannot justify trade distorting practice such as dumping.
46. The procedure for sharing and procuring import data has been laid down in the Trade Notice 07/2018. The hard copy of the sorted import data was made accessible to the interested parties upon providing undertaking as per prescribed format. Interested parties can also procure raw transaction by transaction import data from DGCI&S after providing an undertaking as prescribed under Trade Notice 07/2018.
47. Regarding the need for adopting sampling methodology, Authority notes that sampling methodology is not adopted in the present investigation as only limited number of producers have participated in the sunset review.
48. Regarding the claim concerning examination of post-POI data, Authority notes that post-POI information is not a legally mandated factor to be considered in a review investigation. Extended POI of 18 months provides enough requisite insight into the current and likely dumping and injury suffered by the domestic industry.

F. CONFIDENTIALITY

F.1. Submissions of the domestic industry

49. The following submissions have been made by the applicant with regard to confidentiality:
 - a. There are numerous instances of excessive confidentiality in the questionnaire response filed by producers/exporters from Japan and Korea RP.

- b. Kobe Steel Ltd has provided a nearly blank questionnaire response. All responses to question have been marked as confidential. Further, no appendices or financial data has been provided in any palatable non-confidential form.

F.2 Submissions by other interested parties

50. The following submissions have been made by other interested parties during the course of investigation:

- a. ArcelorMittal Nippon Steel India Limited, has claimed excessive confidentiality in respect of Annual Reports.
- b. Petitioners have claimed excessive confidentiality by not providing the actual figures as per the Trade Notice No. 10/2018 dated 7th September 2018 issued by the Authority.

F.3 Examination by the Authority

51. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties as per Rule 6(7).

52. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provide 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 sub-rule (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.

(2) 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.

(3) 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.”

53. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality, to the extent considered relevant, have been examined by the Authority and addressed accordingly. The Authority notes that the information provided

by the interested parties on confidential basis was duly examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

54. A list of all interested parties was uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file was not accessible physically due to ongoing global pandemic.

G. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Normal Value

55. Under Section 9A (1)(c) of the Act, 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 to an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
 - b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

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

G.2. Submissions made by the domestic industry

56. The following submissions have been made by the domestic industry during the course of investigation:

- a. Chinese producers of subject goods are operating under non-market economy condition. Normal value for Chinese producers cannot be based on domestic selling prices and costs prevailing in China PR unless it is demonstrated that Chinese producers are operating under market economy conditions.
- b. International price of raw material (HR Coil) based on prices published in worldsteel.com (<https://worldsteelprices.com/asia/>) has been adopted and considered for construction of normal value. The raw material consumption has been taken based on the experience of the domestic industry.
- c. Conversion costs have been considered based on the experience of the domestic industry.
- d. SGA costs and Finance costs have been considered based on the experience of the domestic industry.
- e. A profit margin of 5% has been considered for working out the normal value.
- f. Export price is determined at ex-factory level. From the CIF export price, calculated as per DGCI&S import data, relevant adjustments have been made to arrive at ex-factory export price.
- g. The dumping margin so determined based on comparison between normal value and export price is positive and substantial.
- h. It must be noted that producers/exporters from China PR and Ukraine have not participated. Therefore, the Authority should proceed to determine dumping margin for exports from China PR and Ukraine based on facts available.
- i. Producers/exporters (i) JFE Steel Corporation (ii) POSCO and (iii) Nippon Steel Corporation have incurred losses on export sales to India during the POI. Therefore, even if actual data of these producers/exporters is relied upon, it is clear that they have exported to India below their cost of sales i.e. at dumped prices.

G.3. Submissions made by other interested parties

57. The following submissions have been made by other interested parties during the course of investigation:

- a. Producers/exporters from Japan and Korea RP have filed questionnaire response and have provide relevant information. Normal value, export price and dumping margin should be determined based on questionnaire response filed by producers/exporters.
- b. The Petitioners have failed to provide any explanation as to how prices from worldsteelprices.com specifically reflect the cost of production in subject countries.
- c. The Petitioner has not justified why its experience is comparable to that of producers in subject countries for conversion costs, SGA costs and finance costs.
- d. Profit margin of 5% for working out the normal value has not been justified or supported with any evidence.

G.4. Examination by the Authority

58. The Authority sent questionnaires to the known producers/exporters from the subject countries, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters from the subject countries have filed exporter's questionnaire response:
- a. POSCO Korea RP
 - b. POSCO Asia Company Limited
 - c. POSCO International Corporation
 - d. Samsung C&T Corporation
 - e. Dongkuk Industries Co. Ltd.
 - f. GS Global Corporation
 - g. Hyundai Corporation
 - h. Hyundai Steel Company, Korea RP
 - i. IONCSTEEL Co. Ltd.
 - j. Kowon Trading Corp.
 - k. LG International Corp
 - l. JFE Steel Corporation
 - m. Nippon Steel Corporation
 - n. Kobe Steel Ltd.
 - o. Honda Trading Corporation
 - p. JFE Shoji Corporation
 - q. Kanematsu Corporation
 - r. Marubeni-Itochu Steel Inc.
 - s. Metal One Corporation
 - t. Nissan Trading co. Ltd.
 - u. Nippon Steel Trading Corporation
 - v. Ohmi Industries Limited
 - w. Steel Center Co. Ltd.
 - x. Sumitomo Corporation Global Metals Co. Ltd.
 - y. Tetsusho Kayaba Corporation
 - z. Toyota Tsusho Corporation
 - aa. Young Steel Co. Ltd.
59. None of the producers/exporters of subject goods from China PR and Ukraine have filed exporter's questionnaire response.
60. The Authority devised Product Control Numbers (PCNs) in the present sunset review in order to make a PCN-to-PCN comparison. The Authority has first determined dumping margin for each PCN by comparing the export price and normal value at PCN level. Thereafter, weighted average dumping margin for the PUC as a whole has been determined. Wherever there were no domestic sales or no profitable domestic sales of exactly matching PCN, normal value has been constructed either based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits, or based on domestic selling price of closely resembling PCN.

61. The Authority has made appropriate adjustments to the export price in those cases where it was noted that the related or unrelated trader involved in the export chain to India or the related importer in India were incurring losses on the sales of PUC.
62. Keeping in view the submissions of interested parties, the normal value and export price for all producers/exporters from the subject countries has been determined as follows.

G.4.1. Normal Value Determination

China PR

63. Article 15 of China's Accession Protocol in WTO provides as follows:
“Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (“Anti-Dumping Agreement”) and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:
 - a. In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:*
 - i. If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
 - ii. The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*
 - b. In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China PR may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China PR.*
 - c. The importing WTO Member shall notify methodologies used in accordance with sub paragraph (a) to the Committee on Anti-Dumping Practices and shall notify*

methodologies used in accordance with sub paragraph (b) to the Committee on Subsidies and Countervailing Measures.

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

64. It is noted that while the provision contained in Article 15 (a) (ii) has expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a) (i) of the Accession Protocol require criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that since producers/ exporters from China PR have not submitted response to MET/supplementary questionnaire in the form and manner prescribed, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the Rules.

65. As none of the producers from China PR have filed the Supplementary Questionnaire response, the normal value has been determined in accordance with Para 7 of Annexure I of the Rules. In the absence of sufficient information on record, regarding the other methods as are enshrined in Para 7 of Annexure I of the Rules, the Authority has determined the normal value on "any other reasonable basis". The Authority has, therefore, constructed the normal value for China PR on the basis of international price of raw material (HR Coil), conversion costs and selling, general and administrative expenses based on experience of domestic industry and reasonable profit margin. The constructed normal value so determined for Chinese producers/exporters is mentioned in the dumping margin table.

G.4.2. Determination of Export Price

66. As none of the producers/exporters from China PR have filed questionnaire response, export price from China PR has been determined considering volume and value of imports for the period of investigation as per DGCI&S published data. Further, it is noted that sufficient details are not available in DGCI&S import data to arrive at PCN wise export price. Therefore, the Authority has considered single weighted average export price for determination of dumping margin in case of China PR. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission, bank charges and non-refundable VAT.

Ukraine

G.4.3. Determination of Normal Value

67. None of the producers/exporters from Ukraine have participated in the present sunset review investigation and filed questionnaire response. In absence of cooperation from the producers/exporters of product under consideration in Ukraine, the Authority is not able to determine individual normal value for producers/exporters and is constrained to proceed with the principles of best available information in terms of Rule 6(8) of the Rules with regard to determination of individual normal value for producers/exporters from Ukraine. The Authority has, therefore, constructed the normal value for Ukraine on the basis of international price of raw material (HR Coil), Conversion costs and selling, general and administrative expenses based on experience of domestic industry and reasonable profit margin. The constructed normal value so determined for producers/exporters from Ukraine is mentioned in the dumping margin table.

G.4.4. Determination of Export Price

68. None of the producers/exporters from Ukraine have participated in the present sunset review investigation and filed questionnaire response. In absence of cooperation from the producers/exporters of product under consideration in Ukraine, the Authority is not able to determine individual export price for producers/exporters on the basis of their questionnaire response and is constrained to proceed with the principles of best available information with regard to determination of export price. In view of non-cooperation of the producers/exporters, the Authority determined export price as per facts available in terms of Rule 6(8) of the Rules considering volume and value of imports for the period of investigation as per DGCI&S published data. Further, it is noted that sufficient details are not available in DGCI&S import data to arrive at PCN wise export price. Therefore, the Authority has considered single weighted average export price for determination of dumping margin in case of Ukraine. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission and bank charges. The normal value and export price so determined is mentioned in the dumping margin table.

Japan

(i) Kobe Steel Ltd. Japan

69. Kobe Steel Ltd., Japan has not provided complete information in the prescribed questionnaire format. Therefore, Authority has not accepted questionnaire response filed by Kobe Steel Ltd. The Authority has not determined any individual dumping margin for Kobe Steel Ltd. due to incomplete information. The Authority considers Kobe Steel Ltd. as non-cooperative.

(ii) JFE Steel Corporation (“JFE”)

Normal Value

70. During the POI, JFE has sold the subject goods in the domestic market either directly to users or through local traders.
71. 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 a particular PCN is more than 80%, then the authority has considered all the transactions in the domestic market for the said PCN for the determination of the normal value and in cases, where profitable transactions for a 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 or sufficiency test was not met for a particular PCN, normal value was either constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits or based on domestic selling price of closely resembling PCN.
72. JFE has claimed adjustments on account of inland freight, inland insurance, storage cost and credit cost. The Authority has verified and accepted these adjustments after remote cross check. The normal value at ex-factory level for JFE has been determined accordingly, and the same is shown in the Dumping Margin Table.

Export Price

73. JFE filed a questionnaire response along with its related/unrelated trading companies JFE Shoji Corporation, Toyota Tsusho Corporation, Ohmi Industries Ltd, Young Steel Co. Ltd, Nissan Trading Co. Ltd, Metal One Corporation.
74. The Authority notes that the cooperating entities account for 100% of the total sales made by JFE through related/unrelated traders, whereby the quantity and export price reported by JFE and its traders has been adopted by the Authority for determining the dumping and injury margin.
75. The Authority, while calculating the export price has considered data of the producer. JFE has claimed adjustments on account of inland freight, inland insurance, storage cost and credit cost and the same have been allowed after a remote cross check and desk verification. The export price at ex-factory level has been determined accordingly, and the same is shown in the Dumping Margin Table.

(iii) Nippon Steel Corporation ("NSC")

Normal Value

76. During the POI, NSC has sold the subject goods in the domestic market to related and unrelated parties. The Authority notes that two related entities i.e., Nippon Steel Trading Corporation and Steel Center Co. Ltd have filed their response.
77. To determine the normal value, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods.

78. If profit making transactions are more than 80%, then the authority has considered all the transactions in the domestic market and in cases where profitable transactions 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 or sufficiency test was not met for a particular PCN, normal value was either constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits or based on domestic selling price of closely resembling PCN.
79. NSC has claimed adjustments on account of rebate, warranty, credit note, inland freight, inland insurance, storage cost and credit cost. The Authority has accepted these adjustments after verification through remote cross check. Accordingly, the normal value at ex-factory level for NSC has been determined and the same is shown in the Dumping Margin Table below.

Export Price

80. NSC filed a questionnaire response along with its related/unrelated trading companies Kanematsu Corporation, Nippon Steel Trading Corporation, Metal One Corporation, Toyota Tsusho Corporation, Honda Trading Corporation, Marubeni-Itochu Steel Inc, Sumitomo Corporation Global Metals Co. Ltd, and Hanwa Co., Ltd who have exported the subject goods to India manufactured by the NSC. Further, NSC has also exported some quantities through other traders who have not filed their questionnaire response with the Designated Authority.
81. However, it is also noted by the authority that the exports to India made through non-cooperative unrelated parties are insignificant in terms of total exports to India.
82. For working out export price of the producer M/s NSC, the Authority has considered the actual export price for chain comprising NSC and cooperating traders who have duly participated in the investigation and submitted response in the form and manner prescribed, and export price based on the best available information for the non-cooperating traders of NSC who have not filed the information in the form and manner prescribed. Accordingly, the export price for NSC has been determined based on the weighted average export price of all exports' channels to India.
83. NSC has claimed adjustments on account of inland freight, inland insurance, storage cost and credit cost and the same have been allowed. The net export price at ex-factory level has accordingly been determined for NSC and the same is shown in the Dumping Margin Table.

(iv) Normal Value and Export price for non-cooperating producers and exporters from Japan

84. The Authority notes that no other producer/exporter from Japan has responded to the Authority in the present investigation.
85. In view of non-cooperation, the Authority has determined normal value for all non-cooperating producers as per facts available in terms of Rule 6(8) of the Rules.
86. With regard to export price, in view of non-cooperation of the producers/exporters, the Authority determined export price for all non-cooperating producers as per facts available in terms of Rule 6(8) of the Rules. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission and bank charges. The normal value and export price so determined for all non-cooperating producers and exporters from Japan is mentioned in the dumping margin table.

Korea RP

(i) POSCO

Normal Value

87. During the POI, POSCO has sold the subject goods in the domestic market to related and unrelated parties. The authority notes that one of the related parties of the POSCO, M/s. POSCO International Corporation engaged in the domestic sales has filed the questionnaire response. In addition, two other related trading companies namely M/s Winsteel Co., Ltd and Taechang Steel Co., Ltd are engaged in the domestic sales. Both of these trading companies have filed the details of further domestic sales and profitability statement.
88. 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 a particular PCN is more than 80%, then the authority has considered all the transactions in the domestic market for the said PCN for the determination of the normal value and in cases, where profitable transactions for a 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 or sufficiency test was not met for a particular PCN, normal value was either constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits or based on domestic selling price of closely resembling PCN.
89. POSCO has claimed adjustments on account of freight, warehouse expense, warranty cost, packing cost and credit cost. The Authority has verified and accepted these adjustments. The normal value at ex-factory level for POSCO has been determined accordingly, and the same is shown in the Dumping Margin Table.

Export Price

90. M/s POSCO, a producer of the subject goods in Korea RP has filed a questionnaire response along with its related/unrelated trading companies namely POSCO International Corporation, POSCO Asia Company Limited, Samsung C&T Corporation, Hyundai Corporation and GS Global Corporation who have exported the subject goods produced by POSCO. POSCO has also made direct exports to its related company in India namely, M/s POSCO Maharashtra Steel Pvt. Ltd.
91. The Authority notes that the cooperating entities account for ***% of the total sales made by POSCO through related/unrelated traders, whereby the quantity reported by POSCO, and trading companies has been adopted by the Authority as exports to India by POSCO for determining the dumping and injury margin. For working out export price of the producer M/s POSCO, the Authority has considered the actual export price for chain comprising POSCO and cooperating traders who have duly participated in the investigation and submitted response in the form and manner prescribed, and export price based on the best available information for the non-cooperating traders of POSCO who have not filed the information in the form and manner prescribed. Further the Authority has also made appropriate adjustment for the loss incurred by the traders. Accordingly, the export price for POSCO has been determined based on the weighted average export price of all exports' channels to India.
92. The export sales of POSCO through its cooperating unrelated/related trading companies are on CFR/FAS/EXW basis. POSCO has claimed adjustments on account of ocean freight, inland freight, credit cost, packing cost and warranty cost and the same have been allowed after a remote cross check and desk verification. Accordingly, the export price has been determined for POSCO at ex-factory level and the same is shown in the Dumping Margin Table.

(ii) M/s Dongkuk Industries Co., Korea RP

Normal value

93. It is noted that during the POI, M/s Dongkuk Industries Co., Korea RP, has sold the subject goods in the domestic market to unrelated parties only. 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. The Authority noted that if profit making transactions are more than 80%, all transactions in the domestic sales are being considered for the determination of normal value and in cases profit making transactions are less than 80%, only profitable domestic sales are being taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales or sufficiency test was not met for a particular PCN, normal value was either constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits or based on domestic selling price of closely resembling PCN.

94. Dongkuk Industries Co., Korea RP, has claimed adjustments on account of inland transportation, credit cost and packing expenses and the same have been allowed by the Authority. Accordingly, normal value at ex-factory level for Dongkuk Industries Co., Korea RP, has been determined and the same is shown in the Dumping Margin Table below.

Export Price

95. It is noted that M/s Dongkuk Industries Co., who is a producer and exporter of the subject goods in Korea RP, has exported the subject goods to India directly and through four unrelated traders namely IONCSTEEL Co. Ltd., Korea RP, Kowon Trading Corp, Korea RP, POSCO International, Korea RP, and JD Corporation, Korea RP, out of which JD Corporation, Korea RP, has not filed its exporters questionnaire response with the Authority, which constitute only *** % of total exports to India by Dongkuk Industries Co. For working out export price of the producer, M/s Dongkuk Industries Co., the Authority has considered the actual export price for chain comprising Dongkuk Industries Co., and cooperating traders who have duly participated in the investigation and submitted response in the form and manner prescribed, and export price based on the best available information for the non-cooperating traders of Dongkuk Industries Co., who have not filed the information in the form and manner prescribed. Accordingly, the export price for Dongkuk Industries Co., has been determined based on the weighted average export price of all exports' channels to India.
96. Dongkuk Industries Co., Korea RP, IONCSTEEL Co. Ltd., Korea RP, POSCO International, Korea RP and Kowon Trading Corp, Korea RP, have provided all the relevant information in requisite format. Dongkuk Industries Co., Korea RP, has claimed adjustments on account of credit cost, air freight expenses, ocean freight, insurance, inland transportation, export handling fee, packing expenses, bank charges, commission and warehouse expense and the same has been allowed after remote cross check and desk verification. Accordingly, the export price has been determined at ex-factory level and the same is shown in the Dumping Margin Table.

(iii) M/s Hyundai Steel Company, Korea RP

Normal value

97. During the POI, Hyundai Steel Company, Korea RP, has sold subject goods in the domestic market to related and unrelated parties. 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. The Authority noted that if profit making transactions are more than 80%, all transactions in the domestic sales are being considered for the determination of normal value and in cases profit making transactions are less than 80%, only profitable domestic sales are being taken into consideration for the determination of the normal value. Wherever there were no domestic sales or no profitable domestic sales or sufficiency test was not met for a particular PCN,

normal value was either constructed based on the cost of production along with reasonable addition for administrative, selling & general costs and for profits or based on domestic selling price of closely resembling PCN. Hyundai Steel Company, Korea RP, has claimed adjustments on account of inland transportation, ocean freight and credit expenses and the same have been allowed by the Authority after remote cross check and desk verification. Accordingly, normal value at ex-factory level has been determined and the same is shown in the Dumping Margin Table.

Export Price

98. Hyundai Steel Company, who is a producer and exporter of the subject goods in Korea RP, has exported the subject goods to India indirectly through three unrelated/related traders namely GS Global Corporation, Korea RP, LG International Corporation, Korea RP, and Hyundai Corporation, Korea RP. The subject goods have been exported to both related and unrelated Indian customers. It was observed by the authority that there was significant variation between the export sales price to its related company and the export sales price to unrelated customers in India for the same PCN/Grade. Hyundai Steel, Korea RP, was unable to provide any valid reasons for such a significant variation in export sales price between related and unrelated parties for the same PCN/grade. Therefore, Authority has only considered the export sales to unrelated parties for determination of export price. Hyundai Steel Company, has claimed adjustments on account of ocean freight, inland transportation, port and other related expenses and credit cost and same have been allow after remote cross check and desk verification. Accordingly, the export price has been determined at ex-factory level and the same is shown in the Dumping Margin Table below.

(iv) Normal Value and Export price for non-cooperating producers and exporters from Korea RP

99. The Authority notes that no other producer/exporter from Korea RP has responded to the Authority in the present investigation.
100. In view of non-cooperation, the Authority has determined normal value for all non-cooperating producers as per facts available in terms of Rule 6(8) of the Rules.
101. With regard to export price, in view of non-cooperation of the producers/exporters, the Authority determined export price for all non-cooperating producers as per facts available in terms of Rule 6(8) of the Rules. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission and bank charges. The normal value and export price so determined for all non-cooperating producers and exporters from Korea RP is mentioned in the dumping margin table.

G.4.5. Dumping Margin

102. Considering the normal value and export price determined, as explained above, it is noted that the dumping margin for China PR, Japan, Korea RP and Ukraine are more than the de-minimis limit prescribed under the Rules.

Dumping margin Table

Country	Producer/Exporter	Normal Value (USD/MT)	NEP (USD/MT)	DM (USD/MT)	DM %	Range
Japan	JFE Steel Corporation	***	***	***	***	20-30
Japan	Nippon Steel Corporation	***	***	***	***	50-60
Japan	All Others	***	***	***	***	60-70
Korea RP	POSCO	***	***	***	***	0-10
Korea RP	Dongkuk Industries Co. Ltd.	***	***	***	***	0-10
Korea RP	Hyundai Steel Company	***	***	***	***	10-20
Korea RP	All Others	***	***	***	***	130-140
China PR	Any Producer/Exporter	***	***	***	***	20-30
Ukraine	Any Producer/Exporter	***	***	***	***	50-60

H. EXAMINATION OF INJURY AND CAUSAL LINK

H.1. Submissions made by the domestic industry

103. The submissions of the domestic industry with regard to injury and causal link are as under:

- a. Imports from subject countries are significant both in absolute terms and in relation to total imports into India and Indian demand even after imposition of anti-dumping duty.
- b. The decline in imports during the last six months of the POI, i.e. from April 2020 to September 2020, is due to the Covid-19 pandemic. Imports will increase once the Covid-19 situation improves.
- c. Price undercutting from subject countries was negative during the majority of the injury investigation period in the original investigation as well. Price undercutting was negative for imports from Japan even in the POI of original investigation.
- d. Anti-dumping duty imposed on the import of subject goods and which has been in force during the injury investigation period has been based on reference price mechanism. It was incumbent upon the producers/exporters from subject countries to keep the prices above reference price level.

- e. Authority should also assess price undercutting by considering import price that was prevailing prior to the imposition of reference price based anti-dumping duty.
- f. In case of reference price based anti-dumping duty, actual import price cannot be simply relied upon for determining price undercutting because the element of anti-dumping duty is inbuilt in import/export price from subject countries. Therefore, price undercutting should be assessed after deducting the 'inbuilt' anti-dumping duty in the import price. If Authority excludes the average antidumping duty as calculated during the original investigation, the price undercutting would turn significantly positive.
- g. It has been noticed in several anti-dumping investigations conducted by the Authority in past that exporters from Korea RP export the subject goods to India at a higher price and their related party resells the subject goods at a loss. Price undercutting determined by simply taking the average import prices from Korea RP would not give the correct picture.
- h. Authority should investigate whether exporters from Korea RP followed different pricing for related exporters vis-a-vis unrelated exporters.
- i. There is also practice amongst the producers/exporters to specify delivery term as CIF whereas the goods are delivered at ICD and as a result the price on record includes an additional price element of transportation cost from first port of import to ICD port. As per Customs Valuation Rules, the freight element from first port of import to ICD is not to be included in the value for customs purposes and accordingly the same should also not be included while calculating landed value for anti-dumping investigation.
- j. Producers/exporters from subject countries were aware about the precise period of sunset review and therefore it was possible for them to keep the average prices higher for their exports to India. Authority should investigate whether the increase in export price is based on economic rationale or is temporary.
- k. Subject goods comprise of multiple product types falling under several tariff headings and prices vary significantly between different product types.
- l. There is considerable price variation in export/import price from subject countries. Authority should also consider import transactions at lower prices that are undercutting domestic sales. Assessment of the Authority should not be limited to average price undercutting. Authority should assess the impact of low-priced import transactions on the sales of domestic industry.
- m. Authority should not consider only average import price because the import prices are not consistently higher during the POI. There is significant price variation in imports and the impact of import transactions at lower prices is required to be considered separately. Existence of price variation is relevant because many of the Indian customers quote the prices at which the imported goods are coming into the country and ask the domestic industry to match the imported prices.

Period	Rs/MT
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	China PR	Japan	Korea RP	Ukraine	Total Subject Countries
Apr-19	49,664	44,993	53,436	-	50,350
May-19	43,875	54,334	55,297	-	54,350
Jun-19	51,390	46,071	52,156	39,057	49,119
Jul-19	45,187	51,916	53,579	35,712	51,401
Aug-19	44,753	46,519	52,115	-	49,699
Sep-19	44,470	47,184	51,374	-	49,671
Oct-19	48,269	47,457	55,835	-	53,065
Nov-19	48,338	64,046	57,245	-	56,911
Dec-19	52,370	59,105	55,295	-	55,386
Jan-20	51,360	63,305	55,941	-	56,197
Feb-20	50,408	62,878	55,278	-	55,303
Mar-20	53,283	63,387	59,635	-	59,842
Apr-20	51,818	64,989	59,667	-	59,233
May-20	40,281	47,665	48,033	-	47,145
Jun-20	-	68,155	51,128	-	55,573
Jul-20	52,012	66,264	59,776	-	59,106
Aug-20	70,710	63,875	59,826	-	60,465
Sep-20	50,917	62,554	59,417	-	59,394
Total	47,128	49,336	54,975	38,076	53,055

- n. The lowest import price from China PR was in the month of May 2020 and was Rs. 40,281/- whereas the highest import price from China PR was in the month of August 2020, which was Rs. 70,710/-. Similarly, lowest import price from Japan was in the month of April 2019 and was Rs. 44,993/- whereas the highest import price from Japan was in the month of June 2020, which was Rs. 68,155/-. Lowest import price from Korea RP was in the month of May 2020 and was Rs. 48,033/- whereas the highest import price from Korea RP was in the month of August 2020, which was Rs. 59,826/-.
- o. It can be seen that there is significant price variation between the import price from different countries. The average CIF import price from Ukraine is Rs. 38,076/- per MT whereas the average CIF import price from Korea RP is Rs 54,975/- per MT.
- p. If the anti-dumping duty is discontinued, the extent of price suppression and depression would change significantly.
- q. Production, domestic sales and capacity utilization of the domestic industry improved till 2018-19 and thereafter declined during the POI(A).
- r. Profitability of the domestic industry improved till 2018-19 and thereafter, declined during the POI(A). If the current anti-dumping duty protection is withdrawn, it will severely affect the profitability of the domestic industry going forward.
- s. The cash profits earned by the domestic industry have followed a similar trend as profitability and has significantly decreased during POI(A) after improving till 2018-19.

- t. Quality of the goods produced by the domestic industry is at par with the imported goods. Domestic industry has sufficient capacity to cater to Indian demand and therefore, availability of material is not a constraint. Delivery problems are also almost non-existent. Many of the Indian customers quote the prices at which the imported goods are coming into the country and ask the domestic industry to match the imported prices.
- u. There is a decline in demand during the last six months of the POI i.e. from April 2020 to September 2020 due to the Covid-19 pandemic. It is expected that the demand will increase once the Covid-19 situation improves.
- v. There are no trade restrictive practices, technology issues, export performance issues, productivity issues or any other factor which can be attributed to the injury being suffered by domestic industry.
- w. Imports from other countries have been low during the entire injury investigation period including the POI.

H.2. Submissions made by other interested parties

104. The submissions of other interested parties with regard to injury and causal link are as under:

- a. Imports from subject countries have not caused any injury to the domestic industry during the injury period and period of investigation. Total imports from subject countries constitute only 6% of the total demand in India. Major share of demand is enjoyed by the domestic industry.
- b. Price undercutting is negative for all subject countries during the period of investigation.
- c. Domestic industry has increased its capacity every year during the injury period and POI. Capacity has increased from 97,21,000 MT during the year 2016-17 to 1,01,88,000 MT during the period of investigation. Production of product under consideration has also increased during the year 2018-19 to 69,72,770 MT from 65,82,632 MT during the base year 2016-17. Production declined during the POI due to Covid-19 pandemic. Domestic industry was operating at only 68% capacity utilization during the base year. Unnecessary capacity expansion has resulted in lowering the capacity utilization.
- d. Domestic sales have increased from 24,01,181 MT during the base year to 30,72,860 MT during the year 2018-19 and then declined to 23,70,465 MT during POI(A). The reason for decline in sales is Covid 19 pandemic. Imports from subject countries have declined sharply during the POI.
- e. The profitability of the domestic industry has been increasing throughout the injury period and POI. However, when comparing the same to the previous year, 2018-19, it has declined sharply. Reason for decline in profits cannot be attributed to imports.
- f. Number of employees has come down during the injury period and POI, productivity per day has increased throughout the injury period but declined during the POI.
- g. Inventory in relation to number of days of production and sales has declined considerably.

- h. Capital employed has increased from 100 in the year 2016-17 to 174 during the POI. But, PBIT as % avg. capital employed has declined from 100 during the base year to 22 during the POI. Covid-19 pandemic has affected the industry harshly.
- i. The petition deliberately fails to address a number of crucial issues which had an impact on the domestic industry independently from the imports originating in subject countries.
- j. The other factors affecting the domestic industry in the present case may include weakened demand, subdued pricing environment, coronavirus impact, disproportionate fall in realizations, adverse stock valuation rate, adverse techno economic parameters like specific usage of coal/other raw materials, lower CDI rate, higher usage of power, increase in foreign exchange loss, higher stores and spares expenses, repair & maintenance, security expenses, depreciation and interest charges, etc.
- k. Sales value has increased by 17 index points in the POI (annualized) compared to the base year.
- l. Sales realization has increased by 19 index points in the POI (annualized) compared to the base year.

H.3. Examination by the Authority

105. Rule 11 of the Rules read with Annexure-II provides that an injury determination shall involve an examination of factors that may indicate injury to the domestic industry, “.... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...*”.

106. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

107. The submissions made by the domestic industry and the other interested parties during the course of the investigation with regard to injury and causal link and considered relevant by the Authority are examined and addressed in the present final findings.

108. In consideration of the various submissions made by the interested parties in this regard, the Authority has examined the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury.

109. The Authority has taken note of the various submissions made by the domestic industry and other interested parties on injury and causal link and has analysed the same considering the facts available on record and applicable laws. The injury analysis made by the

Authority ipso facto addresses submissions made by the domestic industry and other interested parties.

110. In the present sunset review investigation, Authority has considered a longer period of investigation of 18 months has been taken to account for Covid-19 pandemic disruption.

111. After examining the submissions made by the interested parties and issues raised therein and considering the facts available on record, the Authority concludes that:

- i. Imports from subject countries are significant and increased in absolute terms during the injury investigation period.
- ii. There is a continuation of dumping of subject goods from subject countries.
- iii. The domestic industry has suffered material injury as there is decline in performance of domestic industry during the POI on volume parameters and price parameters.
- iv. Volume parameters such as production, domestic sales, capacity utilisation, market share, declined in the POI as compared to previous year. Similarly, price parameters such as profit and cash profit declined in the POI as compared to previous year. Return on capital employed declined significantly in the POI (A) as compared to previous years.
- v. An elaborate likelihood analysis and assessment conducted by the Authority leads to the conclusion that there is a likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of revocation of duty.
- vi. The Authority has relied on following factors to conclude existence of likelihood of dumping and injury:
 - The basic customs duty on import of product under consideration has been reduced from 12.5% to 7.5% from 1st February 2021. Accordingly, import duty on imports of PUC from China PR and Ukraine is reduced from 12.5% to 7.5%. Basic customs duty on import of subject goods from Korea RP and Japan is NIL because of free trade agreement between India and these two countries.
 - There are huge surplus capacities for product under consideration available with the producers/exporters in subject countries as evidenced from the independent reports available on record and also from information provided by participating producers/exporters from subject countries.
 - Examination of information regarding export price to third countries provided by participating producers/exporters from subject countries shows that significant exports to third countries are at dumped prices and at prices below the fair selling price of domestic industry.
 - Many countries have imposed and continued trade remedy measures on imports of cold rolled flat steel originating from the subject countries.
 - Examination of information regarding export price to third countries provided by participating producers/exporters from subject countries shows that significant exports to third countries are at prices below the export price to India, which shows that Indian market is more price attractive to exporters from subject countries.

- Historical trend of global steel prices show that steel prices are cyclical in nature and there is likelihood of injury to the domestic industry due to imports at low price when there is decline in global steel prices.

a. Assessment of Demand

112. The Authority has determined 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 demand so assessed is given in the table below.

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI (A)	POI
1	Subject countries	MT	3,65,478	4,78,094	6,77,497	4,13,881	6,20,822
2	Other countries	MT	1,04,136	41,580	41,014	21,616	32,424
3	Domestic sales of participating producers	MT	24,01,181	28,38,286	30,72,860	23,70,465	35,55,697
	Domestic sales (Supporters)	MT	***	***	***	***	***
		Trend	100	96	95	71	106
	Domestic sales other producers	MT	***	***	***	***	***
		Trend	100	37	93	92	139
4	Total demand	MT	79,71,000	63,59,000	85,77,000	71,20,667	1,06,81,000
	Trend	Indexed	100	80	108	89	134

113. It is seen that the demand for subject goods increased till 2018-19 and thereafter declined during the POI (A).

b. Volume effect of dumped imports

i. Import volume and share of subject countries

114. The effects of the volume of dumped imports from the subject countries have been examined by the Authority as follows.

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI(A)	POI
1	Subject Countries	MT	3,65,478	4,78,094	6,77,497	4,13,881	6,20,822
A	China PR	MT	55,645	1,29,520	1,42,240	29,811	44,716
B	Japan	MT	68,370	97,363	85,345	89,220	1,33,830
C	Korea RP	MT	2,41,463	2,45,044	4,40,689	2,91,435	4,37,152
D	Ukraine	MT	-	6,167	9,223	3,415	5,123
2	Subject countries import in relation to -						
A	Domestic Industry Production	%	5.55%	6.92%	9.72%	6.55%	6.55%
B	Consumption	%	4.6%	7.5%	7.9%	5.8%	5.8%
C	Total imports	%	77.8%	92.0%	94.3%	95.0%	95.0%

115. It is seen that volume of dumped imports of product under consideration from the subject countries has increased in absolute terms during the injury investigation period except for the POI (A). Volume of imports of the product under consideration from the subject countries have also increased in relation to production of the domestic industry, total

Indian consumption and total imports during the injury investigation period except for the POI (A).

116. The Authority further notes that even though volume of dumped imports of the product under consideration from the subject countries have declined in the POI(A), they are still higher than the base year level. It is also noted that the volume of dumped imports continued to remain significant despite anti-dumping duty in force.

c. Price effect of dumped imports

117. With regard to the effect of dumped imports on prices, it is required to be analysed 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 normal course.

118. Accordingly, the impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject country has been examined with reference to price undercutting and price suppression/depression, if any. For the purpose of this analysis the cost of sales and Net Sales Realization (NSR) of the domestic industry have been compared with the landed price of imports from the subject countries.

i. Price undercutting

119. Price undercutting has been determined by comparing the landed price of imports from the subject countries with the net sales realisation of the domestic industry in India.

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI
1	Net Sales Realisation	Rs/MT	***	***	***	***
2	Subject countries as a whole					
A	Landed Price	Rs/MT	43,027	47,024	53,654	53,565
B	Price Undercutting	Rs/MT	***	***	***	***
C	Price Undercutting	%	***	***	***	***
D	Price Undercutting	Range	Negative	Negative	Negative	Negative

120. The Authority notes that the landed price of imports is above the selling price of the domestic industry during the period of investigation. Therefore, the price undercutting is negative. It is noted that the anti-dumping duty imposed on the basis of reference price has prevented the prices of the imports from entering the domestic market at low prices.

ii. Price suppression/depression

121. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority notes the changes in the costs and prices over the injury period.

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI
1	Landed price of imports	Rs/MT	43,027	47,024	53,654	53,565
	Trend	Indexed	100	109	125	124
2	Cost of sales per Unit – Domestic	Rs/MT	***	***	***	***
	Trend	Indexed	100	112	125	117
3	Selling price per Unit – Domestic	Rs/MT	***	***	***	***
	Trend	Indexed	100	120	135	116

122. The Authority notes that the prices of the domestic industry increased till 2018-19 when the prices of imports were also increasing. Thereafter, when the prices of imports declined during the period of investigation, the prices of the domestic industry also declined. However, the decrease in selling price of the domestic industry was more than the decrease in its cost of sales during the POI indicating that its prices were both suppressed and depressed during the POI as compared to previous year.

d. Impact on economic parameters of the domestic industry

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

i. Capacity, production, capacity utilization and sales.

124. The Authority has considered capacity, production, capacity utilization and sales volume of the domestic industry over the injury period.

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI (A)
1	Capacity	MT	97,21,000	99,57,000	1,01,88,000	1,01,88,000
	Trend	Indexed	100	102	105	105
2	Production	MT	65,82,632	69,08,893	69,72,770	63,23,096
	Trend	Indexed	100	105	106	96

3	Capacity Utilisation	%	68%	69%	68%	62.06%
	Trend	Indexed	100	101	100	91
4	Domestic sales	MT	24,01,181	28,38,286	30,72,860	23,70,465
	Trend	Indexed	100	101	128	99

125. It is seen that:

- a. The domestic industry has expanded its capacity over the injury period keeping in line with increase in demand.
- b. The capacity utilisation of domestic industry has remained stable till 2018-19 but declined in POI (A) due to fall in demand.
- c. Production and sales of domestic industry increased till 2018-19 but declined sharply in the POI(A) due to fall in demand.

ii. Market share of the domestic industry in demand

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

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI (A)
1	Subject countries	%	4.6%	7.5%	7.9%	5.8%
		%-Range	0-10	0-10	0-10	0-10
2	Other countries	%	1.3%	0.7%	0.5%	0.3%
		%-Range	0-5	0-5	0-5	0-5
3	Domestic industry	%	30.1%	44.6%	35.8%	33.3%
		%-Range	25-35	40-50	30-40	30-40

127. It is seen that the market share of the domestic industry increased in 2017-18 and thereafter declined in 2018-19 and POI (A).

iii. Inventory

128. Inventory position of the domestic industry over the injury period is given below: -

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI (A)
1	Average inventory	MT	3,38,341	2,93,348	3,47,851	2,29,370
	Trend	Indexed	100	87	103	68

129. It is seen that the average inventory of the domestic industry increased in 2018-19 but declined in POI(A).

iv. Profit or loss, cash profits and return on investment

130. Performance of the domestic industry has been examined in respect of profits, cash profits and return on capital employed.

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI (A)
1	Cost of sales	₹/MT	***	***	***	***
	Trend	Indexed	100	112	125	117
2	Selling price	₹/MT	***	***	***	***
	Trend	Indexed	100	120	135	116
3	Profit / Loss	Rs Crores	***	***	***	***
	Trend	Indexed	100	125	209	31
4	Profit / Loss	Rs/MT	***	***	***	***
	Trend	Indexed	100	106	163	32
5	Cash profits	Rs Crores	***	***	***	***
	Trend	Indexed	100	238	365	102
6	PBIT per Unit – Domestic Sales	Rs./MT	***	***	***	***
	Trend	Indexed	100	106	138	40
7	Return on capital employed	%	***	***	***	***
	Trend	Indexed	100	112	126	22

131. It is seen that the domestic industry was earning good profits till 2018-19. However, the profits of the domestic industry have declined sharply in the POI(A). Resultantly, the cash profits and the return on investment have also been adversely impacted.

v. **Employment, wages and productivity**

132. The situation of the domestic industry with regard to employment, wages and productivity was examined.

SN	Particulars	UOM	2016-17	2017-18	2018-19	POI (A)
1	No of employees	Nos	27,934	26,466	25,993	25,533
	Trend	Indexed	100	95	93	91
2	Productivity per day	MT/Day/Employee	0.65	0.72	0.73	0.68
	Trend	Indexed	100	110	112	105
3	Productivity per employee	MT/Nos	235.65	261.05	268.25	247.65
	Trend	Indexed	100	111	114	105

133. It is seen that productivity per employee and per day increased till 2018-19 but declined in POI due to decline in production.

vi. Growth

134. Examination of growth parameters of the domestic industry during the injury period is shown below.

SN	Particulars	2017-18	2018-19	POI (A)
1	Production	5%	1%	-9%
2	Domestic Sales	18%	8%	-23%
3	Profit/(Loss) per unit	6%	54%	-81%
4	Profit/(Loss)	25%	67%	-85%
5	Cash Profit	138%	53%	-72%
6	PBIT	6%	29%	-71%
7	ROI %	1.60%	1.78%	-13.30%

135. It is seen that volume and price parameters of the domestic industry show a positive growth till 2018-19 but have shown a decline in POI(A).

vii. Magnitude of dumping

136. It can be seen that the dumping margin is not only more than de-minimis but also substantial for all the subject countries.

viii. Ability to raise fresh capital

137. The domestic industry comprises of companies, which are multi-product companies. These companies have been doing fairly well over the injury period. Therefore, their ability to raise fresh capital remains intact.

I. CAUSAL LINK

138. As per the AD Rules, the Authority, inter alia, is required to examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the AD Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

i. Volume and price of imports from third country

139. Imports from other countries have been low and not very significant.

ii. Contraction in Demand and / or Change in pattern of Consumption

140. There is a decline in demand during the POI apparently due to the Covid-19 pandemic. It is expected that the demand will increase once the Covid-19 situation improves.

iii. Development of technology

141. The Authority notes that technology for production of the product has not undergone any change. Developments in technology are, therefore, not a possible factor of injury.

iv. Trade restrictive practices

142. The Authority notes that there are no trade restrictive practices, which could have caused injury to the domestic industry.

v. Export performance

143. It is seen that the exports of the domestic industry have increased in the POI as compared to preceding year. In any case, Authority has considered data for the domestic operations only. Any possible deterioration in the export performance of the domestic industry, therefore, cannot be a cause for the injury to the domestic industry.

vi. Performance of other products

144. The Authority has considered the data relating to the performance of the subject goods only. Therefore, performance of other products produced and sold by the domestic industry are not a possible cause of the injury to the domestic industry.

J. MAGNITUDE OF INJURY MARGIN

145. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in the Anti-Dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing accountant for the period of investigation. The NIP has been compared with the landed price from the subject countries for calculating injury margin. The Authority has first determined injury margin for each PCN by comparing the landed value and NIP at PCN level. Thereafter, weighted average injury margin for the PUC as a whole has been determined. Wherever there were no sales of exactly matching PCN by domestic industry, comparison of landed value of imports from subject countries was made with NIP of closely resembling PCN.

146. For determining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from 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 PUC was allowed as pre-tax profit to arrive at the NIP as prescribed in Annexure III of the Rules and being followed.

147. Based on the landed price and NIP determined as above, the injury margin for producers/exporters as determined by the Authority is provided in the table below-

Country	Producer/Exporter	NIP (USD/MT)	Landed Price (USD/MT)	IM (USD/MT)	IM %	Range
Japan	JFE Steel Corporation	***	***	***	***	(30)-(40)

Japan	Nippon Steel Corporation	***	***	***	***	(10)-0
Japan	All Others	***	***	***	***	(10)-0
Korea RP	POSCO	***	***	***	***	(10)-0
Korea RP	Dongkuk Industries Co. Ltd.	***	***	***	***	(45)-(55)
Korea RP	Hyundai Steel Company Korea	***	***	***	***	(10)-(20)
Korea RP	All Others	***	***	***	***	10-20
China PR	Any Producer/Exporter	***	***	***	***	(20)-(30)
Ukraine	Any Producer/Exporter	***	***	***	***	(10)-0

K. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING & INJURY

K.1. Submissions made by domestic industry

148. The following submissions have been made by the domestic industry during the course of investigation:

- a. India has FTAs with Japan and Korea RP and the Basic Customs Duty (“BCD”) on import of PUC is NIL. So, the only cushion available to the domestic industry is in the form of anti-dumping duty.
- b. Reduction of BCD from 12.5% to 7.5% w.e.f. 1st February 2021 will result in increased imports of PUC into India from the China PR and Ukraine.
- c. Countries such as Canada, EU, Malaysia, US, Taiwan etc. have imposed or continued trade remedy measures on imports of cold rolled flat steel originating from the subject countries. The rate of duty currently in force in these countries is also known and it can be seen that rate of duty applicable through different types of trade remedy measures and other tariff measures is significant.

China PR

Canada	AD & CVD	91.1% of the export (AD) 506 RMB/ per Metric Tonne (CVD)
Malaysia	AD	26.38% (more than 1300 mm) 5.61 - 23.78% (less than 1300 mm)
Taiwan	AD & CVD	36.77% (AD) 51.10% (CVD)
EU	Safeguard	25%
US	Section 232 and Section 301 – AD and CVD	265.79% (AD) 256.44% (CVD) 25% (S.232) 25% (S.301)

Korea RP

Canada	AD & CVD	AD - 53% CVD - 86,733 KRW/ per Metric Tonne
Malaysia	AD	AD – 8.32 to 21.64% AD – 0 to 3.84% (more than 1300 mm)
EU	Safeguard	25%
US	AD and CVD Annual Absolute Quota under Section 232 - Trade Expansion Act contravention of which could lead to additional tariffs.	AD – 0 to 3.91% CVD - 0.51% to 9.18%

Japan

Malaysia	AD (More than 1300 mm)	26.39%
US	AD Additional Tariffs under Section 232 - Trade Expansion Act	AD: 71.35%
EU	Safeguard	25%

Ukraine

EU	Safeguard	25%
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- d. Major jurisdictions such as the EU, Canada, US, Australia, Thailand, and Indonesia have also imposed trade remedy measures on several other steel products such as hot rolled steel, steel bars, stainless steel, steel pipes and tubes, Aluminium and Zinc Coated Steel, iron and steel fasteners, steel wind towers etc. exported from subject countries. There are at least 30 trade remedy measures in force on export of steel products from these countries. This shows that subject countries are export oriented and are engaged in dumping of steel products in various export markets.
- e. US, Thailand, Australia & EU are also conducting trade remedy investigations on several steel products including PUC imported from subject countries.

- f. Subject countries are the biggest producing/exporting countries of steel products. As per World Steel Association Report, China PR has the largest steel-making capacity and is the biggest exporter of steel. After China PR, Japan is the second biggest exporter of steel. Korea RP is the third largest exporter of steel products.
- g. Capacity of subject goods in subject countries is higher than total domestic demand and total domestic production of subject goods. Information regarding capacity of subject goods in China PR has been obtained from Core Report 2019. Information regarding production and demand in China PR has been obtained from World Steel Association and International Steel Statistic Bureau (ISSB). Information regarding capacity, demand and production in Korea RP, Japan has been obtained from World Steel Association and International Steel Statistic Bureau (ISSB).

POI (April 2019 to September 2020)	Product	Unit	Total Capacity	Total Production	Domestic Demand	Capacity in excess of production
China PR	Cold rolled coil and sheet	Million Tons	***	***	***	***
		Range	180-200	180-200	180-200	2-7
Japan	Cold rolled coil and sheet	Million Tons	***	***	***	***
		Range	20-40	20-40	20-40	5-10
Korea RP	Cold rolled coil and sheet	Million Tons	***	***	***	***
		Range	30-50	30-50	20-40	5-10

- h. India is expected to witness increase in demand of steel products in 2021. Asia is the only region in the world that is experiencing increase in demand of steel products. India and China PR are the two countries in Asia that are showing increase in demand for steel products. Demand for steel products has stagnated in Japan, Korea RP and Ukraine.

Finished Steel Products – Demand

Subject Countries	Unit	2015	2016	2017	2018	2019
Japan	Million MT	63.0	62.2	64.4	65.4	63.2
Korea RP		55.8	57.1	56.3	53.7	53.2
Ukraine		3.3	4.2	4.6	4.7	4.8
China PR		672.3	681.0	773.8	836.1	907.5
India		80.2	83.6	88.7	96.7	101.5

Source: World Steel Association Report, 2020

- i. Demand for steel products has also stagnated in rest of the world. Biggest producers and exporters of steel from subject countries will target Indian market aggressively if anti-dumping duty is revoked.

Million Tonnes - Finished Steel Products					
Continent	2015	2016	2017	2018	2019
European Union	154.3	158.1	164	168	158.7
Other Europe	40.1	40.6	42.4	37.4	33.9
CIS	52.4	51.1	54.4	55.7	58.8
NAFTA	133.9	130.7	138.3	140.6	135
Central and South America	46.1	40.2	42.3	44	42.3
Africa	38.7	37.6	34.6	36.3	36.4
Middle East	53.8	53.1	53.2	49.8	48.7
Asia	979	1001.6	1097.8	1170.1	1247.1
World	1505.8	1520	1633.4	1708.4	1767.5

- j. Producers/exporters in subject countries are export oriented and a significant portion of their production is destined for export markets.
- k. Export price of subject product from China PR to India has increased during the injury investigation period but export price from China PR to other countries has declined. Export price of subject product from China PR to India is higher than the export price of subject product from China PR to third countries during the POI. This shows that if anti-dumping duty is withdrawn, producers/exporters from China PR will reduce their price of exports to India as well.

Cold Rolled Steel Products	Unit	2018	2019	2020
FOB Export Price (World)	USD/MT	604	529	544

Source: FOB Shanghai Prices, Steel Business Briefing

Cold Rolled Steel Products	Unit	2016-17	2017-18	2018-19	2019-20
Import Price into India (CIF)	USD/MT	466	522	645	654

Source: DGCI&S data

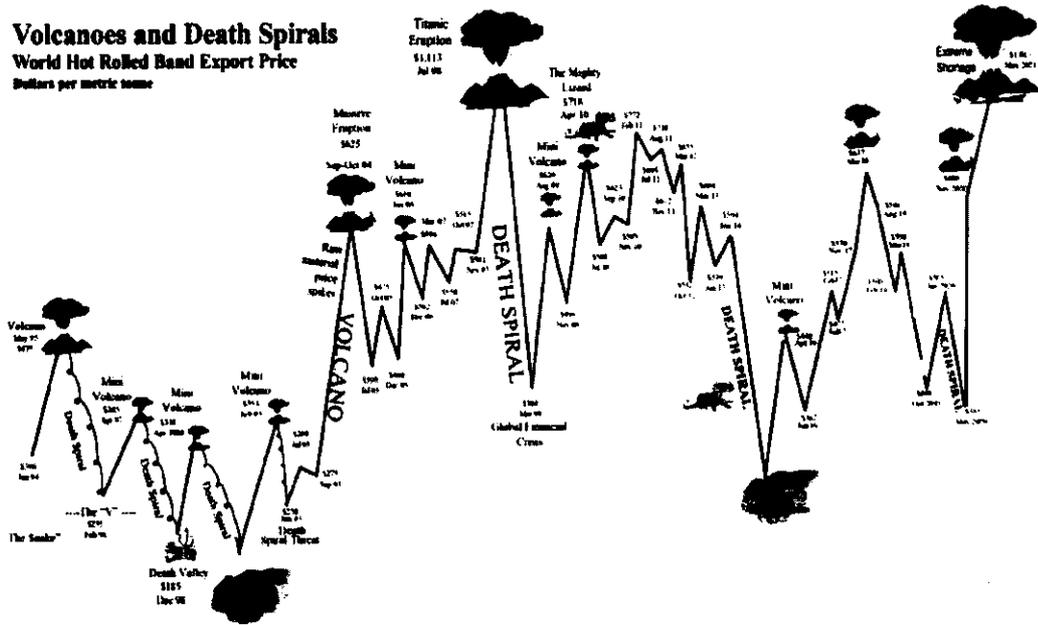
- l. Export price to India of cold rolled steel products in 2019 is higher than the export price to other countries from Korea RP. India is a more attractive market for Korea RP as compared to other countries. If the existing anti-dumping duty in the form of reference price is discontinued, then there is a clear likelihood that exports to India from Korea RP would increase substantially.

Cold Rolled Steel	Unit	2019
Export price from Korea RP to India	USD/MT	759
Export price from Korea RP to other countries	USD/MT	617

Source: Trade Map

- m. Participation of large number of producers/exporters from Japan and Korea RP indicates that producers/exporters from Korea RP and Japan are targeting Indian market and will increase their exports if anti-dumping duty on import of subject product is withdrawn.
- n. The questionnaire response filed by POSCO, Korea RP show that it has (i) surplus capacity during the POI and (ii) exported to India at losses during the POI.
- o. Questionnaire response filed by JFE Steel Corporation, Japan show that (i) it has surplus capacity during the POI and (ii) continues to incur losses in its exports to India since 2017-18.
- p. Questionnaire response filed by Nippon Steel Corporation, Japan show that (i) it has surplus capacity during the POI and (ii) Nippon Steel Corporation continues to incur losses during the injury investigation and (iii) has increased its exports to India by 10 times during the injury investigation period.
- q. There is increase in global crude steel capacity even though demand has stagnated for crude steel except for Asia and Oceania region. The increase in capacity in Asia is primarily the indicator of increase in capacity in China PR. It is also the region with highest steel-making capacity in absolute terms.
- r. World Steel Association Report notes that in 2019 when total crude steel production increased to 1,869 million metric tonnes, the share of China PR in this total crude steel production increased to 53.3%. However, share of China PR in total crude steel consumption has increased to 51.3% in 2019. China PR has not slowed down in 2020 and continues to have surplus capacity.
- s. Post POI data is not examined by the Authority in many sunset review investigations including recent sunset review investigation in Seamless Pipes and Tubes from China PR and Viscose Staple Fibre from China PR and Indonesia. Post-POI data is not required to be examined in the present investigation since an elongated period of 18 months period is adopted as POI and assessment of POI will be sufficient to provide reasonable indication of likelihood of dumping and injury in future.
- t. Higher import prices of cold rolled steel during the POI are unreliable to determine likelihood of injury to the domestic industry. Historical trend in hot rolled/cold rolled steel prices have shown that steel prices are cyclical.

Volcanoes and Death Spirals
World Hot Rolled Band Export Price
 Dollars per metric tonne



Source: World Steel Dynamics – Key Developments 2020

- u. In 2008 hot rolled/cold rolled steel prices were higher and similar to the current level. In 2009, there was sudden decline in prices and the prices reduced by approximately 65%. Steel prices crashed again and reached their lowest levels in December 2015. Prices crashed by almost 52% during this period as compared to 2014. Thus, the historic trend of prices shows that the decline in prices happen suddenly within 3 to 4 quarters and there is no time to react and seek trade remedy measures at that point of time. In 2015, when the steel prices crashed, a number of steel companies went into bankruptcy and liquidation proceedings.
- v. For example, following not able to sustain onslaught of low prices:
 - Bhushan Power & Steel Ltd.
 - Essar Steel India Ltd.
 - Monnet Ispat and Energy Ltd.
 - Bhushan Steel Ltd.
 - Electrosteel Steels Ltd.
- w. Many smaller industries, such as Asian Colour Coated Ispat Ltd, have also suffered and have closed down due to the same issue. Insolvency and bankruptcy proceedings against Steel companies in 2016 / 2017 were widely reported. A large number of accounts such as Essar Steel and ABG Shipyard were recognised as non-performing assets by leading banks as well. Usha Martin Ltd. has also been acquired for similar reasons. Banks with higher exposure to steel industries were identified as more vulnerable to rise in non-performing assets.
- x. The steel prices are currently on the higher side globally due to high raw material prices and supply side shortage but they are not representative of future

trends. Going by the cyclical trend of steel prices, it is expected that prices would decline in coming quarters.

- y. The historic trend of prices shows that the decline in prices happen suddenly within 3 to 4 quarters and there is no time to react and seek trade remedy measures at that point of time. In 2015, when the steel prices crashed, a number of steel companies went into bankruptcy and liquidation proceedings.

K.2 Submissions made by other interested parties

149. The following submissions have been made by other interested parties during the course of investigation:

- a. The Petition is not duly substantiated and initiation fails to meet threshold set by Rule 23 of AD Rules
- b. Petitioner has failed to provide post-POI data subsequent to the initiation of sunset review. Likelihood of injury should be determined after examining post POI data.
- c. The Petitioner has not provided concrete or sufficient evidence for proving that discontinuation of duty would lead to continuation or recurrence of dumping and injury on account of subject imports.
- d. The reduction in basic customs duty under the India-Japan CEPA only demonstrates that there is no likelihood of dumping by the producers/exporters from Japan as despite such reduction in basic customs duty, the volume of imports from Japan have not increased. Import price of subject goods from Japan has remained above reference price and it has not decreased during the injury investigation period.
- e. Trade remedy measures in other jurisdictions do not have a major effect on the pattern of the sales and exports made by interested parties. Despite the existence of trade remedy measures, the exports to India did not increase.
- f. Producers/exporters such as Hyundai Steel, POSCO have been subject to 0% anti-dumping duty in the administrative reviews conducted by United States on cold rolled steel products.
- g. There are no excess capacities with the producers/exporters from subject countries.
- h. The import price from Japan is above the domestic selling price in India.
- i. Total imports from subject countries constitute only 6% of the total demand in India. It may be seen that during the POI, demand has come down.
- j. Major share of demand is enjoyed by the domestic industry only.

K.3 Examination by the Authority

150. The present investigation is a sunset review of anti-dumping duty on the imports of subject goods from China PR, Japan, Korea RP and Ukraine. Under the Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuance or recurrence of dumping and injury to the domestic industry.

151. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia, factors which are

relevant for threat of injury and the same factors may be used for likelihood analysis in a sunset review as well:

- a) A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.
- b) Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.
- c) Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
- d) Inventories of the article being investigated.

152. Further, the Authority has also examined other relevant factors which could have a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry.

153. The Authority has relied on the data submitted by participating producers/exporters from subject countries and also the information provided by the domestic industry for conducting the likelihood analysis

K.3.1. Continued Imports in substantial quantities

154. The volume of imports during the injury investigation period are as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI (A)
Subject Countries	MT	3,65,478	4,78,094	6,77,497	4,13,881
China PR	MT	55,645	1,29,520	1,42,240	29,811
Japan	MT	68,370	97,363	85,345	89,220
Korea RP	MT	2,41,463	2,45,044	4,40,689	2,91,435
Ukraine	MT	-	6,167	9,223	3,415

155. It is seen that volume of dumped imports of product under consideration from subject countries has increased in absolute terms during the injury investigation period except for the POI (A). Authority further notes that decline in imports in POI(A) is attributable to decline in demand during the POI(A).

156. The Authority further notes that even though volume of dumped imports of product under consideration from subject countries have declined in the POI(A), they are still higher than the base year level. The volume of dumped imports continues to remain significant despite anti-dumping duty in force.

K.3.2. Surplus Capacity in China PR

157. It is noted that no producer/exporter from China PR has participated in the subject sunset review. Therefore, no information is available with the Authority based on questionnaire response of producers/exporters from China PR.

158. The Authority has relied on following information from CORE Report 2019, World Steel Association & The International Steel Statistics Bureau for determining surplus capacity of cold rolled flat steel products in China PR:

Subject Goods	Unit	POI
Capacity	Million Tons	***
	Range	180-200
Production	Million Tons	***
	Range	180-200
Surplus capacity	Million Tons	***
Surplus Capacity Range	Million Tons	2-7

159. It is noted that there is surplus capacity available in China PR. In addition, there were no elements found that could indicate that domestic demand in China PR or in other third country markets could absorb the available surplus capacity.

K.3.3. Surplus Capacity in Japan

160. The Authority has relied on following information from World Steel Association & The International Steel Statistics Bureau for determining surplus capacity in Japan:

Subject Goods	Unit	POI
Capacity	Million Tons	***
	Range	20-40
Production	Million Tons	***
	Range	20-40
Surplus capacity	Million Tons	***
Surplus Capacity Range	Million Tons	5-10

161. It is noted that there is surplus capacity available in Japan. In addition, there is no increase in domestic demand in Japan. There is no evidence to indicate that domestic demand or other third country markets could absorb the available surplus capacity.

K.3.4. Surplus Capacity in Korea RP

162. The Authority has relied on following information from World Steel Association & The International Steel Statistics Bureau for determining surplus capacity in Korea RP:

Subject Goods	Unit	POI
Capacity	Million Tons	***
	Range	30-50
Production	Million Tons	***
	Range	30-50
Surplus capacity	Million Tons	***

Surplus Capacity Range	Million Tons	5-10
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163. It is noted that there is surplus capacity available in Korea RP. In addition, there is no increase in domestic demand in Korea RP. There is no evidence to indicate that domestic demand or third country markets could absorb the available surplus capacity.

K.3.5. Surplus Capacity in Ukraine

164. The Authority notes that no producer/exporter from Ukraine has participated in the subject sunset review. Therefore, no information is available with the Authority based on questionnaire response of producers/exporters from China PR.
165. The Authority further notes that no information is available regarding capacity and production of subject goods in Ukraine.

K.3.6. Surplus Capacities with participating producers/exporters

166. The Authority has also analysed questionnaire response of participating producers/exporters from the subject countries to identify surplus capacities available for product under consideration with each participating producer/exporter.
167. Information with respect to surplus capacities in case of responding producers/exporters from subject countries is given below:

Particulars	Capacity (MT)	Production (MT)	Capacity Utilisation (MT)	Surplus Capacity (MT)	Surplus Capacity (%)	Surplus Capacity (% range)
JFE Steel Corporation	***	***	***	***	***	40-50
Nippon Steel Corporation	***	***	***	***	***	30-40
POSCO Korea	***	***	***	***	***	10-20
Dongkuk Industries Co. Ltd.	***	***	***	***	***	30-40
Hyundai Steel Company Korea	***	***	***	***	***	10-20

168. It can be seen that significant surplus capacities are available with participating producers/exporters from Japan and Korea RP. In absence of co-operation from Ukraine and China PR, Authority could not analyse actual surplus capacities with producers/exporters in Ukraine and China PR.

K.3.7. Price attractiveness

169. Information with respect to price attractiveness in case of participating producers/exporters is given below:

Particulars	Total Exports to third countries (MT)	Exports to third countries at prices below export price to India	% of Exports to third countries at prices below export price to India	% of Exports to third countries at prices below export price to India (range)
JFE Steel Corporation *	***	***	***	50-60
Nippon Steel Corporation **	***	***	***	20-30
POSCO ***	***	***	***	70-80
Dongkuk Industries Co. Ltd.*	***	***	***	90-100
Hyundai Steel Company Korea*	***	***	***	40-50

* - This is based on transaction wise, PCN wise third country data.

** - This is based on summarised third country data filed with questionnaire response.

*** - compared at Invoice Price Level

170. It can be seen that significant exports of subject goods to third countries by the participating producers/exporters from Japan and Korea RP are at prices below the export price to India. This show that India is a price attractive market for producers/exporters from subject countries.
171. In absence of co-operation from Ukraine and China PR, Authority could not analyse actual exports data of producers/exporters in Ukraine and China PR.
172. In this regard, Authority also notes that trade remedial measures are in force by third countries on subject product exported from subject countries. Countries with significant market size for subject product such as US, Canada, EU, Malaysia etc. have trade remedy measures in force on import of subject goods from subject countries.

K.3.8. Exports to third countries at dumped prices

173. Information relating to exports to third countries at dumped price by participating producers/exporters is given below:

Particulars	Total Exports to third	Exports to third countries	% of Exports to third countries at	% of Exports to third countries at prices below

	countries (MT)	at prices below normal value	prices below normal value	normal value (range)
JFE Steel Corporation *	***	***	***	80-90
Nippon Steel Corporation **	***	***	***	80-90
POSCO ***	***	***	***	50-60
Dongkuk Industries Co. Ltd.*	***	***	***	90-100
Hyundai Steel Company Korea *	***	***	***	70-80

* - This is based on transaction wise, PCN wise third country data.

** - This is based on summarised third country data filed with questionnaire response.

*** - compared at Invoice Price Level

174. It can be seen that significant exports of subject goods to third countries by the participating producers/exporters from Japan and Korea RP are at prices below their associated normal values. This shows that participating producers/exporters are dumping the subject goods in third countries as well.

K.3.9. Trade Remedial Measures by other countries

175. As per the information on record, there are currently a number of trade remedial measures imposed against the subject countries by other countries besides India.

K.3.10. Reduction in Basic Customs Duty

176. The Authority notes that Basic Customs Duty on imports of subject goods has been reduced from 12.5% to 7.5% w.e.f. February 2021. Imports from Korea RP and Japan are subject to 0% basic customs duty due to India-Korea CEPA and India-Japan CEPA.

K.3.11. Cyclical nature of steel prices

177. The Authority also notes that steel prices are cyclical in nature and have remained extremely volatile over the years. The prices are subject to significant variations with prices peaking over certain periods followed by crashes. Current steel prices show an upward trend due to supply side shortage and high raw material prices. The steel prices are likely to moderate and stabilize in the near future.

L. EXAMINATION OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

178. After examining the submissions made by the interested parties and issues raised therein and considering the facts available on record, the Authority concludes that:

- i. Imports from subject countries are significant and increased in absolute terms during the injury investigation period.
- ii. There is a continuation of dumping of subject goods from subject countries.
- iii. The domestic industry has suffered material injury as there is decline in performance of domestic industry during the POI on volume parameters and price parameters.
- iv. Volume parameters such as production, domestic sales, capacity utilisation, market share, declined in the POI as compared to previous year. Similarly, price parameters such as profit and cash profit declined in the POI as compared to previous year. Return on capital employed declined significantly in the POI (A) as compared to previous years.
- v. An elaborate likelihood analysis and assessment conducted by the Authority leads to the conclusion that there is a likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of revocation of duty.
- vi. The Authority has relied on following factors to conclude existence of likelihood of dumping and injury:
 - a) The basic customs duty on import of product under consideration has been reduced from 12.5% to 7.5% from 1st February 2021. Accordingly, import duty on imports of PUC from China PR and Ukraine is reduced from 12.5% to 7.5%. Basic customs duty on import of subject goods from Korea RP and Japan is NIL because of free trade agreement between India and these two countries.
 - b) There are huge surplus capacities for product under consideration available with the producers/exporters in subject countries as evidenced from the independent reports available on record and also from information provided by participating producers/exporters from subject countries.
 - c) Examination of information regarding export price to third countries provided by participating producers/exporters from subject countries shows that significant exports to third countries are at dumped prices.
 - d) Many countries have imposed and continued trade remedy measures on imports of cold rolled flat steel originating from the subject countries.
 - e) Examination of information regarding export price to third countries provided by participating producers/exporters from subject countries shows that significant exports to third countries are at prices below the export price to India, which shows that Indian market is more price attractive to exporters from subject countries.
 - f) Historical trend of global steel prices show that steel prices are cyclical in nature and there is likelihood of injury to the domestic industry due to imports at low price when there is decline in global steel prices.

M. Post disclosure statement submissions

Submissions made by the domestic industry

179. The submissions made by the domestic industry are as follows:

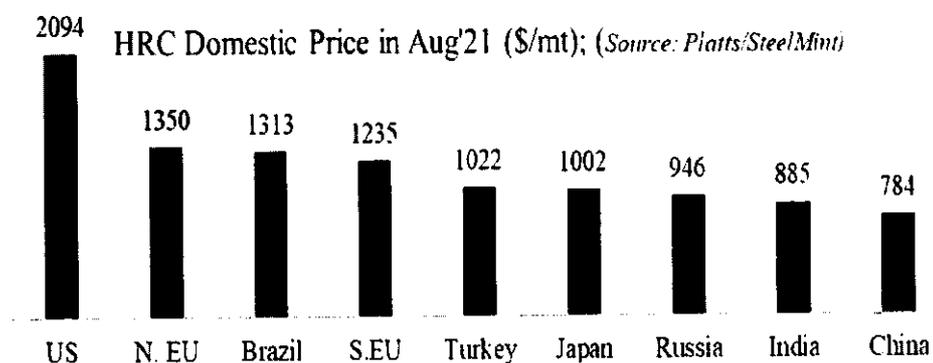
- a. Exclusion of grades SPFH540FB-P, SPFH590FB-P sought by Hyundai Motor India Ltd is not relevant in the present review as the named grades are of Hot Rolled Steel and not of the PUC.
- b. The domestic industry has always produced and supplied the PUC of less than 1.4mm thickness and supply records and sample invoices from one of the applicant companies is provided as evidence. Therefore, the Authority is requested to reject claims regarding the exclusion of the PUC of less than 1.4mm thickness and determine that request for exclusion of such product grades cannot be accepted.
- c. The analysis of injury parameters clearly indicates that domestic industry continues to suffer injury during the POI (A) on relevant economic parameters and there is also likelihood of injury if anti-dumping duty is withdrawn.
- d. There is considerable price variation in import prices within the POI thereby negating the reliability of negative price undercutting determination based on average landed value. Sales of the domestic industry are impacted by low priced imports because the domestic industry is expected to match its prices to the low-priced imports. The Authority should assess the impact of low-priced import transactions on the sales of the domestic industry.
- e. The Authority has not identified any other known factors apart from dumped imports causing injury to the domestic industry.
- f. The Authority has determined the injury margin in the present review to be negative for all producers/exporters from subject countries. Negative injury margin for imports from the subject countries cannot be a determining factor because of the presence of reference price-based duty in force.
- g. The domestic industry notes that dumping margin for all producers/exporters from the subject countries is positive and significant.
- h. Anti-dumping duty can be continued in a sunset review despite negative injury margin as per the past practice of the Authority and as per established legal principles. In following cases, the anti-dumping duty was recommended to be continued in a sunset review despite negative injury margin:
 - i. Final findings concerning sunset review investigation on imports of 2-Ethyl Hexanol originating in or exported from the European Union, Indonesia, Korea RP, Malaysia, Taiwan and the United States of America - No. 7/28/2020-DGTR dated 8th March 2021
 - ii. Final finding concerning sunset review investigation on imports of 'Nylon Tyre Cord Fabric' originating in or exported from China PR - No. 7/22/2019-DGTR dated 29th October 2020
 - iii. Final finding concerning sunset review investigation on imports of "Acetone" originating in or exported from the Korea RP, Saudi Arabia and Taiwan - No. 7/09/2019-DGTR dated 29th September 2020

- iv. Final finding in second sunset review anti-dumping investigation concerning imports of 'Front Axle Beam' and 'Steering Knuckles' meant for heavy and medium commercial vehicles originating in or exported from China PR - No.7/26/2020-DGTR dated 24th December 2020
 - v. Final finding concerning sunset review anti-dumping duty investigation on imports of Partially Oriented Yarn (POY) originating in or exported from China PR - No. 15/27/2010-DGAD dated 10th February 2012
 - vi. Sunset Review of anti-dumping duty on imports of Clear Float Glass from Pakistan, Saudi Arabia and UAE: FF No. 7/3/2019-DGTR dated 07/11/2019.
 - vii. Sunset Review of the Anti-dumping Duties imposed on the imports of Nonyl Phenol originating in or exported from Chinese Taipei: F.No.15/1007/2012-DGAD dated 08/11/2013.
- i. Sunset Review of the Anti-dumping Duties imposed on the imports of Plain Medium Density Fibreboard having thickness 6mm or more originating in or exported from China PR, Malaysia, Thailand, Sri Lanka: F.No. 7/6/2020-DGTR dated 08/01/2021.
 - j. Sunset Review investigation concerning imports of Carbon Black used in Rubber Applications originating in or exported from China PR and Russia: F.No. 7/15/2020-DGTR dated 22/12/2020.
 - k. Sunset review Investigation concerning imports of PVC Suspension Grade Resin from China PR, Thailand and USA: F.No. 7/34/2018-DGTR dated 18/07/2019
 - l. The Hon'ble Gujarat High Court in *Nirma Limited vs. UOI* has also stated that negative injury margin cannot form the basis for determining that there is no likelihood of dumping and/or injury.
 - m. Production meant for captive transfer cannot be excluded for determination of NIP of the domestic industry.
 - n. Considering the cyclical nature of steel prices, the import prices of the PUC are likely to decline in coming quarters after reaching the peak. If there is no anti-dumping duty in place, the domestic industry will be impacted by imports at low prices that are expected in future.
 - o. The word steel dynamics (WSD) report has projected sharp decline in steel prices in coming quarters i.e. by quarter 3 of 2022. It has projected a decline of nearly 48% in the global steel prices by quarter 3 of 2022.
 - p. The Authority should rely on facts available for determining the existence of price attractiveness and export to third countries at dumped prices when no positive information is provided by producers/exporters from China PR and Ukraine.
 - q. There is likelihood of continuation or recurrence of dumping and injury as per essential facts disclosed by the Authority in the disclosure statement.
 - r. Anti-dumping duty in the present reference price form had no adverse impact on importers or users as no duty was paid. No duty was paid by importers or users during the injury investigation period upon import of subject goods into India from subject countries as imports were made above reference price.

- s. There is insignificant impact of duty on the automotive user industry and final consumers in auto industry as per following example:

Average sales price of Passenger Vehicle (PV)	Rs. 5.00 lacs
Approximate consumption of CR Steel in PV	294 Kg (as per CRISIL study)
Price / MT of CR Steel	Rs. 80,000
Anti-dumping-duty Impact assuming anti-dumping duty @20%	Rs. 16,000
Total impact of anti-dumping duty @20% on PV	$0.294 \times 16000 = \text{Rs. } 4,704 \text{ per PV}$
Impact in percentage	$4704 / 500,000 * 100 = 0.94\%$

- t. Anti-dumping duty on import of product under consideration has not adversely affected importers, users and consumers. Domestic steel prices in India have remained lower than international steel prices despite global increase in prices.



- u. The steel industry in India constitutes around 2% of GDP and generates substantial direct (approx. 5 lakhs) and indirect employment (approx. 20 lakhs).
- v. Continuation of anti-dumping duty is in public interest. Healthy and competitive steel industry is critical for nation building. The domestic industry supports a variety of linked downstream services such as transport services, port facilities etc. Adverse impact on steel industry will be felt on these downstream industries as well. Continuation of duty would act as a safety net for the domestic industry from unfair trade practice and the cyclical nature of global steel prices that are projected to decline sharply in near future.
- w. The 2015 downward spiral in steel prices and flood of low-priced imports resulted in insolvency of several highly leveraged steel companies in India. Along with the closure of several of the steel companies, the banking sector was also badly affected. As estimated by RBI, banking sector has lending of more than Rs. 2 lakh crores to steel industry as of July 2021. Thus, any downturn in the prospects of the domestic industry will adversely affect Indian banking

sector along with other investors and stakeholders. The threat will also be to the planned investment of more than Rs. 10 lakh crore by 2030-31.

- x. The trade actions globally on steel sector is highest among all sectors, which shows importance of steel for economy of any country. Currently, 184 trade actions are in-force in various countries on steel products.

Submissions made by the other interested parties

180. Submissions made by the other interested parties are as follows:

- a. There is no need for further extension of the anti-dumping duty on imports from Ukraine because there is absence of likelihood of dumping and injury to the domestic industry due to imports from Ukraine.
- b. Volume of imports from Ukraine are insignificant and there is no significant increase in imports from Ukraine.
- c. Injury margin is negative for imports from the subject countries and therefore there is no need for continuation of anti-dumping duty.
- d. PCN-wise information has not been shared by the domestic industry and interested parties were not aware that such information was provided to the Authority at any stage of the proceedings. The Authority should not accept PCN-wise information from the domestic industry in any form at a belated stage.
- e. The domestic industry has failed to disclose the relationship between JSW and JFE Steel Corporation which would affect the determination of domestic industry under the Anti-Dumping Rules.
- f. The Authority must consider the actions of other Governmental departments in favour of the steel industry because such actions are also aimed at protecting the domestic industry.
- g. The Authority must comply with the direction of the Hon'ble CESTAT in *Exotic Décor Pvt. Ltd. and Ors. v. Designated Authority*, that import data should be provided in the same form and manner in which it was taken on record. If the Authority chooses not to comply with the directions of the Hon'ble CESTAT, it should provide adequate reasons for its decision because the Authority is also bound by the principles of natural justice as a quasi-judicial body.
- h. The Authority has provided no justification as to how the impact of Covid-19 is accounted for by considering an 18-months period of investigation. Authority has not disclosed any adjustments that may have been made to account for this impact.
- i. The negative price undercutting cannot be attributed solely to the reference price based duty. Imports into India were at higher prices due to commercial factors.
- j. The performance of the domestic industry was impacted due to the decline in the demand arising out of lower public investment spend, lack of credit availability across the economy and slowdown in automotive and consumer durables etc. It is evident that any impact on the performance of the domestic

industry is on account of various factors and the same cannot be attributed to imports from the subject countries.

- k. The capacity of POSCO has remained stable throughout and if POSCO had intentions to utilize any excess capacities to target the Indian market, it would have already done so during the injury investigation period.
- l. It is not relevant whether the subject countries sell to other countries at injurious or non-injurious prices, as long as those exports are not likely to be shifted to India in case the current duty is allowed to expire.
- m. POSCO's sales to India are not affected by trade remedy measures in other countries because POSCO's customers in India are end-users and not distributors. Anti-dumping measures on primary metals are common and this constitutes no evidence of likelihood of recurrence of dumping and injury in the present case.
- n. The Authority has not followed a consistent approach for determining the net export price and normal value and made unwarranted adjustments while calculating the dumping margin.
- o. The Authority has made changes to the cost provided by POSCO Korea and its traders/exporters. The Authority is requested to either use the cost filed by the POSCO Korea and its traders/exporters or to kindly explain the adjustment to cost.
- p. The domestic industry is seeking protection in the form of anti-dumping duties, as a mitigating tool against the cyclical movement of global steel prices – a phenomenon which has nothing to do with trade remedy measures that are meant to remedy dumping from subject countries. Sharp fall in prices in December 2015 was caused by a fall in international market prices due to the overcapacity and over exports by China PR. Prices of steel are not cyclical.
- q. Between June 2020 to August 2021, Ministry of Finance has considered it appropriate not to recommend duties in 4 out of 6 cases falling under the category of "steel and other metals" even though the Authority had recommended for the imposition of duties. Therefore, the Authority should examine the issue of public interest closely after conducting an appropriate analysis of the arguments made by the user industry.
- r. The Authority has recorded that the cooperating entities account for around 96% of the total sales made by JFE through related/unrelated traders. JFE and its corresponding traders account for 100% of total sales made by JFE and not 96% as stated by the Authority.
- s. The employee cost of SAIL is higher as compared to other constituents of the domestic industry and therefore they are suffering injury because of higher employee cost.
- t. There are no freely disposable capacities with the Japanese mills. It is also important to consider that the Japanese mills have no plans of increasing the capacity of the PUC.
- u. India's market is not price attractive to the Japanese mills and therefore removal of the anti-dumping duty is not likely to result in increased imports of the PUC into India.

- v. Despite the existence of trade remedy measures in other countries on exports from Japan, the Japanese exports to India did not increase in the injury period. USA is not a primary market for the Japanese producers for making sales of cold rolled products. In addition, the cold rolled products for automobile use are exempted from duties in Malaysia. Hence, it is unlikely that the products being sold in other countries would be diverted to a market like India.
- w. The Authority has concluded negative injury margin for all the producers/exporters in the disclosure statement. So, there is no likelihood of injury to the domestic industry.
- x. In case the Authority intends to recommend continuation of anti-dumping duty, the same level of reference price shall be recommended as in the original investigation.

Examination by the Authority

181. The Authority has examined the post disclosure submissions made by the interested parties and notes that some of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and considered relevant by the Authority are examined below.
182. With regard to the submission made by the domestic industry that the production meant for captive transfer cannot be excluded for determination of NIP, the Authority notes that NIP has been determined in accordance with Annexure III of the Anti-dumping Rules and the consistent practice of the Authority.
183. With regard to the belated submission of PCN-wise information by the domestic industry, the Authority notes that PCN wise information was submitted by the domestic industry after the Authority instructed the domestic industry to provide PCN wise information. It is also noted that dumping margin and injury margin has been first determined on the PCN wise basis, and thereafter, the same has been determined on a weighted average basis for the participating producers and exporters.
184. With regard to the submission that there is an absence of likelihood of dumping and injury to the domestic industry due to the imports from Ukraine, the Authority notes that no producer/exporter from Ukraine has participated in the present sunset review investigation and provided relevant information to the Authority. Based on the information on record, there is sufficient evidence to hold that dumped imports have continued from Ukraine despite existence of anti-dumping duty, and there is a likelihood of continuation or recurrence of injury to the domestic industry in the event of revocation of duty against Ukraine.
185. With regard to the non-disclosure of PCN-wise information of the domestic industry to the other interested parties, the Authority notes that PCN wise information is confidential in

nature. Therefore, neither the domestic industry's PCN wise information was disclosed to other interested parties nor the other interested parties' PCN wise information was disclosed to the domestic industry.

186. With regard to the claim that injury margin is negative and therefore there is no likelihood of continuation or recurrence of injury to the domestic industry, the Authority notes that despite negative injury margin during the POI, there is sufficient information on record to show that there is likelihood of continuation or recurrence of dumping and injury to the domestic industry in the event of revocation of anti-dumping duty.
187. With regard to the submission that the domestic industry has failed to disclose the relationship between JSW Steel and JFE Steel Corporation, which would affect the determination of domestic industry under the Anti-Dumping Rules, the Authority notes that the issue of relationship between JSW Steel and JFE Steel Corporation was thoroughly examined in the original investigation itself in para no 19 of the final findings dated 10th April, 2017, and after a detailed examination, the Authority treated JSW Steel as an eligible applicant producer.
188. With regard to the submission that action of governmental departments in favour of steel industry should be taken into consideration, the Authority notes that the existence of government policies for supporting domestic steel industry. However, in this present investigation, the Authority has examined the request of the domestic industry for continued imposition of ADD to remedy the unfair trade practice of dumping.
189. With regard to the submission that the Authority has not shared import data in the same form and manner in which it was taken on record, Authority notes that as per the present practice of the Authority, transaction wise import data in hard copy is made available to interested parties in accordance with Trade Notice No. 07/2018 dated 15th March 2018. Any interested party can obtain raw transaction wise import data from DGCI&S by providing an undertaking as prescribed in Trade Notice No. 07/2018 dated 15th March 2018.
190. With regard to the submission concerning 18 months period of investigation, the Authority notes that the Authority considered a longer period of 18 months from 1st April 2019 to 30th September 2020 as the POI so that it provided enough requisite insight into the current and likely dumping and injury suffered by the domestic industry. Also, a longer POI was deemed appropriate in the present sunset review since trade in the first and second quarter of 2020-21 was impacted by Covid-19. A longer period in this case would be more appropriate to assess the current injury and likelihood of injury to the domestic industry caused due to the alleged dumped imports.
191. With regard to the submission of participating producers/exporters from the subject countries that they do not have any surplus capacity, the Authority notes that based on

information on record, JFE Steel Corporation, Nippon Steel Corporation, POSCO Korea, Dongkuk Industries Co Ltd., and Hyundai Steel Co Korea have 40-50%, 30-40%, 10-20%, 30-40% and 10-20% surplus capacity respectively. Thus, it is evident that significant surplus capacities are available with participating producers/exporters from subject countries.

192. With regard to the submission of participating producers/exporters from the subject countries that Indian market is not price attractive for them, the Authority notes that based on information on record, 50-60% of exports to third countries by JFE Steel Corporation, 20-30% of exports to third countries by Nippon Steel Corporation, 70-80% of exports to third countries by POSCO Korea, 90-100% of exports to third countries by Dongkuk Industries Co Ltd., and 40-50% of exports to third countries by Hyundai Steel Co Korea are at prices below the export price to India. Thus, it is evident that Indian market is price attractive for producers/exporters from subject countries. attractive market for them.
193. With regard to the submission that the Authority has not followed a consistent approach for determining the net export price and normal value, and has made unwarranted adjustments while calculating the dumping margin, the Authority notes that dumping margin has been calculated in accordance with the provisions of Customs Tariff Act, Anti-dumping Rules and the consistent practice of the Authority.
194. With regard to the submission that the Authority has made changes to the cost provided by POSCO Korea and its traders/exporters, the Authority notes that it has determined cost for POSCO Korea and its exporters keeping in mind the principles provided under the Anti-dumping Rules and the consistent practice of the Authority.
195. With regard to the claim that Ministry of Finance considered it appropriate not to impose duty in 4 out of 6 cases of “steel and other metals” wherein the Authority had recommended for imposition of duties, the Authority notes that it is the duty of the Authority under the Rules to examine in a sunset review whether there is a likelihood of continuation or recurrence of dumping and injury in the event of revocation of duty and to recommend for continuation of duties if it is found that there is likelihood of continuation or recurrence of dumping and injury to the domestic industry. It is the function of the Central Government to decide about the imposition or non-imposition of duty based on the recommendation of the Authority.
196. With regard to determination of net export price of M/s JFE, Japan, it is noted that the cooperating entities account for 100% of the total sales made by JFE through related/unrelated traders, whereby the quantity and export price reported by JFE and its traders has been adopted by the Authority for determining the dumping and injury margin.

197. With regard to the submission about the employee cost of SAIL as compared to other constituents of domestic industry, the Authority notes that the actual costs incurred by applicant domestic producers have been taken into account after normating the same in terms of the provisions under Annexure III of the Anti-dumping Rules for determination of NIP. The Authority has determined NIP in the present case in accordance with Annexure III of the Anti-dumping Rules.

N. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

198. The Authority has considered whether continuation of anti-dumping duty would have adverse public interest. For the same, the Authority has examined whether the continuation of the duty on imports of the product under investigation would be against the larger public interest. This determination is based on consideration of information on record and the interests of various parties, including domestic industry, importers and users/consumers of the product.

199. The Authority issued the gazette notification inviting views from all the interested parties, including importers, users and other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present sunset review investigation, including the possible effect of the continuation of anti-dumping duty on their operations. The Authority sought information on, inter-alia, reasons for import of the product under consideration, interchangeability of the product supplied by various suppliers from different countries and also the product supplied by the domestic industry, effect of the continuation of anti-dumping duty on the consumers, source of imports (whether from related suppliers or unrelated suppliers), profitability statement for their operations etc.

The Authority notes that following users have filed questionnaire response:

- i. Nippon Steel Pipe India Limited
- ii. Rajasthan Prime Steel Processing Center Pvt Ltd
- iii. POSCO Maharashtra Steel Pvt Ltd
- iv. Hyundai Motor India Ltd
- v. Hyundai Steel Pipe India Pvt Ltd
- vi. Kia Motors Pvt Ltd

200. These users also attended the oral hearing and made submissions, which have been taken into account. The Authority notes that the users who have participated in the present sunset review investigation and submitted user's questionnaire are related to the foreign exporters and are either importing the product under consideration from their related parties or using the product under consideration supplied by their related parties. These interested parties have not shown with quantified information that the imposition of the reference price based anti-dumping duty had any significant adverse effect either on these users or the public at large. The interested parties have also not shown with quantified information that the

continuation of the anti-dumping duty would have a significant adverse effect on their operations in India.

201. The purpose of anti- dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of the anti-dumping measures have not restricted imports from the subject countries in any way either and as such, would not affect the availability of the product to the consumers even in a situation where the users choose to source it from the subject countries.
202. The Authority notes that there are a large number of producers of the product under consideration in India taking into account both the integrated steel producers and standalone CR producers. There are at least 6 integrated steel producers in India, namely, Steel Authority of India Limited, JSW Steel Limited, JSW Steel Coated Products Limited, ArcelorMittal Nippon Steel India Limited, Tata Steel Ltd. and Tata Steel BSL Ltd. engaged in production of subject goods in India. So, there is healthy competition in the Indian market and continuation of anti-dumping duty would not lead to monopolistic or oligopolistic situation in the Indian market for the subject goods.
203. The information of the domestic industry shows that the manufacturing facilities of the domestic industry are under-utilised. The domestic industry is fully competent to cater to the entire demand of the product under consideration in India. The Authority notes that the subject goods are supplied by the domestic industry at prices lower than the import prices. So, the prices offered by the domestic industry are competitive prices.
204. Reference price-based duty that is in force and that is recommended by the Authority in the present sunset review would ensure that users and importers of product under consideration are not penalised when imports into India are at fair prices. Reference price-based duty also ensures that the domestic industry is not injured from low priced/unfairly priced imports into India. Thus, reference price-based duty strikes a fine balance between the interest of importers and users on one hand and domestic industry on the other hand in the present case.
205. The Authority also notes that information available on record shows that steel prices in India including for the product under consideration have remained lower than the global steel prices even when there has been overall increase in global steel prices recently. This shows that domestic industry in India has not unduly benefited from the anti-dumping duty in force or the recent increase in global prices and importers, users and consumers of the product have also not been prejudiced due to existence of anti-dumping duty and recent increase in global prices. The fact that domestic industry is supplying the subject goods at competitive prices is also evidenced by the fact that price undercutting has been negative from the subject countries throughout the injury investigation period. This means that

domestic selling price has been lower than the landed value of imports from subject countries throughout injury investigation period.

206. The Authority notes that continued reference priced based duty will ensure a safety net for domestic industry if prices reduce in near future. As per information available on record, the global decline in steel prices in 2015 resulted in bankruptcy of some of the major domestic Indian steel producers and also stressed the Indian banking sector having significant lending to the steel companies. Therefore, it is in the general interest of Indian economy that the present reference price-based duty is continued.
207. Most of the users who have filed response and submissions before the Authority during the investigation belong to the automotive sector. Several of these users are also related to the producers/exporters from the subject countries. It is noted that the imports have occurred at prices above the reference price during the injury investigation period and no burden of anti-dumping duty has been faced by the users. So, it is not possible to quantify the impact of reference price based anti-dumping duty on the users. As per information made available by domestic industry, it is noted that hypothetically assuming an anti-dumping duty @20% on PUC, the impact would only be insignificant i.e., less than 1% on the total value of a passenger vehicle of approximately INR 5 lakhs.
208. The Authority notes that Indian steel industry is critical for Indian economy taking into account its contribution to Indian GDP, direct and indirect employment generation and its support to linked downstream services such as transport services, port facilities etc. Continuation of duty would act as a safety net for the domestic industry from unfair trade practices and the cyclical nature of global steel prices that are projected to decline in near future.
209. Keeping in view the above, the Authority is of the view that continuation of the present reference priced based anti-dumping duty on the imports of product under consideration from subject countries would be in public interest.

O. CONCLUSION

210. After examining the submissions made by the interested parties and issues raised therein and considering the facts available on record, the Authority concludes that:
- i. The applicant domestic producers constitute domestic industry under Rule 2(b) of the Rules and the application filed by the applicant on behalf of domestic producers satisfies the criteria of standing in terms of Rule 5(3) of the Rules.
 - ii. The product produced by the domestic industry is like article to the PUC imported from the subject countries.
 - iii. The application contained all information relevant for the purpose of initiation of sunset review and the application contained sufficient evidence to justify initiation of present sunset review.

- iv. The Authority considered a longer period of 18 months from 1st April 2019 to 30th September 2020 as POI so that it provides enough requisite insight into the current and likely dumping and injury suffered by the domestic industry. Also, a longer POI was deemed appropriate in the present sunset review since trade in the first and second quarter of 2020-21 was impacted by Covid-19. A longer period would be more appropriate to assess the current injury and likelihood of injury to the domestic industry caused due to the alleged dumped imports.
- v. Considering the normal value and export price for subject goods, the dumping margins for the subject goods from each of the subject countries have been determined for the participating producers and for residual category. The dumping margins in all cases are significant. Thus, there is continued dumping of the subject goods from subject countries.
- vi. The domestic industry has suffered material injury as there is decline in performance of the domestic industry during the POI on most of the economic parameters. It is noted that the domestic sales, capacity utilisation, market share, profit, cash profit of domestic industry declined in the POI as compared to previous year.
- vii. The Authority conducted an elaborate likelihood analysis and noted as follows:
 - a) The basic customs duty on import of product under consideration has been reduced from 12.5% to 7.5% from 1st February 2021.
 - b) There are huge surplus capacities for product under consideration available with the producers/exporters in the subject countries as evidenced from the independent reports available on record and also from information provided by participating producers/exporters from the subject countries.
 - c) Examination of information regarding export price to third countries provided by participating producers/exporters from subject countries shows that significant exports to third countries are at dumped prices.
 - d) Many countries have imposed and continued trade remedy measures on imports of cold rolled flat steel originating from the subject countries.
 - e) Examination of information regarding export price to third countries provided by participating producers/exporters from subject countries shows that significant exports to third countries are at prices below the export price to India, which shows that Indian market is more price attractive to exporters from subject countries.
 - f) Historical trend of global steel prices show that steel prices are cyclical in nature and there is likelihood of injury to the domestic industry due to imports at low price when there is decline in global steel prices.
- viii. Assessment conducted by the Authority leads to the conclusion that there is a likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of revocation of duty.
- ix. The Authority has considered whether continuation of anti-dumping duty would have adverse public interest. The Authority notes that there is healthy competition in the Indian market and continuation of anti-dumping duty would not lead to monopolistic or oligopolistic situation in the Indian market for the subject goods.

- x. Reference price-based duty that is in force and that is recommended by the Authority in the present sunset review would ensure that users and importers of product under consideration are not penalised when imports into India are above non injurious price.

P. RECOMMENDATIONS

211. The Authority notes that the sunset review was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers/users and other interested parties to provide information on the aspects of dumping, injury and the causal link and likelihood of continuation or recurrence of dumping and injury. Having initiated and conducted the sunset review into dumping, injury and causal link and likelihood of continuation or recurrence of dumping and injury in terms of provisions laid down under the Rules, the Authority is of the view that continued imposition of anti-dumping duty is required on subject goods from subject countries.
212. The Authority notes that producers/exporters from China PR, Ukraine, Korea RP and Japan participated in the original investigation. However, producers/exporters from China PR and Ukraine have not participated in the present sunset review investigation. In such a scenario, the Authority deems appropriate to prescribe duty table afresh as given hereinbelow.
213. The Authority recommends continuation of anti-dumping duty on the imports of the subject goods described in Col. 3 of the duty table below originating in or exported from the subject countries for a period of 5 years from the date of notification to be issued in this regard by the Central Government. The anti-dumping duty is recommended as the difference between the landed value of the subject goods described in Col. 3 of the duty table below and the amount indicated in Col. 7 of the duty table appended below, provided the landed value is less than the value indicated in Col. 7. If the landed value is more than the value indicated in Col. 7, anti-dumping duty will not be applicable. The landed value of imports for this purpose shall be the assessable value as determined by the customs under the Customs Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

DUTY TABLE

S.No	Heading/ Sub Heading	Description of subject goods	Country of origin	Country of export	Producer	Amount	Unit	Currency

1	2	3	4	5	6	7	8	9
1	7209, 7211, 7225 and 7226	Cold rolled/cold reduced flat steel products of iron or non-alloy steel or other alloy steel, of all widths and thickness, not clad, plated or coated*	Korea RP	Any country including Korea RP	Hyundai Steel Company	576	MT	USD
2	-do-	-do-	Korea RP	Any country including Korea RP	POSCO	576	MT	USD
3	-do-	-do-	Korea RP	Any country including Korea RP	Dongkuk Industries Co. Ltd.	NIL (Please refer to note - 1 below the duty table)	MT	USD
4	-do-	-do-	Korea RP	Any country including Korea RP	Dongkuk Industries Co. Ltd.	576	MT	USD
5	-do-	-do-	Korea RP	Any country including Korea RP	Any other than serial no 1 to 4	576	MT	USD
6	-do-	-do-	Any country other than those subject to anti- dumping duty	Korea RP	Any	576	MT	USD
7	-do-	-do-	Japan	Any country including Japan	JFE Steel Corporation	576	MT	USD
8.	-do-	-do-	Japan	Any country	Nippon Steel Corporation	576	MT	USD

				including Japan				
9	-do-	-do-	Japan	Any country including Japan	Any other than serial no 7 to 8	576	MT	USD
10	-do-	-do-	Any country other than those subject to anti-dumping duty	Japan	Any	576	MT	USD
11	-do-	-do-	China PR	Any country including China PR	Any	576	MT	USD
12	-do-	-do-	Any country other than those subject to anti-dumping duty	China PR	Any	576	MT	USD
13	-do-	-do-	Ukraine	Any country including Ukraine	Any	576	MT	USD
14	-do-	-do-	Any country other than those subject to anti-dumping duty	Ukraine	Any	576	MT	USD

*The description of goods does not include the imports of the following:

a) *Stainless Steel.*

b) *High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium*

(V) with a combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.

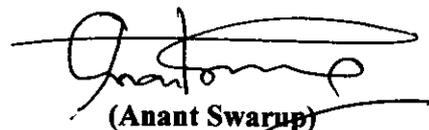
- c) Silicon Electrical Steels conforming to Grain Oriented and Non- Grain Oriented Steels i.e. alloy steels containing by weight, at least 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel.*

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

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

FURTHER PROCEDURE

214. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.


(Anant Swarup)
Designated Authority