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

Dated: 14<sup>th</sup> September, 2021

**NOTIFICATION**

**FINAL FINDINGS**

**Case No. (SSR) 05/2021**

**Subject: Sunset Review of Anti-dumping Duty imposed on imports of “Hot-Rolled flat products of alloy or non-alloy steel” from China PR, Japan, Korea RP, Russia, Brazil and Indonesia.**

**F. No. 7/5/2021-DGTR:** Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as “the Rules”) thereof.

**A. BACKGROUND OF THE CASE**

1. The Authority initiated the original investigation concerning imports of ‘Hot-Rolled Flat Products of Alloy or Non-Alloy Steel’ originating in or exported from China PR, Japan, Korea RP, Russia, Brazil and Indonesia vide Notification No. 14/9/2016-DGAD dated 11<sup>th</sup> April 2016. The Designated Authority recommended provisional anti-dumping duty vide preliminary findings dated 1<sup>st</sup> August 2016, which was imposed vide Notification No. 44/2016- Customs (ADD), dated 8th August 2016. The Final Findings Notification was issued by the Authority vide Notification No. 14/9/2016-DGAD dated 10<sup>th</sup> April 2017 recommending imposition of definitive Anti-Dumping Duty (ADD) on the imports of the subject goods, originating in or exported from China PR, Japan, Korea RP, Russia, Brazil and Indonesia. Definitive anti-dumping duties were imposed vide Notification No. 17/2017-Customs (ADD) dated 11<sup>th</sup> May, 2017 (as amended by Corrigendum dated 16<sup>th</sup> May 2017).
2. 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 ADD 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.”*

3. 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 ADD is likely to lead to continuation or recurrence of dumping and injury.
4. And whereas, in terms of above provisions, Indian Steel Association (hereinafter also referred to as the "Applicant" or "Petitioner") on behalf of Steel Authority of India Limited, JSW Steel Limited and ArcelorMittal Nippon Steel India Limited (hereinafter also referred to as the "Applicants" or "Applicant companies" or "domestic industry") filed an application before the Designated Authority in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules requesting initiation of sunset review of anti-dumping duty (ADD) imposed on imports of 'Hot-Rolled Flat Products of Alloy or Non-Alloy Steel' (hereinafter referred to as "subject goods" or "product under consideration" or "PUC") originating in or exported from China PR, Japan, Korea RP, Russia, Brazil and Indonesia ("subject countries"). The Applicants provided the prescribed information in the Application.
5. The Applicant sought continuation of the Anti-dumping duty (ADD) against imports of "Hot-Rolled flat products of alloy or non-alloy steel" from China PR, Japan, Korea RP, Russia, Brazil and Indonesia. 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.
6. In view of the duly substantiated application with prima facie evidence of likelihood of dumping and injury filed on behalf of the Domestic Industry and in accordance with Section 9A(5) of the Act, read with Rule 23 of the Rules, the Authority initiated the sunset review investigation vide Notification no.7/5/2021-DGTR dated 31<sup>st</sup> March, 2021 to review the need for continued imposition of ADD in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of the said ADD is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.
7. Pending conclusion of the investigation, the anti-dumping duties were extended up to and inclusive of 15<sup>th</sup> December 2021 vide Notification No. 36/2021-Customs (ADD) dated 29<sup>th</sup> June, 2021.

8. The scope of the present review covers all aspects of the Final Findings Notification No.14/9/2016-DGAD dated 10<sup>th</sup> April 2017 which had recommended the imposition of ADD on imports of subject goods originating in or exported from the subject countries.

## **B. PROCEDURE**

9. The procedure described below has been followed with regard to the subject investigation:
- i. The Authority vide Notification no.7/5/2021-DGTR dated 31<sup>st</sup> March, 2021 issued a public notice in the Gazette of India Extraordinary, initiating sunset review investigation concerning anti-dumping duty imposed on imports of subject goods from subject countries.
  - ii. In accordance with rule 6(2) of the AD Rules, the Authority forwarded a copy of the initiation notification dated 31<sup>st</sup> March, 2021, to the Embassies of the subject countries in India, the known producers and exporters from the subject countries, known importer/user Associations and other interested parties, as per the addresses made available by the Applicant. The interested parties were advised to provide relevant information in the form and manner prescribed and to 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 the subject countries in India in accordance with Rule 6(3) of the Rules.
  - iv. The Embassies of the subject countries in India were also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to it along with the names and addresses of the known producers/exporters from the subject countries.
  - v. The Authority, upon request made by the interested parties, granted extension of time to the interested parties to file their Questionnaire Responses. Vide communication dated 3<sup>rd</sup> May, 2021, the time was extended up to 20<sup>th</sup> May, 2021. Vide communication dated 17<sup>th</sup> May, 2021, the time was further extended up to 3<sup>rd</sup> June, 2021.
  - vi. The Authority sent questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the Rules:
    - i. Rizhao Steel Holding Group Co Ltd
    - ii. Baotou Iron and Steel Group Jiangsu Shagang Group Company Limited
    - iii. Angang Steel Company
    - iv. Nanjing Iron and Steel
    - v. Wuhan Iron and Steel
    - vi. Zhangjiagang Hongchang Steel Plate Co. Ltd
    - vii. Jiangsu Shagang International Trade Co
    - viii. Nanjing Iron and Steel Group International Trade Co. Ltd.
    - ix. Wuyang New Heavy & Wide Steel Plate Co. Ltd

- x. Wuyang Iron & Steel Co. Ltd
- xi. Nippon Sumitomo
- xii. JFE Steel Corporation
- xiii. Mitsui & Co. Ltd.
- xiv. Sumitomo Corporation
- xv. Kanematsu Corporation Ltd.
- xvi. Toyota Tshusho Corporation
- xvii. Metal One Corporation
- xviii. POSCO
- xix. Dongkuk Steel Mill Col Ltd
- xx. Samwoo Co. Ltd.
- xxi. P & A corporation
- xxii. GS Global Corp
- xxiii. POSCO Daewoo Corporation
- xxiv. Severstal
- xxv. EVRAZ
- xxvi. Arcelor Mittal
- xxvii. PT Krakatau POSCO, Indonesia

vii. In response to the above notification, the following producers/exporters and their related exporters/traders have responded and submitted/filed exporters' questionnaire responses and/or legal submissions:

- a) POSCO, Korea RP
- b) PT Krakatau POSCO
- c) Taechang Steel Co., Ltd.
- d) Winsteel Co., Ltd.
- e) PT. POSCO Indonesia Inti, Indonesia-Exporter
- f) PT. POSCO International Indonesia,
- g) PT Krakatau Steel (Persero) Tbk., Indonesia-Exporter
- h) Hyosung TNC Corporation
- i) Hyosung Japan Co., Ltd
- j) POSCO Asia Company Limited
- k) POSCO International Corp
- l) Samsung C&T Corporation
- m) GS Global Corp
- n) GS Global Singapore Pte. Ltd
- o) Nippon Steel Corporation
- p) JFE Steel Corporation
- q) Kobe Steel Ltd
- r) Honda Trading Corporation
- s) JFE Shoji Corporation
- t) Kanematsu Corporation
- u) Marubeni-Itochu Steel Inc.
- v) Metal One Corporation
- w) Mitsui & Co., Ltd.
- x) Nippon Steel Trading Corporation
- y) Hitachi Zosen Corporation
- z) IHI Corporation
- aa) Nissan Trading Co., Ltd.
- bb) Ohmi Industries, Ltd.

- cc) Sato Shoji Corporation
- dd) Sumitomo Corporation
- ee) Sumitomo Corporation Global Metals Co. Ltd
- ff) Toyota Tsusho Corporation
- gg) Tetsusho Kayaba Corporation
- hh) Hyundai Steel Company
- ii) Hyundai Corporation
- jj) Samsung C&T Corporation
- kk) SK Networks Co. Ltd
- ll) GS Global Corporation
- mm) Hanwa Co., Ltd.

viii. The Authority sent questionnaires to the following known importers and users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.

- i. Arcelor Neel Tailored Blanks Private Limited
- ii. Bharat Heavy Electricals Limited
- iii. Bhilai Engineering Corporation Ltd.
- iv. C.R.I. Pumps Private Limited
- v. DENIS PLAST LIMITED
- vi. Fine Forge Limited
- vii. Flakt (India) Limited
- viii. Gamesa Wind Turbines Pvt. Ltd
- ix. Hindustan Construction Co. Ltd
- x. Kalpataru Power Transmission Ltd.
- xi. Larsen & Toubro Ltd
- xii. Llyods Steel Industries Ltd
- xiii. Maruti Suzuki India Ltd
- xiv. POSCO Electrical Steel India Pvt. Ltd.
- xv. Superior Steel Industries
- xvi. Tranter India Private Ltd
- xvii. TRF Limited
- xxviii. Sungreen Ventilation Systems (P) Limited
- xix. Metal Shine Roofing
- xx. Oriental Metal India Pvt. Ltd .
- xxi. M.K.K Metal Sections Pvt. Ltd
- xxii. Whirlpool of India Ltd.
- xxiii. Hyundai Steel India Limited
- xxiv. Highly Electrical Appliances India Pvt. Ltd.
- xxv. Ferrum Extreme Engineering Pvt. Ltd
- xxvi. Rajasthan Prime Steel Processing Center Pvt. Ltd.
- xxvii. Hyundai Motors India Ltd
- xxviii. Mobis India Limited
- xxix. TI Metal Forming
- xxx. Myuong Shin India Automotove Private Ltd.
- xxxi. KwangJin India Autosystems Pvt. Ltd
- xxxii. Toyota Kirloskar Motor Pvt Ltd.

- xxxiii. Welspun Corp Limited
- xxxiv. The Bombay Iron Merchants' Association
- xxxv. Federation of Association of Maharashtra (FAM)
- xxxvi. All India Induction Furnaces Association
- xxxvii. ASSOCHAM
- xxxviii. Confederation of Indian Industry
- xxxix. Indian Chamber of Commerce
  - xl. Auto Component Manufacturers Association (ACMA)
  - xli. Society of Indian Automobile Manufacturers (SIAM)
  - xlii. Indian Construction Equipment Manufacturers Association (ICEMA)
  - xliii. Indian Electrical and Electronics Manufacturers' Association (IEEMA)
  - xliv. Process Plant and Machinery Association of India (PPMAI)
  - xlv. Cold Rolled Steel Manufacturers Association of India (CORSMA)

ix. In response to the above notification, the following importers or users have responded and submitted importer/user questionnaire responses/legal submissions and/or registered as interested parties:

- a) POSCO-India Pune Processing Centre Pvt Ltd
- b) POSCO-India Processing Centre Pvt Ltd
- c) POSCO-Maharashtra Steel Private Limited
- d) Honda Trading Corporation India Pvt Ltd
- e) Rajasthan Prime steel Processing Center Pvt Ltd
- f) JFE Shoji India Private Limited
- g) Marubeni-Itochu Steel India Private Limited
- h) Metal One Corporation India Pvt. Ltd.
- i) Nippon Steel Pipe India Private Ltd.
- j) TT Steel Service India Pvt. Ltd.
- k) Consumer Electronics and Appliances Manufacturers Association (CEAMA)
- l) POS Hyundai Steel Mfg. (I) Pvt
- m) Hyundai Steel Anantapur Private Limited
- n) Hyundai Steel India Pvt. Ltd
- o) Hyundai Motor India Limited
- p) Hyundai Steel Pipe India Pvt. Ltd
- q) Steel Users Federation of India (SUFI)
- r) Society of Indian Automobile Manufacturers, (SIAM)
- s) Theis Precision Steel India Private Limited
- t) SKODA AUTO Volkswagen India Pvt. Ltd.
- u) Ratnamani Metals & Tubes Ltd.
- v) Maruti Suzuki India Limited
- w) Ysi Automotive Pvt. Ltd.
- x) Hwashin AutoIndia Pvt. Ltd.
- y) Renault Nissan Auto India Pvy. Ltd.
- z) Indian Pipe Manufacturers Association
- aa) The Japan Iron and Steel Federation
- bb) Myoung Shin India Automotive Pvt. Ltd.
- cc) PHA India Pvt. Ltd.

- x. The period of investigation (POI) for the purpose of the present investigation 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 POI.
- xi. 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 imports data for computation of the volume & value of imports and injury analysis.
- xii. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing held through video conferencing on 2<sup>nd</sup> August, 2021. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The parties shared their non-confidential submissions with other interested parties and were advised to offer their rebuttals.
- xiii. 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 the ongoing global pandemic.
- xiv. Further information was sought from the Applicant to the extent deemed necessary. Verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of present investigation.
- xv. The non-injurious price (hereinafter referred to as "NIP") based on the cost of production and reasonable profits of the subject goods in India, having regard to the information furnished by the domestic industry in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether ADD lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xvi. Considering the fact that the subject goods are being imported in various grades/sizes/dimensions, the Authority after taking into account views of interested parties, and in line with approach made in the original investigations, finalized Product Control Numbers (PCNs) in order to make a PCN-to-PCN comparison for computing the dumping margin, and injury margin. Accordingly, the Authority has made PCN to PCN comparison for the purpose of computing dumping margins, and injury margins in the present review investigation.
- 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, arguments raised and information provided by various interested parties during the course of

investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been considered in this Final Findings.

- xix. The Authority, during the course of investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of this Final Findings, to the extent possible, and verified the data/documents submitted by the domestic industry to the extent considered relevant and possible.
- xx. The information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xxi. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of investigation, or has significantly impeded the investigation, the Authority considered such interested parties as non-cooperative and recorded this Final Findings on the basis of the facts available.
- xxii. ‘\*\*\*\*’ in these final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xxiii. The exchange rate adopted by the Authority for the subject investigation is US \$1=73.17.

### **C. PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE**

10. The Product Under Consideration is “Hot-Rolled flat products of alloy or non-alloy steel” which was defined in the original investigation was as follows:

*“Hot-rolled flat products of alloy or non-alloy steel in coils of a width upto 2100mm and thickness upto 25mm and Hot-rolled flat products of 10 alloy or non-alloy steel not in coils (commonly known as sheets and plates) of a width upto 4950mm and thickness upto 150mm”.*

*The PUC covers products which are not further worked than hot-rolled and are flat products of iron, alloy or non-alloy steel, in prime or nonprime condition having ‘as-rolled’ edge or ‘trimmed’ edge or ‘slit’ edge or “milled” edge or “sheared” edge or “laser-cut” edge or “gas-cut” edge or any other type of edges. These products may be pickled or non-pickled (with or without skin-pass or tempering), slit or non-slit, normalized or un-normalized, ultrasonically tested or untested or oiled or non-oiled etc. These products may be “as-rolled” or “thermo-mechanically rolled” or “thermo-mechanically controlled rolled” or “controlled rolled” or “normalized rolled” or “normalized” or subject to any other similar process. These products may have patterns in relief / chequered patterns of different types derived directly during hot rolling. These products may have been subjected to various*

*processing steps like pickling, oiling, rewinding, recoiling, temper rolling, heat treatment, etc. These products may be sand blasted or shot blasted or subjected to similar processes. The PUC covers Hot Rolled flat sheets and plates of alloy or non-alloy steel, whether or not rolled from universal plate mill including reversible plate mill or hot strip mill or tandem mill or steckel mill or any other similar process with various type of rolling configuration including 2-High, 3-High, 4-High, cluster mill or any similar hot rolling process. The PUC includes sheets and plates produced either directly from the hot rolling process or cut / sheared from hot rolled coils. The following are not included in the scope of the product under consideration:*

- 1. Hot-rolled flat products of stainless steel.*
- 2. Hot-rolled flat products of steel which are electrolytically plated or coated with zinc.*
- 3. Hot-rolled flat products of steel otherwise plated or coated with zinc.*
- 4. Cladded steel."*

11. Being a sunset review, the Authority adopted the abovementioned scope of the PUC at the time of initiation of the investigation.

12. The Authority notes that the Domestic Industry did not propose any PCN methodology in the sunset review petition. However, it was noted that in the original investigation, PCN methodology was proposed by the domestic industry, and the Authority determined Product Control Numbers (PCNs) in order to make a PCN to-PCN comparison for computing the dumping margin. Therefore, the Authority proposed to adopt the same PCNs described in the original investigation for the present sunset review, and informed the interested parties to offer their comments on the PCN methodology by 14<sup>th</sup> of April.

13. Based on the comments received from interested parties, the Authority has adopted the following Product Control Number (PCN) for the PUC for fair comparison and requested the interested parties to file questionnaire response:

<b>PCN for Hot Rolled Flat Steel Products</b>				
<b>S. No.</b>	<b>Attributes</b>	<b>No. of Digits</b>	<b>Description</b>	<b>Code</b>
1	<b>Product Form</b>	1	Coil	C
			Cut to length-Slit, Sheet and Plates	L
			Plate Mill Plate	P
2	<b>Quality</b>	4	Cold rolling/Galvanizing Quality	Q01Q
			Pipe and Tube Quality	Q02Q
			High tensile including HSLA	Q03Q

			High Strength Structural Steel (YS 350 Mpa & above)	Q04Q
			Structural Steel (YS below 350Mpa)	Q05Q
			Chequered Quality	Q06Q
			Drawing/forming/flanging quality Steel	Q07Q
			API grade X52 and above quality Steel	Q08Q
			API grade below X52 quality steel	Q09Q
			Quenched/Tempered Quality	Q10Q
			Corrosion Resistant Steel Quality	Q11Q
			Boiler/Pressure Vessel Quality	Q12Q
			Ship Building Quality	Q13Q
			LPG Cylinder Quality	Q14Q
			Medium/High Carbon Steel Quality	Q15Q
			Silicon Electrical Steel	Q16Q
			Other Qualities not covered above	Q17Q
3	<b>Thickness</b>	1	Upto 1.6 mm	T
			More than 1.6 mm upto 2mm	U
			More than 2 mm upto 10 mm	V
			More than 10 mm upto 25 mm	W
			More than 25 mm upto 40 mm	X
			More than 40 mm upto 100 mm	Y
			More than 100 mm upto 150 mm	Z
4	<b>Width</b>	1	Upto 600mm	1
			More than 600mm upto 1500mm	2
			More than 1500mm upto 2500mm	3
			More than 2500mm upto 3000mm	4
			More than 3000mm upto 4950mm	5
5	<b>Longitudinal Edges</b>	2	As rolled	EB
			Sheared/Trimmed/Milled/Gas-Cut etc.	ED
6	<b>Surface Treatment/Surface Preparation</b>	1	Pickled	H
			Sand blasted/shot blasted	I
			Painted	J

			No surface treatment/no surface preparation	K
7	<b>Heat Treatment</b>	1	Un-Normalized	8
			Normalizing	9
Example: A plate mill plate of chequered quality, 80 mm thick having width 750 mm with sheared edges in pickled form having unnormalized heat treatment Product PCN will be (1 digit): PQ06QY2EDH8				

14. Interested parties i.e. cooperating producers and exporters and the domestic industry provided information based on the said PCN structure prescribed by the authority.
15. 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.
16. The PUC is classified under Custom Tariff Heading 7208, 7211, 7225 and 7226. The customs classification is indicative only and is in no way binding on the scope of the present investigation. The Designated Authority analyzed the transaction-wise DGCI&S import data to arrive at the import statistics for the PUC by removing the items that are not part of the product scope.
17. While PCN wise breakdown of data of individual companies was available from the interested parties, the official DGCIS statistics could not be converted in terms of PCN as the description given in the DGCIS data was not sufficient enough to determine the PCN for an overwhelmingly large number of import transactions.

#### **C.1. Submissions of the domestic industry**

18. The submissions made by the domestic industry with regard to the product under consideration and like article are as follows:
  - a. The product manufactured by domestic industry is like article to the product imported from the subject countries.
  - b. Consumers use the product manufactured by the domestic industry and the producers in the subject countries interchangeably.
  - c. In a sunset review, the scope of the product under consideration shall remain the same as determined in the original investigation.
  - d. The grades produced by PTKP and NSC are produced by the Domestic Industry also. The evidence in this regard has been submitted separately.
  - e. The domestic industry has supplied grades viz. EN S-355/IS E-350 in the domestic market. Specifically, \*\*\*, has been supplying the above said grades during the entire injury analysis period and the evidence in this regard has been submitted separately.

- f. Nippon Steel Corporation (“NSC”) has alleged that certain grades produced by it are not sold by Domestic Industry as they are not listed in their brochure. Furthermore, NSC has not given sufficient technical parameters of the various grades to allow for comparison with grades produced by Domestic Industry. Exhibit does not clearly highlight technical differences between product type sought to be excluded and like article produced by domestic industry. Also, quality is not a criterion for exclusion of any product type in an anti-dumping investigation. The domestic industry supplies all grades of steel for all thicknesses which fall under scope of PUC and same can be verified.
- g. In *Anti-dumping investigation concerning imports of Aluminium foil 80 microns and below originating in or exported from China PR, Malaysia, Thailand and Indonesia* (F.No. 06/21/2020-DGTR), *Nylon Multi Filament Yarn originating in or exported from China PR, Korea RP, Taiwan and Thailand* (F.No. 6/11/2019-DGTR) and sunset Review investigation concerning anti-dumping duty on imports of ‘Fluor elastomer’ (FKM) originating in or exported from China PR (F. No. 7/03/2020-DGTR), the Authority held that quality or minor variations in specifications were not relevant criterion for exclusion of a product under consideration. The Hon’ble CESTAT in *Dsm Idemitsu Limited vs Designated Authority* also held that difference in quality is not a relevant parameter to ascertain ‘likeness’ which was relied upon by Authority in *Anti-dumping investigation concerning imports of “Black Toner in powder form” originating in or exported from China PR, Malaysia and Taiwan* to hold that difference in quality is not a criterion.

## **C.2. Submissions of other interested parties**

19. The following submissions were made by the interested parties with regard to the scope of the product under consideration:
  - i. AMNS is not to be regarded as part of the Domestic industry (DI) in the present investigation and the grades of PUC exclusively manufactured by them are to be excluded from the scope of the PUC.
  - ii. Likeness of products should be assessed by taking into account end uses, consumer preferences, product properties, nature and quality amongst others as stated by the WTO Appellate Body in *Japan – Alcoholic Beverages*, *Canada- Periodicals*, and by WTO Panel in *Indonesia – Autos and 1970 Report of the Working Party on Border Tax Adjustment*
  - iii. Nippon Steel Corporation (“NSC”) produces various grades of the PUC which are not produced by the DI or commercially or technically substitutable with the grades produced by the DI. That grade of NSC must be excluded from the scope of PUC. Prior AD practice, the DGTR SOP and the Authorities findings confirm the same.
  - iv. There are several findings made by the authority where the DGTR excluded certain grades from the scope of the investigation as the DI had not rebutted the claim of the exporter that they could not produce the said grades.

- v. Grades of NSC are distinct with distinct properties which are not produced by the DI or cannot be commercially substitutable with the grades produced by the DI. Same can be inferred from product brochures of the DI and publicly available information.
- vi. AMNS cannot be included in the DI and consequently any grades of PUC manufactured exclusively by them to the exclusion of JSW and SAIL must be excluded from the scope of the PUC.
- vii. There are various product grades manufactured and exported by PTKP to India which the DI does not produce or sell any alternate that may be commercially or technically substitutable. The same has been observed by the authority in many of its findings. These cannot be included in the scope of the PUC.
- viii. The likeness of the imported products by taking into account the end uses; consumer preferences; product properties, nature and quality, amongst others, and accordingly exclude the grades that are not manufactured by the DI.
- ix. Specialty Grade of dual spec HR plates conforming to EN S-355 /IS E-350 must be excluded from the scope of this investigation, as the DI does not manufacture products of comparable quality. Specialty grade plates exported to India by PTKP are produced wholly depending on Indian consumers preferences and requirements. HR Plates manufactured by the respondent are far higher in their technical superiority than what is prescribed in European and Indian Standards (EN/IS Specification) which merely indicates threshold requirements. These specifications and test results are described in every Mill Test certificate provided to Indian Consumers who placed requests according to different end uses. Specialty grades which are dual certified in EN/IS a with special characteristics are not like articles compared to general hot-rolled coils in the Indian market.

### **C.3. Examination by the Authority**

- 20. Since the present investigation is a sunset review investigation, product under consideration remains the same as defined in the previously conducted investigation. Nevertheless, the Authority has examined the claims made by certain interested parties seeking exclusion of certain grades from the scope of the PUC.
- 21. PT. Krakatau-POSCO, Indonesia has sought exclusion of HR Steel not in coil EN S-355 /IS E-350 grades as the domestic industry does not have the capability to produce the same and are far higher in their technical superiority than what is prescribed in European and Indian Standards (EN/IS Specification). Nippon Steel Corporation has sought an exclusion of various grades produced by it as the same cannot be produced by the DI and is not commercially substitutable with the grades produced by the DI. From the information submitted by the domestic industry, the Authority finds that the domestic industry is producing grades EN S-355/IS E 350. Therefore, the Authority finds no reason to exclude these two grades.

22. It has been submitted by producer and exporter from Japan i.e. M.s NSC, that the domestic industry does not produce those grades covered in the product scope; ii) the domestic industry does manufacture certain grades but the quality is not suitable; and iii) for certain grades, the domestic industry does not have customer's approval. The domestic industry has filed a detailed response addressing the claims of these interested parties.
23. To examine the PUC exclusion related issues in an objective manner, the Authority examined the PCNs exported by NSC and those manufactured by the domestic industry during the POI. From the detailed examination of the information, the Authority found that the domestic industry either manufactured exactly matching PCN or a closely resembling PCN for each PCN manufactured by NSC. In view of this, the Authority proposes that no exclusions are warranted from the product scope.
24. The Authority verified that the domestic industry is manufacturing all grades for which it got orders, and has also supplied them to the users in India. No evidence has been furnished by any interested party which establishes that they tried procuring any particular grade from the Domestic Industry against which exclusion has been sought by the producers and exporters in the subject countries but the Domestic Industry was unable to supply the same.
25. In so far as concerns regarding quality are concerned, the Authority notes that difference in quality is not a relevant parameter for exclusion of an article in an anti-dumping investigation as held in a number of investigations including (a) Anti-dumping investigation concerning imports of "Black Toner in powder form" originating in or exported from China PR, Malaysia and Taiwan (F. NO. 6/6/2020-DGTR) and (b) Anti-dumping investigation on the import of Nylon Multi Filament Yarn originating in or exported from China PR, Korea RP, Taiwan and Thailand (F.No. 6/11/2019-DGTR). 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*"
26. Therefore, the Authority finds that no case has been made out by any of the interested parties for grant of any exclusion from the scope of the product under investigation. Accordingly, the Authority confirms the scope of the product under

consideration as defined in the final findings of the original investigation, and also as mentioned in the subject review investigation which is reproduced below:

*“Hot-rolled flat products of alloy or non-alloy steel in coils of a width upto 2100mm and thickness upto 25mm and Hot-rolled flat products of 10 alloy or non-alloy steel not in coils (commonly known as sheets and plates) of a width upto 4950mm and thickness upto 150mm”.*

*The PUC covers products which are not further worked than hot-rolled and are flat products of iron, alloy or non-alloy steel, in prime or nonprime condition having ‘as-rolled’ edge or ‘trimmed’ edge or ‘slit’ edge or “milled” edge or “sheared” edge or “laser-cut” edge or “gas-cut” edge or any other type of edges. These products may be pickled or non-pickled (with or without skin-pass or tempering), slit or non-slit, normalized or un-normalized, ultra-sonically tested or untested or oiled or non-oiled etc. These products may be “as-rolled” or “thermo-mechanically rolled” or “thermo-mechanically controlled rolled” or “controlled rolled” or “normalized rolled” or “normalized” or subject to any other similar process. These products may have patterns in relief / chequered patterns of different types derived directly during hot rolling. These products may have been subjected to various processing steps like pickling, oiling, rewinding, recoiling, temper rolling, heat treatment, etc. These products may be sand blasted or shot blasted or subjected to similar processes. The PUC covers Hot Rolled flat sheets and plates of alloy or non-alloy steel, whether or not rolled from universal plate mill including reversible plate mill or hot strip mill or tandem mill or steckel mill or any other similar process with various type of rolling configuration including 2-High, 3-High, 4-High, cluster mill or any similar hot rolling process. The PUC includes sheets and plates produced either directly from the hot rolling process or cut / sheared from hot rolled coils.*

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

- 1. Hot-rolled flat products of stainless steel.*
- 2. Hot-rolled flat products of steel which are electrolytically plated or coated with zinc.*
- 3. Hot-rolled flat products of steel otherwise plated or coated with zinc.*
- 4. Cladded steel.”*

27. The Authority notes from the information available on record that the product produced by the domestic industry is like article to the product under consideration imported from the subject countries. The product produced by the domestic industry is comparable to the goods imported from the subject countries in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially

substitutable. The consumers have used and are using the two interchangeably. The Authority, therefore, holds that the subject goods produced by the domestic industry are like article to the product imported from subject countries in terms of Rule 2(d) of the AD Rules.

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

### **D.1. Submissions by the domestic industry**

28. The domestic industry has made the following submissions with regard to the scope of domestic industry and standing:

- a) The Applicant Indian Steel Association on behalf of Steel Authority of India Limited, JSW Steel Limited and Arcelor Mittal Nippon Steel India Limited constitute major proportion of total Indian production for the subject goods in India.
- b) JSW had imported miniscule quantity of the PUC – [\*\*\*] MT i.e. \*\*\*% of JSW's total production of the PUC.
- c) AMNS, which became an entity related to Arcelor Mittal and Nippon Steel with effect from 16th December 2019 had imported a very small quantity of PUC. Such small quantities do not change the characteristics of the two entities from being a domestic industry within the meaning of Rule 2(b) of the Rules. There is nothing to suggest that AMNS has changed its policy from that of a domestic producer of the subject goods to that of an importer/trader. AMNS has not contributed to dumping from its related entity - Nippon Steel. Imports made by AMNS were negligible in quantity as it is less than (i) [\*\*\*%] of its own production, (ii) [1%] of total imports into India, (iii) [\*\*\*%] of total production of domestic industry, and (iv) [\*\*\*%] of total Indian production. Focus and area of operation of AMNS continues to be manufacture of the subject goods and not indulge in trading of subject goods.
- d) AMNS, is related to Arcelor Mittal and Nippon Steel with effect from 16<sup>th</sup> December 2019. M/s. Nippon Steel & Sumitomo Metal Corporation, Japan ("NSSMC") has no direct shareholding in AMNS but is a minority stakeholder in an intermediate holding company separated by several intervening independent corporate enterprises. AMNS is a wholly owned subsidiary of ArcelorMittal India Pvt. Ltd., a company incorporated under the laws of India. ArcelorMittal India Pvt. Ltd. itself is a wholly owned subsidiary of Oakey Holdings BV, a company incorporated under the laws of the Netherlands. NSSMC holds minority stake of 40% in the parent company of Oakey Holdings BV i.e. AMNS Luxembourg Holding, in which the majority stake is held by AM Belval & Differdange, Luxembourg. AMNS is an independent, professionally managed company and does not reflect the individual interests of its shareholders. As a domestic producer, the very fact that it has come together with other domestic producers to seek the present sunset review evidences that it is not acting in a manner different from other domestic producers.

- e) AMNS has not imported any product from NSSMC during the PUC. AMNS does not have any contracts with NSSMC or its subsidiaries/affiliates for procurement or sale of any products. AMNS's procurement, production and sales policy does not display any discordant behaviour on account of NSSMC holding shares in an intermediate holding company."
- f) The word 'may' in Rule 2(b) confers a discretion to include a domestic producer within the ambit of domestic industry notwithstanding its relation to producer or exporter of the subject goods in subject countries if focus of domestic producer has continued to remain on domestic production.
- g) Nothing to suggest that AMNS has changed its policy from domestic producer to that of importer/trader. Furthermore, neither has AMNS contributed to dumping of the subject goods from its related entity - Nippon Steel in any manner as the imports made by it were not from it but from Korea.
- h) There is nothing to suggest that AMNS has changed its policy from that of a domestic producer of the subject goods to that of an importer/trader. AMNS has not contributed to dumping from its related entity - Nippon Steel. Imports made by AMNS were negligible in quantity as it is less than (i) 0.2% of its own production, (ii) 1% of total imports into India, (iii) 0.1% of total production of domestic industry, and (iv) 0.02% of total Indian production. Focus and area of operation of AMNS continues to be manufacture of the subject goods and not indulge in trading of subject goods.
- i) As per test in final findings dated 10 April 2012 in *Anti-dumping investigation concerning imports of 'Viscose Staple Fibre excluding Bamboo fibre' originating in or exported from China PR and Indonesia*, there is nothing on record that imports made by AMNS provoked or contributed to fall in prices or that it was shielded from effect of dumping or where they benefited unduly from them. Imports made by AMNS were negligible and could not have provoked or contributed to a fall in prices on the market or shield AMNS from their effects, or benefit AMNS unduly. The relationship with Nippon Steel has in no way affected the principal activity of AMNS which is producing the subject goods in India and AMNS has not reduced its own production activity or turned to trading. Neither has the relationship with Nippon Steel led to any imports by AMNS from it. Nippon steel by virtue of its 40% shareholding in Oakey Holdings BV cannot influence AMNS to change its business and resort to trading of the subject goods. Therefore, AMNS shall not be excluded from the scope of the domestic industry.
- j) Even if AMNS were to be excluded, the remaining domestic producers viz. JSW Limited and SAIL would constitute 35-45% of the production of the subject goods in India which is more than the threshold of 25% mentioned in Rule 5(3)(a) and a major proportion under Rule 2(b) which need not be more than 50%. WTO Panel report in *WT/DS440/R - China - Anti-Dumping And Countervailing Duties On Certain Automobiles From The United States and Lubrizol (India) Pvt. Ltd. v. Designated Authority* relied upon where it was held that it was not necessary to account for more than 50% domestic production to constitute a major proportion within meaning of Rule 2(b) of the AD Rules 1995. Share in total production by JSW Steel Ltd and SAIL is

sufficiently important, serious and significant to constitute a major proportion of total domestic production and be considered as Domestic Industry.

- k) Furthermore, with supporters of the present application viz. Tata Steel Ltd. and Tata Steel BSL Ltd., the support towards the application has been made by applicant who constitute more than 50% of the domestic production.

#### **D.2. Submissions by other interested parties**

29. The other interested parties have made the following submissions with regard to the scope of domestic industry and standing.

- i. AMNS is an importer of the PUC themselves and are also related to the producer of the PUC, i.e., Nippon Steel from Japan which is one of the subject countries. AMNS imported \*\*\* MT of PUC which is not a small number and must have been sold to user industry and not just for testing/sampling purpose.
- ii. AMNS is a 60:40 joint venture between ArcelorMittal and Nippon Steel Corporation. Nippon Steel Corporation that holds a 40% stake in AMNS is based in Japan which is a subject country and a known exporter of the PUC to India. In the final findings Anti-dumping investigation concerning imports of 'Viscose Staple Fibre excluding Bamboo fibre' originating in or exported from China PR and Indonesia, it was held that the investigating authority can exclude a related producer where the related parties (a) provoked or contributed to a fall in prices on the market (b) are shielded from the effects, or (c) where they benefited unduly from them.
- iii. Nippon Steel Corporation by virtue of 40% shareholding can block any special resolution and thus has significant powers with respect to the overall operation of AMNS. AMNS became a subsidiary of Nippon Steel from December 2019 which is part of the POI. Thus, AMNS which had not imported PUC during the injury period prior to POI, imported during the POI. This indicates that the approach of AMNS is no longer DI but also an importer. It is requested that the Authority to seek disclosure of information from DI regarding nature of transactions between AMNS and Nippon Steel Corporation Japan. Share of the DI will drop below 50% given the exclusion of AMNS from the scope of the DI and the remaining producers would not satisfy the 'major proportion' requirement.
- iv. Support from Tata and Tata BSL is liable to be rejected as both these companies have not provided information to register their support under Trade Notice No. 13/2018. Rejection of Tata, Tata BSL and AMNS would result in the share of producers declining below 50%. As the current application would not be supported by producers constituting 50% of the total production of the DI, supporting producers and other domestic producers, the SSR is to be terminated.
- v. The Petitioner relies upon the report of the Joint Plant committee of the ministry of steel to a certain share of participating companies in the total production of DI but did not provide a non-confidential version of this claiming business sensitive information. Given that this data is publicly available, the DI should be directed to furnish the same to the respondent to

enable the respondent to be afforded an opportunity of a fair rebuttal of the same.

- vi. As per the petition, imports made by JSW and AMNS is less than 1% in total imports into India, total production of concerned producer and total Indian production. DGTR must verify these claims. DGTR should examine if the imports made by AMNS and JSW are de minimis when compared to imports from subject countries as a whole and each subject country. If these imports are more than de minimis, they cannot be the constituents of the Domestic Industry and, cannot attribute injury, if any, on account of their own imports to other imports from subject countries.

### **D.3. Examination by the Authority**

30. Rule 2(b) of the Anti-Dumping Rules defines 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”.*

31. The Application has been filed by the Indian Steel Association on behalf of Steel Authority of India Limited, JSW Steel Limited and ArcelorMittal Nippon Steel India Limited and supported by Tata and Tata BSL. The Authority notes that the Applicant account for 58% of the total Indian production during the period of investigation. The Authority notes that the production of petitioners along with supporters’ accounts for 79% of the total Indian production.

32. At the time of initiation, the Authority noted the following with respect to imports made by JSW Steel Ltd and ArcelorMittal Nippon Steel India Ltd as well as the latter’s relationship with Nippon Steel & Sumitomo Metal Corporation, Japan:

*“Of the three applicant producers, JSW Steel Ltd and ArcelorMittal Nippon Steel India Ltd have imported small quantities of the subject goods from the subject countries. As the volumes imported by them are small and their focus and area of operation continue to be manufacture of domestic like articles and not indulge in trading of subject goods, the Authority considers it appropriate to treat them as part of the domestic industry*

*Essar Steel India Ltd. was admitted to corporate insolvency resolution process by way of an Order dated 02.08.2017 passed by the National Company Law Tribunal, Ahmedabad. Pursuant to the procedure established by the Insolvency and Bankruptcy Code, 2016, ArcelorMittal India Pvt. Ltd. became the successful resolution applicant and with effect*

*from 16.12.2019 took over the entire shareholding of the company. Pursuant to issuance of a fresh certificate of incorporation by the Registrar of Companies, the name of Essar Steel India Ltd. was changed to ArcelorMittal Nippon Steel India Ltd. with effect from 08.01.2020. The Company is incorporated in India under the Companies Act, 1956. It is a domestic producer of Hot Rolled Products (both in coil and not-in coil) and Cold Rolled Products and has significant production capacities in India and is in the process of further expansion. M/s. Nippon Steel & Sumitomo Metal Corporation, Japan has no direct shareholding in ArcelorMittal Nippon Steel India Limited but is a minority stakeholder in an intermediate holding company separated by several intervening independent corporate enterprises. ArcelorMittal Nippon Steel India Limited has not imported the subject goods from Nippon Steel & Sumitomo Metal Corporation, Japan during the POL ArcelorMittal Nippon Steel India Limited is an independent, professionally managed company and does not reflect the individual interests of its shareholders. As a domestic producer, the very fact that it has come together with other domestic producers to seek the present sunset review evidences that it is not acting in a manner different from other domestic producers.”*

33. A number of interested parties have objected to the inclusion of AMNS within the scope of the domestic industry on the ground that imports made by it are substantial and that its relationship with M/s. Nippon Steel & Sumitomo Metal Corporation, Japan also disentitles it from being considered as such.
34. To determine whether AMNS is liable to be included within the scope of the domestic industry as it has imported the product under consideration, the Authority examined the imports made by AMNS and found them to be negligible as they account for less than (i) \*\*\*% of the production of AMNS, (ii) 1% of total imports into India, (iii) \*\*\*% of total production of the domestic industry, (iv) \*\*\*% of the total Indian demand. On examination, the Authority finds that such low imports– (a) did not contribute to a fall in prices in the market; (b) did not shield the domestic industry from the effects of dumped imports, or (c) did not confer any undue benefits to the domestic industry. The Authority further notes that the imports made by JSW are also negligible being only \*\*\*% of the total production of JSW.
35. Regarding the relationship of AMNS to Nippon Steel & Sumitomo Metal Corporation, Japan, the Authority had already noted at the time of initiation of the investigation that M/s. Nippon Steel & Sumitomo Metal Corporation, Japan has no direct shareholding in ArcelorMittal Nippon Steel India Limited but is a minority stakeholder in an intermediate holding company separated by several intervening independent corporate enterprises. On the basis of information on record, the Authority has also noted that ArcelorMittal Nippon Steel India Limited has not imported the subject goods from Nippon Steel & Sumitomo Metal Corporation, Japan during the POI. No additional facts have been brought to the notice of the Authority which suggest that the relationship to Nippon Steel & Sumitomo Metal Corporation, Japan has led AMNS to behave differently than a

domestic producer of the like article or change its core activity which is production of the domestic like product.

36. Therefore, the Authority has considered both AMNS and JSW as part of the domestic industry and no case has been made out for excluding either of them from the scope of the domestic industry.
37. The Authority also notes that the supporters have filed information in the relevant formats and the same was made available in the public file as well as circulated to the interested parties by the domestic industry.
38. The Authority notes that the applicant on their own and also including the supporters, account for a major proportion of the total domestic production.
39. The Authority holds that the applicant constitutes domestic industry under rule 2(b) of the Rules and considers that the application satisfied the criteria of standing in terms of Rule 5(3) of the Rules.

#### **E. CONFIDENTIALITY**

##### **E.1. Submissions by the domestic industry**

40. The following submissions have been made with regard to confidentiality:
  - i. DI has circulated all documents filed by it during the course of the investigation with the interested parties including addendum 2. Vide email dated 28th July 2021 non-confidential versions of the submissions were shared with all interested parties mentioned in the notice of oral hearing dated 14th of July 2021. It has been clearly mentioned that the NCV of Addendum 2 has already been incorporated into the relevant parts of the non-confidential version of the Petition circulated with the interested parties.
  - ii. Non-confidential versions of the application and all other documents filed by the Petitioner were made available to the Authority and the interested parties could have accessed the same at any point of time from the public file maintained by the DGTR. Therefore, the grievance of the Respondents is non-est.
  - iii. Supporters to the Application have filed non-confidential versions of their responses.
  - iv. The responding exporters have resorted to excessive confidentiality claims which have completely prevented the Petitioners from offering their comments.
  - v. Injury statements filed by the domestic industry are invariably either on actual basis or on indexed basis. The comparison of the non-confidential version of the injury parameters by the domestic industry and by the responding producers and exporters will clearly show that the extent of confidentiality claimed by the responding exporters is far higher.
  - vi. The domestic industry has provided indexed figures of the parameters showing the trend of injury parameters.

- vii. The exporter has claimed information like product list, channel of distribution, production process, production flowchart, name of raw material, information regarding exports to India, sales of goods of the company, sales price structure, statement showing installed capacity, information related to cost of production, information related to subsidiary, information with regard to exports to third countries etc. Non-confidential version of the questionnaire response is grossly inadequate. The interested parties have not disclosed all such information that they are obliged to disclose under the Rules. Even information that is publicly available has not been disclosed in the non-confidential version
- viii. The petitioners have filed non-confidential version of the information as per Trade Notice No 10/2018 dated 7th September, 2018

## **E.2. Submissions by other interested parties**

- 41. The other interested parties have made the following submissions with regard to confidentiality:
  - i. As may be seen from the final findings of anti-dumping investigation against import of Plain Medium Density Fiber Board originating in or exported from China PR, Malaysia, New Zealand, Thailand and Ukraine, it is the practice of the DA to disclose the volume of imports of the PUC of the DI to the opposite interested parties. It should be provided with the import data of the PUC imported by AMNS and JSW along with the country from where such imports have taken place, so that it can provide a meaningful response and adequately defend its interest.
  - ii. The Petition does not comply with the requirements of the Trade Notice No. 10/2018 and a number of figures have been provided as a trend instead of actuals.
  - iii. On account of excessive claim of confidentiality by the DI pertaining to the economic and injury indicators, the respondent has been precluded from providing an effective rebuttal to the claims of the DI resulting in violation of the due process rights and principles of natural justice.
  - iv. Domestic Industry has not circulated non-confidential version of Addendum 2 to the Petition. Non-confidential version of questionnaire filed by supporters has not been shared.

## **E.3. Examination by the Authority**

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

*“Confidential information: (1) Notwithstanding anything contained in sub-Rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and 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,*

*betreated 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 party's 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 authorize its disclosure in a generalized or summary form, it may disregard such information."*

43. The Authority examined the confidentiality claims of the interested parties and on being satisfied allowed the claim on confidentiality. The Authority considers that any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, should be treated as such by the authority. Such information cannot be disclosed without specific permission of the party submitting it.
44. The Authority also notes that the applicant has circulated the non-confidential versions of the petition along with Addendum 2 as well as questionnaire responses filed by the supporters to the petition.
45. The Authority has considered the claims of confidentiality made by the applicant and the opposing interested parties and on being satisfied about the same, the Authority has allowed the claim on confidentiality. The Authority made available to all interested parties the public file containing non-confidential version of evidences submitted by various interested parties for inspection, upon request as per Rule 6(7).

## **F. MISCELLANEOUS SUBMISSIONS**

### **F.1. Submissions by the domestic industry**

46. The following miscellaneous submissions have been made by the domestic industry:
  - a. No request was made in the application for adopting a PCN methodology for facilitating a fair comparison. Subsequent to the initiation of the investigation,

Authority proposed a PCN methodology, obtained comments from interested parties and after considering those comments, finalized the PCN structure and directed the interested parties to provide relevant information in accordance with the PCN structure finalized by the authority. Pursuant to the said directions, domestic industry filed PCN-wise information in the relevant formats.

- b. Regarding not furnishing minutes of meeting and other documents mentioned in DGTR vide F. No. 14/44/2016-DGAD, it is not clear whether instruction circulated by the are still in operation since the same are not to be found on the website of the DGTR which contains all trade notices and office memorandums which are required to be observed by interested parties. Same must be deemed to have been replaced by instructions issued by DGTR vide Trade Notice No.02/2018 which provides for format for Petition by Domestic Industry and states that *it will supersede all previous instructions or Trade Notices, if any, issued by the Directorate with regard to the petition to be submitted by the Petitioner/Domestic Industry*". Therefore, question of following instruction circulated vide F. No. 14/44/2016-DGAD does not arise.
- c. In so far as DGCIS data is concerned, the product description given in the said data is not sufficient enough to group the same according to the PCN structure. Due to lack of relevant information, imports, in its entirety, could not be classified in terms of the PCN structure. However, PCN wise imports in respect of exports made by the cooperating producers is available the exporters' questionnaire responses filed by them.
- d. None of the policies listed by the interested parties as beneficial to the Domestic Industry are even remotely helpful in arresting the injurious effect of dumped imports from subject countries.
- e. Production-Linked incentive scheme for 'speciality steel' is to promote manufacturing of specialty steel grades within the country. The PLI incentive is expected to boost the domestic production of specialty steel. This scheme was not operational during the POI and is expected to be operational from 2022-23.
- f. Import of subject goods from Japan and South Korea enjoy zero-tariff. Because of preferential import tariff on subject goods, domestic industry is faced with inverted duty structure because import of raw material such as coking coal is subject to 2.5% import duty. India has also reduced MFN import tariff on steel to 7.5% from 12.5% from February 2021

## **F.2. Submissions by other interested parties**

47. The following miscellaneous submissions have been made by other interested parties:
  - a) Imposition of anti-dumping duty (if any) should be made on a reference price basis. This prevents unnecessary penalization on imports which are being made at a price higher than the NIP of the DI and hence, are not harming the DI. An imposition of anti-dumping duty on a reference price basis, adopted in the original investigation, would ensure that the product grade which is

imported at par or above the reference price would not attract any anti-dumping duty.

- b) Public interest must be examined comprehensively and completely, and Government of India must not impose anti-dumping measures even if it is determined that the imports have caused the injury.
- c) The DGTR has not provided transaction-wise import data in the same form and manner in which it was taken on record.
- d) The determination of all factors should be made separately for HR in coil and HR not in coil because the original investigation determined dumping and injury margins separately for the same.
- e) The present Petition is not a duly substantiated Petition as it does not provide relevant PCN-wise information. By providing average margin calculations, the methodology utilized in the original investigation has been deviated from without providing any justifiable reasons in the Petition. Therefore, the present initiation on the basis of said Petition should not have taken place. Consequently, the present initiation is bad in law.
- f) DGTR should take into account not only the views from Japanese steel mills but also other stakeholders including user industries and companies in India so that public interests as a whole can be duly reflected.
- g) The domestic industry is now profitable and have increased opportunities to sell within India and the outlook also looks better. The recent trends and strategies in the Indian steel industry such as BIS standards, SIMS, PLI scheme, steel recycling policy indicate that there is no threat of recurrence of injury to the domestic industry if anti-dumping duties are revoked.

### **F.3. Examination by the Authority**

48. The Authority has considered the views of the interested parties at the appropriate places in this Final Findings. In this regard, the Authority notes the following:
- i. As regards the submission that the authority shall recommend duty on a reference price basis, the Authority would take an appropriate decision while arriving at the final findings.
  - ii. As regards public interest, the same has been examined in a separate section of this Final Findings.
  - iii. As regards, provision of transaction-wise import data to the interested parties, the Authority refers to Trade Notice No.07/2018 and in terms of the same, wherever an interested party has made a request for procurement of import statistics, the Authority has granted approval for the same.
  - iv. The product under consideration is 'Hot rolled flat products of alloy and non-alloy steel'. The said product is grouped under two broad categories namely 'in coils' and 'not in coils'. There is no requirement that an injury analysis shall be made for every category of the product separately. In this regard, the Authority notes that 'in-coil' products may be cut and slit into 'not-in coil' products depending upon the requirement. The applicant makes 'in-coil' and 'not-in-coil' products using the same base facilities. Therefore, it is appropriate to determine injury for the 'Hot-rolled flat products of alloy and non-alloy steel' together. The Authority further notes that no such separate injury examination for HR 'in coil' and 'not in coil' was performed during the original investigation and therefore, the question of

- segregating such injury analysis does not arise during the sunset review. However, similar to that of the original investigation, Authority has applied a PCN based comparison for the purposes of effecting fair comparison of both injury margin and dumping margin which ensures an apple-to-apple comparison for the cooperating producers and exporters from the subject countries.
- v. With regard to comments made by the other interested parties about the existence of BIS standards, SIMS, PLI scheme, steel recycling policy, the Authority notes that the purpose of the present sunset review is to examine whether discontinuation of duties would lead to a continuation of dumping and material injury to the domestic industry or a recurrence of the same which has to be examined only with reference to impact of dumped imports on the performance of the domestic industry, while ensuring that injury caused by other factors are not attributed to dumping.
  - vi. The Authority also notes that the average dumping margin calculations of imports instead of PCN wise information were accepted since while PCN wise breakdown of data of individual companies has been made available by the cooperating producers and exporters, the official DGCIS statistics could not be converted in terms of PCN as the description given in the DGCIS data was not sufficient enough to determine the PCN for an overwhelmingly large number of import transactions.

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

### **G.1. Submissions of the domestic industry**

49. The following submissions have been made by the domestic industry with regards to the normal value, export price and dumping margin:
- i. Normal value has been constructed for all the subject countries by taking (1) International prices of raw materials (coal and iron ore) i.e. global weighted average import price of these materials into the concerned subject country from 'Trade map' database. (2) Other manufacturing costs have been considered based on the experience of the domestic industry after adjusting labor costs in India to duly reflect the costs prevailing in the subject country based on differences in cost of living between India and the concerned subject country. (3) SGA costs and Finance costs have been considered based on the experience of the domestic industry, (4) A profit margin of 5% has been considered for working out the normal value. Addendum 1 to the Petition filed on 28 March 2021 made it clear that the normal value was calculated in the said manner.
  - ii. The petitioner has arrived at export price at ex-factory level. From CIF export price, adjustments have been made regarding (1) Ocean Freight (2) Inland Freight (3) Ocean Insurance (4) Commission (5) Bank Charges (6) Port & Handling Expenses (7) Non-Refundable VAT (In respect of China PR) to arrive at ex-factory export price.
  - iii. Interested parties have not indicated why, in the absence of information of price of subject goods in subject countries or any other manner in which the price for these countries could be determined, Normal Value could not have

been constructed in the manner done by the Petitioner. In the absence of information which can controvert the normal value calculated by the petitioner, the same shall rightly be considered reliable. Respondents have not been able to controvert the veracity of the adjustments adopted by the petitioner. Therefore, the objection raised with respect thereto are without any merit.

- iv. Dumping margin determined for the subject countries is significant and is a clear indicator of the fact that if anti-dumping duties are revoked, there is every likelihood of continuation of dumping of subject goods into India from the subject countries and continuation or recurrence of injury to the domestic industry.
- v. JFE Steel has not claimed deductions towards Bank charges package charges, and deduction for commissions.
- vi. Nippon Steel has not claimed deductions towards Bank charges package charges and clarified whether any related firm exports PUC to India.
- vii. Honda has domestic sales in Japan and this has to be considered while determining the normal value. It has also not claimed deductions towards bank charges and packages charges
- viii. JFE Shoji has not claimed deductions towards bank and packaging charges.
- ix. Kobe Steel Ltd have not provided any document or submission other than the authorization in Appendix B. Thus, they should be declared as non-cooperative
- x. Even though Hitachi Zosen Corporation has been listed as an interested party, no information has been provided pertaining to this trader. Therefore, they may be declared as non-cooperative

## **G.2. Submissions of other interested parties**

50. The following submissions have been made by other interested parties with regards to the normal value, export price and dumping margin:
- a) The initiation notification states that the Petitioner has constructed normal for subject countries (which includes Japan) based on (a) International price of raw material, (b) Consumption norms, conversion costs and SGA costs based on experience of the domestic industry after making adjustment to duly reflect labor cost prevailing in the concerned subject country, and (c) a reasonable profit.
  - b) As per the initiation, the Authority has considered a different basis for arriving at normal value than that provided in the Petition. Accordingly, it is evident that the initiation is not based on evidence in the application / Petition. The initiation is therefore in violation of Rule 5 of AD Rules and is bad in law.
  - c) The petitioner has not justified the following as well: any effort to obtain information regarding documentary evidence or reliable information with regard to domestic prices of the subject goods in Brazil, Indonesia, Japan, Korea RP, and Russia, how normal value constructed based on the international price of raw material specifically reflect the cost of production in Japan, how the petitioner's experience is comparable to that of producers in

Japan for considered conversion costs, SGA costs and finance costs, based on the experience of the domestic industry.

- d) No evidence on record as to how Malaysia is an appropriate third country for considering the export price from Japan to an appropriate third country.
- e) At Page 17 of the Petition various adjustments have been made to the export price, but no justifiable evidence has been provided to support the same.
- f) It is unlikely that a fair comparison which is unbiased, objective, and even-handed has been made between the normal value and the export price so as to calculate proper dumping margin. Consequently, the alleged dumping margin in the Petition is not based on objective, verifiable, and credible information and therefore, do not constitute evidence of dumping under Rule 5 (2) of the AD Rules and Article 5 (2) of the AD Agreement.

### **G.3. Examination by the Authority**

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

- i) *The comparable price, in the ordinary course of trade, for the like article, where meant for consumption in the exporting country or territory as determined in accordance with the Rules made under sub-section (6), or*
- ii) *When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*
  - (a) *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the Rules made under sub-section (6); or 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);*
  - (b) *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.*

52. At the time of initiation, the Authority determined the normal value by taking the facts which were considered sufficient to initiate the investigation, However, after initiation the determination of normal value has been made after taking into account the responses received from the interested parties.

53. 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 have co-operated in this investigation by filing the prescribed questionnaire responses:

**Korea RP**

- i. POSCO
- ii. Hyundai Steel Company
- iii. GS GLOBAL CORPORATION
- iv. HYOSUNG TNC CORPORATION
- v. HYOSUNG JAPAN CO., LTD
- vi. POSCO ASIA COMPANY LIMITED
- vii. POSCO INTERNATIONAL CORP.
- viii. SAMSUNG C&T CORPORATION
- ix. GS GLOBAL SINGAPORE PTE. LTD
- x. Hyundai Corporation
- xi. SK Networks Co., Ltd.

**Japan**

- i. Nippon Steel Corporation
- ii. JFE Steel Corporation
- iii. Mitsui & Co., Ltd.
- iv. JFE Shoji Corporation
- v. Mitsui & Co., Ltd.
- vi. Honda Trading Corporation
- vii. Honda Trading Corporation
- viii. KANEMATSU CORPORATION
- ix. Marubeni-Itochu Steel Inc.
- x. Metal One Corporation
- xi. NIPPON STEEL TRADING CORPORATION
- xii. NISSAN TRADING CO., LTD.
- xiii. Ohmi Industries, Ltd.
- xiv. Sato Shoji Corporation
- xv. Sumitomo Corporation
- xvi. Sumitomo Corporation Global Metals Co., Ltd
- xvii. Toyota Tsusho Corporation
- xviii. Tetsusho Kayaba Corporation

**Indonesia**

- i. PT KRAKATAU-POSCO
- ii. HYOSUNG TNC CORPORATION
- iii. GS GLOBAL CORPORATION
- iv. HYOSUNG JAPAN CO., LTD, JAPAN
- v. POSCO ASIA COMPANY LIMITED
- vi. POSCO INTERNATIONAL CORP.
- vii. SAMSUNG C&T CORPORATION

54. None of the producers/exporters of subject goods from Russia, Brazil and China have filed exporter's questionnaire response.

55. 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 was 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.
56. 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.
57. 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. Determination of normal value**

##### **China PR**

##### **Market Economy claims for Chinese producers**

58. Article 15 of China's Accession Protocol 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 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.*
- (c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

59. 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.
60. 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 based on (a) international prices of raw materials, (b) consumption norms and conversion costs, SGA and finance costs on the basis of the experience of the domestic industry, and (c) a reasonable profit. The Normal Value so constructed is shown in the Dumping Margin Table below.

#### **G.5. Determination of Export Price**

61. As none of the producers/exporters from China PR has 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. The export price at ex-factory level has been determined accordingly, and the same is shown in the Dumping Margin Table.

#### **Japan**

##### **(i) JFE Steel Corporation ("JFE")**

##### **Normal Value**

62. It is noted that during the POI, JFE, a producer and exporter of subject good has sold the subject goods in the domestic market to related and unrelated parties.

Therefore, the Authority has determined the normal value based upon the total domestic sales.

63. 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. All determinations have been made on the basis of PCN as specified by the Authority earlier in the investigations.
64. All profit-making transactions are more than 80%, then the Authority has considered all the transactions in the domestic market for the determination of the normal value, and in cases, where profitable transactions are less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. 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.
65. JFE has claimed adjustments on account of inland freight, inland insurance, storage cost and credit cost. The Authority has accepted the adjustments after verifications through remote cross check. Accordingly, the weighted average normal value at ex-factory level for JFE has been determined for HR coils and HR not in coils and the same is shown in the Dumping Margin Table below.

#### **Export Price**

66. JFE filed a questionnaire response along with its related/unrelated trading companies, Mitsui & Co., Ltd, Ohmi Industries Ltd., Toyota Tsusho Corporation, JFE Shoji Corporation, Sato Shoji Corporation, Honda Trading Corporation, Metal One Corporation, and Marubeni-Itochu Steel Inc who exported the subject goods to India manufactured by JFE. Further, JFE has also exported some quantities through other traders (who are traders of JFE's aforementioned traders) who have not filed their questionnaire response with the Designated Authority.
67. 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.
68. For working out export price of the producer M/s JFE, the Authority has considered the actual export price for chain comprising JFE 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 JFE who had not filed the information in the form and manner prescribed. Accordingly, the export price for

JFE has been determined based on the weighted average export price of all exports' channels to India.

69. JFE has claimed adjustments on account of inland freight, inland insurance, storage cost and credit cost and the same have been allowed. Accordingly, the export price has been determined for JFE at ex-factory level for HR Coils and HR not in Coils and the same is shown in the Dumping Margin Table below.

#### **Nippon Steel Corporation ("NSC")**

##### **Normal Value**

70. It is noted that during the POI, NSC has sold the subject goods in the domestic market to related and unrelated companies. The Authority notes that one related entity i.e., Nippon Steel Trading Corporation has filed its response. It is also noted by the Authority that the domestic sales made to non-cooperative related parties are insignificant in terms of total domestic sales. Therefore, the Authority has determined the normal value based upon the total domestic sales.
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 in India. All determinations have been made on the basis of PCN as specified by the Authority earlier in the investigations.
72. 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.
73. NSC has claimed adjustments on account of rebate, warranty, credit note, inland freight, inland insurance, storage cost and credit cost. The Authority has accepted all the adjustments. Accordingly, the normal value at ex-factory level for NSC for HR coils and HR not in coils and the same is shown in the Dumping Margin Table below.

##### **Export Price**

74. NSC filed a questionnaire response along with its related/unrelated trading companies, Nippon Steel Trading Corporation, Kanematsu Corporation, Metal one Corporation, Hanwa Co., Ltd, Marubeni-Itochu Steel Inc, Toyota Tsusho

Corporation, Honda Trading Corporation, Sumitomo Corporation Global Metals Co., Ltd and Mitsui & Co., Ltd who have exported the subject goods to India. Further, NSC has also exported some quantities through other traders (who are traders of NSC's aforementioned traders) who have not filed their questionnaire response with the Designated Authority.

75. 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. The export sales of NSSMC through its unrelated/related trading companies are on FOB basis. The export sales of NSSMC through its unrelated/related trading companies are on FOB basis.
76. The export sales of NSC through its unrelated/related trading companies are on FOB basis. NSC has claimed adjustments on account of inland freight, inland insurance, storage cost and credit cost and the same have been allowed. Accordingly, the weighted average export price has been determined for NSC at ex-factory level for HR Coils and for HR not in Coils and the same is shown in the Dumping Margin Table.

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

77. The Authority notes that no other producer/exporter from Japan has responded to the Authority in the present investigation. The Authority also notes that M/s. Kobe Steel Ltd participated in the original investigation and the Authority had determined normal value for the said company based on the information furnished by them. However, in this sunset review, Kobe Steel Ltd did not cooperate and accordingly, the Authority did not determine an individual normal value for the said entity.
78. In view of noncooperation, the Authority has determined normal value for all non-cooperating producers on price as per facts available in terms of Rule 6(8) of the Rules.
79. 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 is mentioned in the dumping margin table.

**Korea RP**

**POSCO, Korea RP**

### **Normal Value**

80. POSCO is a listed company (joint-stock Corporation) in Korea RP. During the POI, POSCO has sold subject goods 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 cost of production of subject goods. In case profit making transactions for particular PCN are more than 80% then the Authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions for particular PCN are less than 80%, only profitable domestic sales are taken into consideration for the determination of 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.
81. POSCO has claimed adjustments on account of inland freight, warehousing expenses, credit cost and packing cost and the same have been allowed by the authority. Accordingly, weighted average normal value at ex-factory level for POSCO has been determined for HR Coils and HR not in Coils and the same is shown in the dumping margin table below.

### **Export Price for POSCO, Korea RP**

82. POSCO has filed questionnaire response along with its related/unrelated trading companies namely, POSCO International Corp., Korea RP, POSCO Asia Company Limited, Hongkong, GS Global Corp., Korea RP, GS Global Singapore Pte. Ltd., Singapore, Samsung C&T Corporation, Korea RP, Hyosung TNC Corporation, Korea RP, Hyosung Japan Co., Ltd, Japan, who have exported the subject goods to India manufactured by POSCO. POSCO has exported PUC using direct/indirect channel.
83. POSCO has also made direct/indirect exports to related processors/importers of POSCO in India during the POI namely POSCO India PC, POSCO IPPC and POSCO Maharashtra. All these related parties have also filed importers/end-user questionnaire responses.
84. Further, POSCO has also exported some quantities through other traders who have not filed their questionnaire response with the Designated Authority. However, it is also noted by the authority that exports to India made through noncooperating unrelated parties are very insignificant in terms of total exports to India. 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 had not filed the information in the form and manner prescribed. Accordingly, the export price for POSCO has been determined based on the weighted average export price of all exports' channels to India.

85. It is noted from the response filed by above mentioned POSCO subsidiaries in India that, some of them are in losses during the sale of the subject goods imported from their parent company i.e. POSCO through different trading channels as mentioned above. As their sales price of subject goods are lower than their purchase price, suitable adjustment has been made from POSCO's landed price and net export price. Further adjustments have been allowed on account of ocean freight, inland freight, credit costs and packing costs. The weighted average export price has been determined for POSCO at ex-factory level for HR Coils and for HR not in Coils and the same is shown in the dumping margin table below.

**M/s Hyundai Steel Company, Korea RP, and its participating related and unrelated importers/end-users**

**Normal Value**

86. It is noted that during the POI, Hyundai Steel Company, Korea RP, has sold the 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. With regard to Hyundai Steel Company, Korea RP, since in oct test the profit-making sales are less than 80%, the Authority has considered only profit-making domestic sales to determine 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.
87. Hyundai Steel Company, Korea RP, has claimed adjustment on account of inland transportation, ocean freight and credit expenses and the same have been allowed by the Authority. Accordingly, normal value at ex-factory level has been determined and the same is shown in the Dumping Margin Table below.

**Export Price**

88. Hyundai Steel Company, who is a producer and exporter of the subject goods in Korea RP, has filed questionnaire response. During the POI, Hyundai Steel Company, exported the subject goods to India indirectly through three unrelated/related traders namely GS Global Corporation, Korea RP, Hyundai Corporation, Korea RP, Samsung C&T Corporation, Korea RP, and SK Networks Co., Ltd., Korea RP. 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 adjustment on account of ocean freight, inland transportation, port and other related expenses and credit cost. The weighted average export price has been determined at ex-factory level for HR Coils and for HR not in Coils and the same is shown in the dumping margin table below.

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

89. The Authority notes that no other producer/exporter from Korea RP has responded to the Authority in the present investigation.
90. In view of noncooperation, the Authority has determined normal value for all non-cooperating producers on price as per facts available in terms of Rule 6(8) of the Rules.
91. 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 is mentioned in the dumping margin table.

**Indonesia**

**PT Krakatau POSCO, Indonesia**

**Normal Value**

92. It is noted that M/s PT Krakatau POSCO is a Joint Venture Company in Indonesia. During the POI, PT Krakatau POSCO has sold \*\*\* MT of subject goods having invoice value \*\*\*USD 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 cost of production of subject goods. In case profit making transactions for particular PCN are more than 80% then the Authority has considered all the transactions in the domestic market for the determination of the normal value and in cases, where profitable transactions for particular PCN are less than 80%, only profitable domestic sales are taken into consideration for the determination of 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.

93. PT Krakatau POSCO has claimed adjustments on account of inland freight, credit cost and the same have been allowed by the authority. Accordingly, weighted average normal value at ex-factory level for PT Krakatau POSCO has been determined for HR not in Coils and the same is shown in the dumping margin table below.

#### **Export Price**

94. PT Krakatau POSCO has filed questionnaire response along with its related/unrelated trading companies namely, POSCO International Corp., Korea RP, POSCO Asia Company Limited, Hongkong, GS Global Corp., Korea RP, Hyosung TNC Corporation, Korea RP, Hyosung Japan Co., Ltd, Japan, who have exported the subject goods to India manufactured by PT Krakatau POSCO. PT Krakatau POSCO has exported \*\*\* MT of PUC using direct/indirect channel.
95. PT Krakatau POSCO has also made direct/indirect exports to related importers of POSCO in India during the POI namely POSCO India PC and POSCO IPPC. All these related parties have also filed importers questionnaire responses.
96. Further, PT Krakatau POSCO has also exported some quantities through other traders who have not filed their questionnaire response with the Designated Authority. However, it is also noted by the authority that exports to India made through noncooperating unrelated parties are very insignificant in terms of total exports to India. For working out export price of the producer, the Authority has considered the actual export price for chain comprising PT Krakatau 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 PT Krakatau POSCO who had not filed the information in the form and manner prescribed. Accordingly, the export price for PT Krakatau POSCO has been determined based on the weighted average export price of all exports' channels to India.
97. It is noted from the response filed by above mentioned POSCO subsidiaries in India that, one of them is in losses during the sale of the subject goods imported

from PT Krakatau POSCO through different trading channels as mentioned above. . As their sales price of subject goods are lower than their purchase price, suitable adjustment has been made from PT Krakatau POSCO's landed price and net export price. Further adjustments have been allowed on account of ocean freight, inland freight, credit costs, port and other related expenses. The weighted average export price has been determined for PT Krakatau POSCO at ex-factory level for HR not in Coils and the same is shown in the dumping margin table below.

**Normal Value and Export price for non-cooperating producers and exporters from Indonesia**

98. The Authority notes that no other producer/exporter from Indonesia has responded to the Authority in the present investigation.
99. In view of noncooperation, the Authority has determined normal value for all non-cooperating producers on price as per facts available in terms of Rule 6(8) of the Rules.
100. 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 Indonesia is mentioned in the dumping margin table.

**Brazil**

**Normal value, Export price and Dumping margin**

101. It is noted that there were no imports of either HR in coil or HR not in coil from Brazil during the POI. Therefore, no dumping margin could be determined for Brazil.

**Russia**

**Normal value, Export price and Dumping margin**

102. It is noted that there were no imports of either HR in coil or HR not in coil from Russia during the POI. Therefore, no dumping margin could be determined for Russia.

**G.6. Determination of dumping margin**

103. Considering the normal value and export price for subject goods for the subject countries which had exports to India during the POI, the weighted average dumping margins for the said subject countries have been determined. The dumping margin determined as above is mentioned in the dumping margin table below.

S No	Country	Producer /Exporter	Product	Normal Value (USD/MT)	NEP (USD/MT)	DM (USD/MT)	DM %	Range %
1	China PR	All Producers /Exporters	HR in Coil	***	***	***	***	30-40
			HR not in Coil	***	***	***	***	20-30
			PUC W. Avg.	***	***	***	***	25-35
2	Indonesia	PT Krakatau POSCO, Indonesia	HR in Coil	-	-	NA	NA	NA
			HR not in Coil	***	***	***	***	10-20
			PUC W. Avg.	***	***	***	***	10-20
		All Others	HR in Coil	-	-	NA	NA	NA
			HR not in Coil	***	***	***	***	40-50
			PUC W. Avg.	***	***	***	***	40-50
3	Japan	JFE Steel Corporation	HR in Coil	***	***	***	***	0-10
			HR not in Coil	***	***	***	***	10-20
			PUC W. Avg.	***	***	***	***	10-20
		Nippon Steel Corporation	HR in Coil	***	***	***	***	20-30
			HR not in Coil	***	***	***	***	20-30
			PUC W. Avg.	***	***	***	***	20-30
		All Others	HR in Coil	***	***	***	***	40-50
			HR not in Coil	***	***	***	***	10-20
			PUC W. Avg.	***	***	***	***	40-50
4	Korea RP	POSCO	HR in Coil	***	***	***	***	0-10
			HR not in Coil	***	***	***	***	0-10
			PUC W. Avg.	***	***	***	***	0-10
		Hyundai Steel Company	HR in Coil	***	***	***	***	0-10
			HR not in Coil	***	***	***	***	30-40
			PUC W. Avg.	***	***	***	***	10-20
		All Others	HR in Coil	***	***	***	***	35-40
			HR not in Coil	***	***	***	***	40-50
			PUC W. Avg.	***	***	***	***	40-50

#### H. ASSESSMENT OF INJURY AND CAUSAL LINK

## **H.1. Submissions of the domestic industry**

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

- i. Despite the imposition of antidumping duties, imports of subject goods from the subject countries have been stable and any decline from April 2020 to September 2020 is attributed to the decrease in demand owing to the Covid-19 pandemic. This decline will bounce back once the situation improves.
- ii. Actual and potential effect on sales- Dumped imports from the subject countries brought down the short-lived growth in sales that arose due to ADD being imposed.
- iii. The domestic industry has faced significant price suppression and depression during the POI(A) despite the existence of ADD. Removal of existing duties would only aggravate the said situation.
- iv. The negative price undercutting is negative due to the existence of reference price based anti-dumping duty imposed on the subject goods imported from the subject countries. In any case, a comparison of the weighted average import price with the domestic selling price covering the entire POI masks the actual price undercutting in view of (a) significant monthly variation in prices of both imports and the domestic industry; and (b) significant variation in the product-mix i.e. product under consideration contains multiple product types under several tariff headings and prices vary as per product types and the composition of imports and domestic sales in terms of volumes of different types affect the weighted average prices used for comparison. The exporters from the subject countries are known to indulge in over-invoicing as noted by the authority in the case of Aluminium and Zinc coated flat products” originating in or exported from China PR, Vietnam and Korea RP.
- v. The demand for subject goods has remained stable except for a decline during the proposed POI which may be attributable to Covid-19 pandemic. Imports from other countries has declined during the POI.
- vi. Sales, Capacity, Production and Capacity Utilization- Between the base year and the POI, capacity utilization grew by 26%, while the total production and domestic sales of domestic industry decreased by 7% and 14% respectively. Capacity utilization has also considerably decreased. During the proposed POI, the profitability, cash profits as well as return on capital employed witnessed a significant decline. The domestic industry witnessed decline in the number of employees during the proposed POI. The inventory levels for the subject goods produced by the DI increased in the POI and continue to be significant. Removal of ADD would prejudice ability to raise capital investment for further growth.
- vii. Despite imposition of ADD, the domestic industry continues to suffer material injury and there is likelihood of injury in the imminent future to the domestic industry is due to dumped imports.
- viii. The export performance of the Domestic Industry in no way has affected its financial and economic situation as injury information has been segregated.

There has been no change in either the technology or the production process, to be a cause of injury to the domestic industry. There is no trade restrictive practice, which could have contributed to the injury to the domestic industry. The only cause of injury is the dumped imports from subject countries. There have been no material changes in the pattern of consumption of the product under consideration. Changes in the pattern of consumption have not caused claimed injury to the domestic industry.

## **H.2. Submissions of other interested parties**

105. The following submissions have been made by other interested parties with regard to injury and causal link:

- i. Scope for competition between imports from Japan and Domestic Industry's products are minimal because the Domestic industry cannot match the highly specialized grades sold by Japanese Mills.
- ii. Imports from the subject countries have significantly decreased by 56 index points in the POI(A) compared to the base year.
- iii. Petitioner cannot attribute decline in volume due to Covid-19 decline in demand and continued presence of dumped imports from the subject countries.
- iv. There is no price suppression / depression from subject countries as the selling price is in tandem with the cost of sales of the DI throughout the injury period.
- v. The price undercutting for all subject countries in the POI is negative. Petitioners arguments to oppose the use of weighted average of entire 18 months is to be rejected because:
  - i. there is a significant difference between the reference price and the landed price of Japanese Mills, which clearly demonstrates that the price increase is based on commercial considerations and not artificially inflated due to reference price based anti-dumping duty
  - ii. Monthly price variation in import prices cannot be the basis to oppose as subject goods comprise of multiple product types whose prices vary significantly. Monthly product mix may vary and consequently the price may also vary each month.
  - iii. The issue of over-invoicing, if any, is one that is appropriately assessed and dealt with by customs authorities (which is the appropriate forum), and not the DGTR and anyways lacks supporting evidence.
- vi. Installed capacity, production, sales value, sales realization, inventories and PBIT and cash profits have improved in the POI compared to the base year despite the Covid-19 pandemic. Therefore, an adjustment for the pandemic could mean that the DI must be performing much better.
- vii. DI specifically SAIL and JSW have acknowledged positive performance in their annual reports. Absence of injury to DI, as SAIL's annual reports indicates improved EBITDA margin. JSW Steel also reports improved EBITDA margin and marginal decline in FY 2019-20 can be attributed to extended monsoon, slowdown in automotive industry and covid-19 pandemic.
- viii. There are various factors other than alleged dumped imports that have impacted the performance of Domestic Industry:
  - i. The adverse effect / impact of COVID-19 on the Domestic Industry and steel industry has been recognized in the annual reports of the Domestic Industry as well as in the public domain.

- ii. The performance of the Domestic Industry was impacted due to decline in the demand which in turn was on account of various other factors such as weaker activity caused by lower public investment spend on account of general elections, lack of credit availability across the economy and slowdown in automotive and consumer durables etc.
- iii. The domestic producers in India are increasing their capacities (which is in excess of the demand in India).
- iv. SAIL has incurred a substantial amount of the employee benefit expenses in comparison to other constituents of the Domestic Industry.
- ix. The volume of imports of the PUC from subject countries has declined by 24 indexed during the POI as compared to base year.
- x. Claim that the growth of sales of the petitioner was short lived and declined due to dumped imports is incorrect as petitioner's own data indicates domestic sales and demand have remained on the same level. Decline in domestic sales can be attributed to the Covid-19 pandemic.
- xi. Market share of the DI and captive consumption of the DI increased from the base year and the imports declined from the base year. The DI along with the other domestic producers already accounts for 95% of the market share of the domestic demand of the PUC during the POI(A).
- xii. DI has not suffered any price suppression or depression DI has been able to increase selling price for HR in coil by 19% while costs increased by 15% during the POI(A) as compared to the base year. Landed value for HR in coil increased by 37% during the same period.
- xiii. While domestic selling price of DI for HR in Coil declined by 23 indexed points and cost of sales declined by 15 indexed points during POI(A) as compared to previous year, at the same time, the landed value declined by 13 indexed points.
- xiv. DI has been able to increase its selling price for HR not in Coil by 23% while the costs increased by 16% during POI(A) as compared to base year. Thus, the domestic selling price of HR not in Coil witnessed a higher increase in POI(A) from base year as compared to the increase in cost of sales.
- xv. Market report indicates that there has been significant variation in raw material prices of steel during POI which has impacted the selling price.
- xvi. DI does not appear to be suffering from price underselling due to alleged dumped imports of PUC from subject countries during the POI. Moreover, as per the data provided in the petition, the DI has also been able to increase its cash profits during this period.
- xvii. The overall profit of the DI has increased by 7% during the POI(A) from the base year, and it has increased significantly throughout the investigation period. Moreover, the other profitability indicators, such as PBIT and Cash Profits have also increased by 7% and 53% during the investigation period. ROCE of the DI shows an overall increase by 116% in a span of 3 years, i.e., from the base year to 2018-19, and an increase of 3% during the POI(A) from the base year.

### **H.3. Examination by the Authority**

- 106. The submissions made by the domestic industry with regard to the injury and causal link related issues have been examined. The injury analysis made by the

Authority hereunder ipso facto addresses the various submissions made by the interested parties.

107. Rule 11 of the Rules read with its Annexure-II thereto provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles."
108. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, and 20 shall apply mutatis mutandis in case of a review. In case the performance of the domestic industry shows that it has suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to continuation of material injury to the domestic industry. Similarly, if the performance of the domestic industry shows that it has not suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to recurrence of injury to the Domestic industry.
109. The Authority has examined current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject countries. It has been examined as to whether there is an increase in imports, in absolute terms or in relation to production or consumption. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure-II of the Rules. The Authority has taken note of various submissions of the domestic industry and other interested parties, and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the parties.
110. As regards the submission of the interested parties that 22% returns on capital employed is not acceptable for calculation of NIP, the Authority notes that this is the consistent practice of the Authority in all previous investigations conducted.

111. The Authority has examined the information furnished by the domestic Industry which has been verified and accepted after desk verification/remote cross check due to the present COVID-19 situation.
112. As regards the submission of the interested parties that scope for competition between imports from Japan and the domestic industry's products are minimal because the domestic industry cannot match the highly specialized grades sold by the Japanese Mills, the Authority examined the PCNs exported by the interested parties and those manufactured by the domestic industry during the POI. From the detailed examination of the information, the Authority found that the domestic industry either manufactured exactly matching PCN or a closely resembling PCN for each PCN for which information has been provided by the interested parties.
113. The interested parties have claimed that the Authority must conduct a weighted average undercutting margin for the entire eighteen months of the POI as opposed to the monthly undercutting suggested by the Petitioners. The Authority notes that it has conducted the price undercutting analysis on a weighted average basis for the entire 18 months-long POI and on an annual basis for the years prior to the POI.
114. As regards the contention that SAIL and JSW have acknowledged positive performance in their Annual Reports and improved EBITDA margin, it is noted that the applicant domestic producers are multi-product companies which manufacture other articles in addition to the subject goods. The Authority has examined the performance of the domestic industry with regard to the domestic like article to the PUC. Therefore, overall performance of the companies as reflected in their Annual Reports is not indicative of whether it is suffering from material injury in its capacity as domestic industry of the like article.
115. Some of the interested parties have claimed that various factors other than alleged dumped imports that have impacted the performance of domestic industry such as adverse effect / impact of COVID-19 which has been recognized in the Annual Reports of the domestic industry as well as the consequent decline in demand. In this regard, the Authority notes that the present anti-dumping investigation entails an examination of whether dumped imports are a cause of material injury to the domestic industry and that they need not be the only cause. Therefore, the Authority has examined whether dumped imports have impacted the performance of the domestic industry in the subsequent paras.
116. Some of the interested parties have claimed that the domestic capacity in India is in excess of the demand in India. The Authority notes that despite capacities (of the domestic industry and other producers) being sufficient to cater to the entire domestic demand, the volume of imports have remained significant.

117. As regards the reference to market reports by certain interested parties which indicate that there has been significant variation in raw material prices of steel during the POI which has impacted the selling price, the Authority notes that the average cost of sales for eighteen months of the POI has been compared with the average net sales realization for the same period and therefore, any variations in such raw material prices will also be averaged out.

118. As regards the argument that Covid-19 is impacting the global matrix, it is noted that the same cannot justify dumping of the product in India.

119. All other submissions of all interested parties with regard to injury analysis have been addressed in the following paragraphs.

### H.3.1. Volume effect of dumped imports on domestic industry

#### a. Assessment of demand/apparent consumption

120. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of captive consumption and domestic sales of Indian Producers and imports from all sources.

Particulars	Value	2016-17	2017-18	2018-19	POI (Apr 19 to Sep 20)	POI (A)
Imports from subject countries	MT	2,779,816	2,993,215	2,600,132	3,184,753	2,123,169
	Indexed	100	108	94	115	76
Imports from other countries	MT	428,750	218,164	381,755	242,129	161,419
	Indexed	100	51	89	56	38
Domestic Sales of DI	MT	15,225,634	16,699,221	17,745,040	22,849,840	15,233,227
	Indexed	100	110	117	150	100
Captive Consumption of DI	MT	***	***	***	***	***
	Indexed	100	106	107	156	104
Domestic Sales of other domestic producers	MT	***	***	***	***	***
	Indexed	100	133	119	152	101
Captive Consumption of other domestic producers	MT	***	***	***	***	***
	Indexed	100	128	109	158	105
<b>Demand</b>	MT	<b>41,906,00</b>	<b>49,011,00</b>	<b>47,278,00</b>	<b>62,548,00</b>	<b>41,698,66</b>

(including captive consumption)		0	0	0	0	7
	Indexed	100	117	113	149	100
Demand (excluding captive consumption)	MT	29,999,223	35,280,695	34,476,098	43,826,600	29,217,734
	Indexed	100	118	115	146	97
Total Domestic Production	MT	41,825,000	49,237,000	50,349,000	71,571,000	47,714,000
Imports from subject countries in relation to Consumption (including captive)	%	7%	6%	5%	5%	5%
Imports from subject countries in relation to total Domestic production	%	7%	6%	5%	4%	4%
Imports from subject countries in relation to Consumption (excluding captive)	%	9%	8%	8%	7%	7%

121. The Authority finds that the demand increased from 41.9 Mn MT in 2016-17 to 49.0 Mn MT during 2017-18. It declined to 47.3 Mn MT during 2018-19 and further to 41.7 Mn MT during POI (A). There is no significant change in the demand between the base year and the POI of the injury analysis period.

**b. Import Volumes from subject countries.**

122. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S. The factual position is as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI	POI (A)
Subject Countries	MT	2,779,816	2,993,215	2,600,132	3,184,754	2,123,169
	Indexed	100	108	94	115	76
Brazil		191	-	-		-

China PR		850,785	705,576	420,396	669,411	446,274
Indonesia		38,464	92,693	98,657	167,633	111,755
Japan		659,786	595,062	441,931	431,765	287,844
Korea RP		1,086,611	1,541,231	1,605,592	1,915,943	1,277,296
Russia		143,980	58,654	33,555		-
<b>Other Countries</b>	MT	<b>428,750</b>	<b>218,164</b>	<b>381,755</b>	<b>242,129</b>	<b>161,419</b>
	Indexed	100	51	89	56	38
<b>Total Imports</b>	MT	<b>3,208,566</b>	<b>3,211,379</b>	<b>2,981,886</b>	<b>3,426,883</b>	<b>2,284,588</b>
	Indexed	100	100	93	107	71
<b>Total Domestic Production</b>	MT	<b>41,825,000</b>	<b>49,237,000</b>	<b>50,349,000</b>	<b>71,571,000</b>	<b>47,714,000</b>
<b>Imports from Subject Countries in relation to total imports</b>	%	87%	93%	87%	93%	93%
	indexed	100	108	101	107	107
<b>Imports from Other Countries in relation to total imports</b>	%	13%	7%	13%	7%	7%
	indexed	100	51	96	53	53
Imports from subject countries in relation to total Domestic production	%	7%	6%	5%	4%	4%
Imports from subject countries in relation to Consumption (including captive)	%	7%	6%	5%	5%	5%
Imports from subject countries in relation to Consumption (excluding captive)	%	9%	8%	8%	7%	7%

123. The Authority finds that imports from the subject countries varied within a range of 2.1 Mn MT to 3.0 Mn MT. The Authority also notes that there were no imports from Brazil after 2016-17 and Russia during the POI.

124. The Authority notes that imports from the subject countries has commanded a significant share in the total import of the subject goods during the entire injury analysis period. The Authority further notes that the share of imports from the subject countries in total imports has increased during the POI.

### H.3.2. Price effect of the dumped imports

125. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from subject countries has been examined with reference to price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, non-injurious price (NIP) and net sales realization (NSR) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject countries.

#### i. Price undercutting

126. For the purpose of price undercutting analysis, the selling price of the domestic industry has been compared with the price from the subject countries. Accordingly, the undercutting effects of the dumped imports from the subject countries work out as follows-

Particulars	Unit	2016-17	2017-18	2018-19	POI (Apr 19 to Sep 20)	POI (A)
Landed Value	INR/MT	32,603	39,224	48,661	45,497	45,497
	Indexed	100	120	149	140	140
Domestic Selling Prices	INR/MT	***	***	***	***	***
	Indexed	100	120	142	120	120
Price Undercutting	INR/MT	***	***	***	***	***
	%	***	***	***	***	***
	% Range	Negative	Negative	Negative	Negative	Negative

127. It has been claimed that the imports from subject countries as a whole are entering at prices above the domestic selling prices of the domestic industry resulting in negative price undercutting. 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.

### b. Price suppression and depression

128. In order to determine whether the dumped imports are depressing or suppressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the changes in the costs and prices over the injury period is examined. Table below shows factual position:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Selling Price	INR/MT	***	***	***	***
	Indexed	100	120	140	119
Cost of sales	INR/MT	***	***	***	***
	Indexed	100	115	129	119
Landed Value	INR/MT	32,603	39,224	48,661	45,497
	Indexed	100	120	149	140
Price Suppression	INR/MT		***	***	***
	Indexed		(100)	(160)	208

129. The Authority notes that the prices of the domestic industry increased till 2018-19 when prices of imports were also increasing. Thereafter, when prices of imports declined during the period of investigation, the prices of the domestic industry also declined.

130. The Authority notes that some of the related importers of the producers and exporters in the subject countries have resold the PUC to users below the prices at which they were imported. It was also found with respect to certain producers that there was a significant variation between the export price to their related entities and independent buyers.

131. The Authority further notes that 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.

### H.3.3. Economic parameters of the domestic industry

132. Annexure II to the Rules provides that the examination of the impact of the dumped imports on the Domestic Industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the Domestic Industry are discussed below.

133. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions.

**i. Production, capacity, capacity utilization and sales**

134. The capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	POI(A)
Installed Capacity	MT	28,540,000	28,638,630	29,540,000	44,310,000	29,540,000
	Indexed	100	100	104	155	104
Production	MT	24,311,195	25,643,998	26,791,249	37,322,672	24,881,782
	Indexed	100	105	110	154	102
Capacity Utilization	%	85%	90%	91%	84%	84%
	Indexed	100	106	107	99	99
Domestic Sales	MT	15,225,634	16,699,221	17,745,040	22,849,840	15,233,227
	Indexed	100	110	117	150	100

135. The Authority finds that -

- i. Compared to the base year 2016-17, installed capacity of the domestic industry increased during 2017-18 and again during 2018-19. Even with increased capacity, percentage of capacity utilization increased during 2017-18 and 2018-19. However, capacity utilization declined during the POI (A) to a level lower than that existed in 2016-17.
- ii. Production and sales of the domestic industry also increased commensurately till 2018-19. During the POI however, the production and domestic sales of the domestic industry reduced to the same levels as that of the base year.
- iii. Capacity utilization and sales reduced as a result of reduction in demand witnessed during the POI compared to 2018-19.

**i. Market Share in demand**

136. Market share of the domestic industry is shown in the table below:

Particulars		2016-17	2017-18	2018-19	POI	POI(A)
Market share of subject countries in demand (including captive)	%	6.63%	6.10%	5.49%	5.09%	5.09%
	Indexed	100	92	83	77	77
Market share of subject countries in demand (excluding captive)	%	9.26%	8.48%	7.54%	7.26%	7.26%
	Indexed	100	92	81	78	78
Imports from other countries	%	1.02%	0.45%	0.81%	0.39%	0.39%
	Indexed	100	44	79	38	38
Domestic Sales of DI	%	36.33%	34.07%	37.53%	36.53%	36.53%
	Indexed	100	94	103	101	101
Captive Consumption of DI	%	***	***	***	***	***
	Indexed	100	90	94	105	105
Domestic Sales of other domestic producers	%	***	***	***	***	***
	Indexed	100	114	105	102	102
Captive Consumption of other domestic producers	%	***	***	***	***	***
	Indexed	100	109	96	106	106

137. It is seen from the above table that

- i. The market share of domestic industry, both including and excluding captive consumption remained within a narrow range during the entire injury analysis period.
- ii. Market share of dumped imports. However, after reducing marginally from 7% in 2016-17 to 5% in 2018-19, the market share of dumped imports remained the same during the POI.
- iii. The Authority notes that dumped imports continued to enter the domestic market in significant volumes.

### iii. Inventories

138. Inventory position with the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI (A)
-------------	------	---------	---------	---------	---------

Inventory	MT	816,152	603,243	746,064	821,292
	Indexed	100	74	91	101
Inventory as No. of days of Production	No	12	9	10	12
	Indexed	100	75	83	100
Inventory as No. of days of Sales	No	17	12	14	16
	Indexed	100	71	82	94

139. It is noted that there is little change in inventory of subject goods during the injury period.

**iv. Profitability, cash profits and return on capital employed**

140. Profitability, cash profits and return on investment of the domestic industry over the period is given below.

Particulars	Unit	2016-17	2017-18	2018-19	POI (A)
Cost of Sales - Domestic	INR/MT	***	***	***	***
	Indexed	100	115	129	119
Selling Price- Domestic	INR/MT	***	***	***	***
	Indexed	100	120	140	119
Profit	INR/MT	***	***	***	***
	Indexed	100	192	332	115
PBIT - Domestic Sales	INR/MT	***	***	***	***
	Indexed	100	143	198	86
Cash Profit	INR/MT	***	***	***	***
	Indexed	100	157	242	117
PBIT - Domestic	Rs. in Crores	7,495	11,720	17,259	9,666
	Indexed	100	156	230	129
Cash Profit	Rs. in Crores	***	***	***	***
	Indexed	100	172	282	176
Return on capital employed	%	***	***	***	***
	Indexed	100	154	221	81

141. The Authority finds that after imposition of ADD, profit per MT increased from Rs. \*\*\* PMT during 2016-17 to Rs. \*\*\* PMT during 2018-19. However, profits declined to Rs. \*\*\* PMT during POI. A similar trend is seen in respect of PBIT and cash profit.

142. It is noted that ROCE was \*\*\*% during 2016-17. It increased to \*\*\*% and \*\*\*% during 2017-18 and 2018-19 respectively but declined to \*\*\*% during the POI.

#### v. Employment, wages and productivity

143. Employment, wages and productivity of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
No of Employees	Nos	93,704	87,895	83,639	79,418
	Indexed	100	94	89	85
Wages	Rs. in Crores	3,167	3,062	3,053	4,062
	Indexed	100	97	96	128
	INR/MT	2,080	1,834	1,720	1,778
	Indexed	100	88	83	85
Productivity per Day	MT/Day	66,606	70,258	73,401	68,169
	Indexed	100	105	110	102

144. It is seen that the number of employees has decreased throughout the injury period and in the period of investigation. Similarly, wages per MT also declined during the injury analysis period. Productivity improved overall but declined in the POI compared to 2018-19.

#### vi. Growth

145. The domestic industry record growth during 2017-18 and 2018-19 over the respective preceding years, but recorded a negative growth during the POI, in terms of, production, capacity utilization, domestic sales volume, inventories, profits, cash profits and return on investment as shown in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI(A)
Production	Y/Y	-	5%	4%	-7%
Capacity Utilisation	Y/Y	-	6%	1%	-8%
Domestic Sales	Y/Y	-	10%	6%	-14%
Profit/Loss Per unit	Y/Y	-	1423%	237%	-91%
Cash Profit	Y/Y	-	79%	108%	-60%
Return on Capital Employed	Y/Y	-	67%	60%	-75%
Inventories	Y/Y	-	-26%	24%	10%

#### vii. Magnitude of dumping margin

146. Magnitude of dumping is an indicator of the extent to which the imports are being dumped in India. The investigation has shown that dumping margin is positive in the period of investigation.

#### viii. Ability to raise capital investment

147. Significant investment was recently made in increasing the capacity of the Domestic Industry to produce the PUC. However, the profitability of the domestic industry has significantly declined in the POI.

**ix. Magnitude of price underselling/injury margin**

148. 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 country was made with NIP of closely resembling PCN.

149. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.

**Injury Margin Table**

S No	Country	Producer/Exporter	Product	NIP (USD/MT)	Landed Value (USD/MT)	Injury Margin (USD/MT)	Injury Margin %	Range %
1	China PR	All Producers/Exporters	HR in Coil	***	***	***	***	Negative
			HR not in Coil	***	***	***	***	Negative
			PUC W. Avg.	***	***	***	***	Negative
2	Indonesia	PT Krakatau POSCO, Indonesia	HR in Coil	-	-	NA	NA	NA
			HR not in Coil	***	***	***	***	Negative
			PUC W. Avg.	***	***	***	***	Negative
		All Others	HR in Coil	-	-	NA	NA	NA
			HR not in Coil	***	***	***	***	Negative
			PUC W. Avg.	***	***	***	***	Negative
3	Japan	JFE Steel Corporation	HR in Coil	***	***	***	***	Negative
			HR not in	***	***	***	***	Negative

		Coil					ve	
		PUC W. Avg.	***	***	***	***	Negative	
	Nippon Steel Corporation	HR in Coil	***	***	***	***	Negative	
		HR not in Coil	***	***	***	***	Negative	
		PUC W. Avg.	***	***	***	***	Negative	
	All Others	HR in Coil	***	***	***	***	0-10	
		HR not in Coil	***	***	***	***	Negative	
		PUC W. Avg.	***	***	***	***	Negative	
4	Korea RP	POSCO	HR in Coil	***	***	***	***	Negative
			HR not in Coil	***	***	***	***	Negative
			PUC W. Avg.	***	***	***	***	Negative
		Hyundai Steel Company	HR in Coil	***	***	***	***	Negative
			HR not in Coil	***	***	***	***	Negative
			PUC W. Avg.	***	***	***	***	Negative
		All Others	HR in Coil	***	***	***	***	Negative
			HR not in Coil	***	***	***	***	Negative
			PUC W. Avg.	***	***	***	***	Negative

### I. Examination on Injury

150. The examination of the imports of the subject goods from the subject countries and the performance of the domestic industry shows that the volume of dumped imports from subject countries have declined in absolute terms but continue to remain significant in the demand excluding captive consumption. While price undercutting is negative, the Authority notes that the dumping margin of the producers and exporters in the subject countries is significant. It is noted that and some of their related importers in India have resold the PUC to users below the prices at which they were imported or there was a significant variation in export price to their related entities and independent buyers. The prices of the Domestic Industry were both suppressed and depressed during the POI. While there was a reduction in production, sales and capacity utilization due to a reduction in demand witnessed during the POI. the performance of the domestic industry

significantly deteriorated in respect of profits, cash profits and return on capital employed during the same period due to price suppression and depression. Growth of the Domestic Industry has also become negative. In view of the foregoing, the Authority concludes that the Domestic Industry has suffered material injury.

#### **J. CAUSAL LINK & NON-ATTRIBUTION ANALYSIS**

151. Under Section 9A (5), the Authority is required to examine the likelihood of dumping and injury and the need for continuation of duties irrespective of whether there have been any imports of the PUC during the review investigation period or not. It has been examined below whether factors other than dumped imports could have contributed to the injury to the domestic industry:

##### **i. Volume and prices of imports from third countries**

152. It is seen that imports from other countries other than dumped imports are negligible and ranged between 0.39% to 1.02% of demand during the injury analysis period and therefore, third country imports could not have been a cause of injury to the domestic industry.

##### **ii. Contraction in Demand**

153. It is seen that the demand for the product under consideration decreased during the period of investigation. However, while demand contracted which impacted sales of the domestic industry during the last six months of the period of investigation, imports from the subject countries also reduced commensurately and as a consequence, the market share of the domestic industry and imports remained the same during the period of investigation when compared to the preceding year i.e. 2018-19. Therefore, contraction in demand cannot be considered as a reason for injury to the domestic industry.

##### **iii. Changes in Pattern of consumption**

154. No evidence has been brought by any interested parties about any material change(s) in the pattern of consumption of the product under consideration. Therefore, possible changes in the pattern of consumption are not the cause of injury considered by the Authority.

##### **iv. Conditions of competition and trade restrictive practices**

155. The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for injury suffered by the Authority.

##### **v. Developments in technology**

156. No evidence has been brought by any interested parties about existence of significant changes in the technology that could have caused injury to the domestic industry.

**vi. Export Performance of the Domestic industry**

157. Exports made by the domestic industry constitutes small portion of its production. The Authority has considered data for domestic operations only for the injury analysis. Therefore, export performance is not the cause for the injury to the domestic industry.

**vii. Performance of other products**

158. The domestic industry has provided the injury data of PUC performance and the same has been adopted by the Authority for the purpose of injury analysis. Performance of other products produced and sold by the applicant is not a possible cause of the injury to the domestic industry.

**K. Analysis of Continuation of Injury and Causal Link**

**Likelihood of Injury to the domestic industry**

159. The Authority observes that this is a sunset review investigation and the focus of the investigation is to examine the likely scenario of continued dumping and consequent injury if ADD were to be allowed to expire, even if there is no current dumping or injury.

**I.1. Submissions by the domestic industry**

160. The following submissions have been made by the domestic industry with regard to likelihood:
- i. Unlike EU and the USA, India is the only large exporting destination which does not have a safeguard measure imposed for the protection of its domestic industry. The absence of any protection is likely to cause subject goods from subject countries to flood the markets.
  - ii. As per the OECD steel report, global steel capacity increased by 34.1mmt.in 2019 from 2018. Projection for 2022 estimates an increase of another 58-78 mmt which is almost equivalent to that of Korea which has the fourth largest capacity.
  - iii. Demand is expected to rise in India and the increase in capacity in 2021 and 2022 will cater to the increased demand of India.
  - iv. Free trade agreements with the subject countries may result in export of the subject goods to the Indian market.
  - v. The unutilized capacity in 2019 is almost equal to the combined capacity of the second (EU), third (Japan) and fourth (India) largest steel producing

economies. Exports in 2021 are expected to rise again when the markets will function at the level before the lockdown.

- vi. There are 28 trade remedy measures initiated by third countries against the subject countries. Additionally, the USA has imposed 25% additional duty under Section 232 of the US Trade Expansion Act 1962. This measure not only affected exports from the subject countries to USA but also their exports to other countries as they safeguard measures to protect their industry from the ‘bouncing off’ effect of Section 232 measures imposed by US.

Sl. No.	Imposing Country	Country Affected	Measure	Date of initial Imposition or last extension	Product
1.	Canada	China	AD	13-Feb-1997 (Last extended 9-Aug-2018)	Certain hot-rolled steel plate (previously hot-rolled carbon steel plate)
2.	Canada	China	AD	17-Aug-2001 (Last extended 12-Aug-2016)	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet)
3.	European Union	China	AD	06-Apr-2017	Certain hot-rolled flat products of iron, non-alloy or other alloy steel
4.	Indonesia	China	AD	15-Aug-2019	Hot Rolled Plate
5.	Thailand	China	AD	12-Aug-2011 (Last extended on 23-Jun-2017)	Flat Hot Rolled in Coils and not in Coils
6.	Thailand	China	AD	26-Dec-2012 (Last extended on 12-Dec-2018)	Flat Hot Rolled Steel added Boron in Coils and not in Coils
7.	United States of America	China	AD	27-Aug-2019	Certain Hot-Rolled Carbon Steel Flat Products
8.	Canada	Brazil	AD	17-Aug-2001 (Last extended 12-Aug-2016)	Certain hot-rolled steel sheet (previously hot-rolled carbon steel sheet)
9.	European Union	Brazil	AD	6-Oct-2017	Hot-rolled flat products of iron, non- alloy or other alloy steel
10.	Thailand	Brazil	AD	16-May-2017	Flat hot rolled in coils and not in coils
11.	United States of America	Brazil	CV	3-Oct-2016	Hot rolled flat steel products
12.	United States of America	Brazil	AD	3-Oct-2016	Hot-rolled steel flat products
13.	United States of America	Japan	AD	5-Sept-2019	Hot-rolled steel flat products
14.	Indonesia	Korea	AD	7-Feb-2011	Hot Rolled Coil

15.	Thailand	Korea	AD	23-May-2020	Flat Hot Rolled in Coils and not in Coils
16.	United States of America	Korea	CV	3-Oct-2016	Hot rolled flat steel products
17.	United States of America	Korea	AD	9-July-2019	Hot-rolled steel flat products
18.	Brazil	Russian Federation	AD	19-Jan-2018	Hot rolled steel
19.	European Union	Russian Federation	AD	6-Oct-2017	Hot-rolled flat products of iron, non- alloy or other alloy steel
20.	Indonesia	Russian Federation	AD	2-Apr-2019	Hot Rolled Coil
21.	Mexico	Russian Federation	AD	29-Mar-2015	Hot-rolled sheet
22.	Thailand	Russian Federation	AD	23-May-2020	Flat Hot Rolled in Coils and not in Coils
23.	United States of America	Russian Federation	AD	20-Oct-2016	Hot-Rolled Carbon Steel Flat Products
24.	Thailand	Indonesia	AD	21-May-2015	Flat Hot Rolled in Coils and not in Coils
25.	United States of America	Indonesia	AD	3-Dec-2001 (Last extended: 27-Aug-2019)	Certain Hot-Rolled Carbon Steel Flat Products
26.	United States of America	Indonesia	CV	27-Aug-2019	Certain Hot-Rolled Carbon Steel Flat Products
27.	European Union	All	SG	18-Jul-2018	All Steel Products
28.	United States of America	All	SG	23-Mar-2018	All Steel Products

- vii. For instance, European Union imposed a safeguard measure on 18 July 2018 on imports of steel products with the sole objective of protecting EU industry from increased imports from countries that could not export to US due to US 232 measure.
- viii. The steel production in the subject countries increased between 2017 to 2019, where China's increased by 14.5% and Indonesia by 23%. The demand in the subject countries are not sufficient to absorb their entire production and a significant percentage of production is exported. High export orientation can lead to high likelihood of continuation or recurrence of dumping and injury if the duties were to cease.
- ix. Global exports from the subject countries have declined in 2019 and thus they may be holding significant inventories of the subject goods. These could be released in India when the duties cease.

Country	2019	2018	Reduction
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<b>China</b>	63.8	68.8	5
<b>Japan</b>	33.1	35.8	2.7
<b>Russia</b>	29.5	33.3	3.8
<b>Korea</b>	29.9	30.1	0.2
<b>Brazil</b>	13.3	13.9	0.6
<b>Total</b>	169.6	181.9	12.3

[Source: WSA]

- x. The capacities held by subject countries far outstrip the consumption in their respective markets. In a situation when most of the major steel consuming countries have closed their markets, export oriented countries with excess capacities will look to open and predictable markets.

	Production			Consumption			Excess Production		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
China PR	996.3	920	870.9	907.5	836.1	773.8	88.8	83.9	97.1
Japan	99.3	104.3	104.7	63.2	65.4	64.4	36.1	38.9	40.3
Indonesia	6.4	6.2	5.2	NA	NA	NA	NA	NA	NA
Russia	71.9	72.1	71.5	43.5	41.4	41.2	28.4	30.7	30.3
Korea RP	71.4	72.5	71	53.2	53.7	56.3	18.2	18.8	14.7
Brazil	32.2	35.4	34.5	20.6	21.2	19.6	11.6	14.2	14.9
<b>Total</b>	<b>1277.5</b>	<b>1210.5</b>	<b>1157.8</b>	<b>1088</b>	<b>1017.8</b>	<b>955.3</b>	<b>183.1</b>	<b>186.5</b>	<b>197.3</b>

[Source : WSA ]

- xi. The exports from subject countries to third countries are priced lower than the exports to India. Since the prices from the subject countries to India are higher than their global export prices, it is evident that if the existing antidumping duties are removed, the subject countries will increasingly turn to the Indian domestic market to dump the subject goods because they would be able to fetch higher prices.

	HR Coils Avg Export Price to India (2019)	HR Coils Avg Export Price to World (2019)	HR not in Coils Avg Export Price to India (2019)	HR not in Coils Avg Export Price to World (2019)
<b>Brazil</b>	-	493	-	669
<b>China</b>	576	514	745	560
<b>Indonesia</b>	-	506	580	552
<b>Japan</b>	529	536	993	694
<b>Korea</b>	585	558	664	658
<b>Russia</b>	-	476	-	614

(Source: ITC Trade map Data)

- xii. The unutilized capacity, additions to capacity on top of such unutilized capacities, surplus production, trade barriers in major steel consuming countries, cumulatively point towards the unmistakable factum that there is a clear and imminent likelihood of increase in dumped imports to India and

recurrence of material injury in the event that anti-dumping duties are removed.

- xiii. The producers/exporters in subject countries have significant unutilized capacities:-

**Unit: Million metric tonnes**

		2017	2018	2019
<b>China</b>	Capacity	1164	1128	1152
	Production	871	920	996
	<b>Unutilized Capacity</b>	<b>293</b>	<b>198</b>	<b>156</b>
<b>Japan</b>	Capacity	130	130	130
	Production	105	104	99
	<b>Unutilized Capacity</b>	<b>25</b>	<b>26</b>	<b>31</b>
<b>Korea</b>	Capacity	82	82	82
	Production	71	72	71
	<b>Unutilized Capacity</b>	<b>11</b>	<b>10</b>	<b>11</b>
<b>Indonesia</b>	Capacity	11	11.5	12
	Production	5	6	6.5
	<b>Unutilized Capacity</b>	<b>6</b>	<b>5.5</b>	<b>5.5</b>
<b>Russia</b>	Capacity	86	86	87
	Production	71	72	72
	<b>Unutilized Capacity</b>	<b>15</b>	<b>14</b>	<b>15</b>
<b>Brazil</b>	Capacity	51	51	51
	Production	34	35	32
	<b>Unutilized Capacity</b>	<b>17</b>	<b>16</b>	<b>19</b>
<b>Subject Countries</b>	Capacity	1513	1477	1502
	Production	1157	1209	1276.5
	<b>Unutilized Capacity</b>	<b>356</b>	<b>268</b>	<b>225.5</b>

[Source: OECD and WSA]

Capacity in the subject countries have increased despite the fact that OECD is constantly urging countries to reduce their steel capacities. The unutilized capacity in the subject countries is far higher than the demand in India

- xiv. The Ministry of Finance vide Notification No.2/2021-Customs (Exhibit-27), has reduced the basic customs duties on imports of the subject goods from 12.5%/10% to 7.5%.
- xv. Steel prices are cyclical in nature and has remained extremely volatile over the years. The prices are subject to significant variations:

S. No.	High	\$/MT	Low	\$/MT	Difference in Months
1	May-1995	475	Feb-1996	255	9
2	Apr-1997	345	Dec-1998	185	20
3	Apr-2000	333	Dec 2001	175	20

4	Feb-2003	353	Jun-2003	250	4
5	Sep-2004	625	Jul-2005	390	10
6	Jun-2006	610	Dec-2006	502	6
7	Jun-2008	1113	Mar-2009	380	9
8	Aug-2009	620	Nov-2009	496	3
9	Apr-2010	718	Jul-2010	588	3
10	Feb-2011	772	Dec-2015	270	58
11	Apr-2016	440	Jun-2016	362	2
12	Mar-2018	637	May-2020	385	26
13	May-2021	1015			

(Source: WSD)

xvi. Whenever steel prices increased, they fell sharply again. The World Steel Dynamics projections predict that steel prices will reduce again:

Hot Rolled Band (mt)	2015	2016	2017	2018	2019	2020	Apr 2020	May 2021	June 2021	2021 (Q3)	2021 (Q4)	2022	2023 - 2030
World Export Market (FOB)	370	382	530	580	498	487	390	1070	1050	975	750	650	513

(Source: WSD)

xvii. Post-POI information is not a legally mandated factor to be considered in each and every sunset review investigation. In sunset reviews recently concluded by the Authority regarding (1) *Seamless Tubes, Pipes & Hollow Profile of Iron, Alloy or Non-Alloy Steel* originating in or exported from China PR-reg - Final findings dated 30<sup>th</sup> July 2021, (2) *Viscose Staple Fibre* originating in or exported from China PR and Indonesia - Final findings dated 31<sup>st</sup> July 2021, (3) *Flat-based Steel Wheels* from China PR – Final Findings on 9<sup>th</sup> August 2018, (4) *Cold-Rolled Flat Products of Stainless Steel* from China, Korea RP, EU, Taiwan, Thailand & USA– Final Findings dated 20<sup>th</sup> January 2021(5) *Methyl Acetoacetate* from China PR – Final Findings dated 3<sup>rd</sup> May 2021(6) *Pthalic Anhydride* from China PR, Indonesia, Korea and Thailand – Final Findings dated 19<sup>th</sup> May 2021, post-POI data was not considered for determining likelihood of dumping and injury

## I.2. Submissions by other interested parties

161. The following submissions have been made by other interested parties with regard to likelihood:

- i. Petition lacks reliable evidence regarding normal value and export price or likelihood of recurrence of injury and is therefore, unsubstantiated. Consequently, the initiation (which is based on unsubstantiated Petition) lacks merit and fails to meet the threshold set forth by Rule 23 of the AD Rules.

- ii. Projections regarding increase in demand and slump in prices cited by Petitioner are no longer reliable due to the impact of Covid-19 pandemic.
- iii. Post-POI data would be required to determine whether DI suffered from continued injury as per the Authorities findings in Sunset Review of Anti-dumping investigation concerning imports of Viscose Filament Yarn originating in or exported from China PR. Lack of it should lead to termination of the investigation.
- iv. No significant imports as the imports from subject countries as a whole as well as Japan have decreased in the POI.
- v. DGTR should not include the 18-month period (March 2020-September 2021) affected by Covid-19 pandemic. Any injury to the Domestic Industry due to the COVID-19 pandemic should not be attributed to the subject imports.
- vi. Petitioner's claims on excess capacity from with respect to Japan are unsubstantiated.
- vii. Averments of petitioner on demand in India and capacity increase will only cater to increased demand are baseless: (1) Forecasts prepared in 2018/2019 without accounting for the Covid-19 pandemic and hence unreliable, (2) Petitioner admits that demand decreased in 2020 due to the pandemic and hence the global capacity could not have been used to cater to the Indian market, (3) Demand declined in the POI. Petitioner cannot rely on the forecast reports to show increases in demand in 2021/2022.
- viii. Questionnaire responses will indicate that there are no excess capacities with the Exporters.
- ix. The OECD and WSA reports relied upon by the Petitioner has not be disclosed to the parties, which deprives the Japanese Mills an opportunity to provide meaningful comments on this section.
- x. Assuming (but not conceding) that there are unutilized capacities with the producers in Japan and reference price based anti-dumping duty is no longer relevant (on account of movement of raw material prices) as claimed by the Petitioner, the producers from Japan would have already exported the alleged unutilized capacities towards India. However, imports from Japan decreased.
- xi. Japanese producers sell specialized products only to India, the demand for specialized products is already low in India and that there has been a contraction in demand on account of the COVID-19 pandemic. Even if the demand for PUC increases, the Japanese producers' exports will be of specialized grades only.
- xii. Information provided by the petitioner shows production and exports decreased, production and inventories of the Japanese Mills also declined. Exports from Japanese Mills to all countries remained stable. No evidence of unutilized capacities in Japan.
- xiii. Trade remedial measures imposed by USA/EU against Japan do not have effect on the pattern of the sales and exports of the Japanese Mills.
- xiv. Significant volumes of grades sold by some of the Japanese Mills to the third countries where trade remedy measures are in place are not substitutable to the grades sold to India and thus unlikely to be diverted.

- xv. Volume of exports have not increased, or price not decreased despite the reduction in BCD under the India-Japan CEPA.
- xvi. Merely having an excess capacity with the exporters does not in itself imply that it is meant to be diverted to India especially when the DI has not provided any cogent evidence (Article 3.2 of the ADA, Final findings in a sunset review anti-dumping investigation concerning imports of Rubber Chemicals, namely, MBT, CBS, TDQ, PVI and TMT, originating in or exported from China PR and imports of PX-13 (6PPD) originating in or exported from China PR and Korea RP, Indian Spinners Association v. DA)
- xvii. The injury parameters show that the DI is enjoying substantial profits and has improved on all the economic parameters. Thus, petitioner's argument regarding Export Orientation of Subject Countries and presence of Unutilized Capacities must be rejected.
- xviii. Present demand as per the JPC data cited by the DI is 41,698,667 MT<sup>61</sup> against an installed capacity of 40,478,000 MT. A 13-14% year on growth in steel demand for FY2021-22 along with backward integrated and significant exporting DI would mean imports are necessary to cater to domestic demand after Covid-19 slowdown.
- xix. Imports of the PUC from the subject countries have declined by 24% when compared to the base year despite the demand remaining at comparable levels to the base year. This indicates ADD has served its purpose in reducing volume impact of imports.

### **I.3. Examination by the Authority**

- 162. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of dumping or injury in the event of cessation of the duty. The Authority has considered various information, as made available by the domestic industry and other interested parties, in order to evaluate the likelihood of continuation or recurrence of dumping or injury.
- 163. Some of the interested parties have claimed that the petition lacks reliable evidence regarding likelihood of recurrence of injury and is therefore, unsubstantiated and could not have formed the basis of initiation of the investigation. In this regard, the authority notes that the interested parties have also relied upon the same sources of information such as world steel dynamics report and the OECD reports.
- 164. Some of the interested parties have the contended that the projections regarding increase in demand and slump in prices cited by petitioner are no longer reliable due to the impact of Covid- 19. In this regard, the Authority notes that information on record also contains historical data which demonstrates that steel prices are cyclical in nature and the Authority further notes that the interested parties have

also not denied that the prices of steel are subject to peaks and troughs from time to time.

165. As regards the contention that the Authority should not include the 18-month period (April 2019 to September, 2020) affected by Covid-19 pandemic, it is noted that the POI adopted in a number of investigations conducted by the Authority have included the said period. A longer period of investigation is 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. In view of the above, period of investigation (POI) of 18 months from 1<sup>st</sup> April 2019 to 30<sup>th</sup> September 2020 is considered appropriate. The injury investigation period will cover the periods April 2016 - March 2017, April 2017 - March 2018, April 2018 - March 2019 and the period of investigation i.e., 1<sup>st</sup> April 2019 to 30<sup>th</sup> September 2020.
166. As regards the contention that volume of imports have not increased as a result of reduction of BCD under the India-Japan CEPA, the Authority notes that as the anti-dumping duty is based on a reference price, it prevents imports from entering the domestic market at prices below such reference price notwithstanding reduction in BCD.
167. Some of the interested parties have claimed that imports have reduced from the base year despite demand remaining at similar levels as a result of the anti-dumping duties and the domestic industry is no longer suffering from injury. In this regard, the Authority has examined whether cessation of anti-dumping duties will again lead to an increase in dumped imports and recurrence of material injury to the domestic industry as a consequence.
168. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A(5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure – II (vii) of the Rules, and other relevant factors brought on record by the interested parties. It is noted that the present investigation is a sunset review of ADD earlier imposed on the imports of subject goods from China PR, Japan, Korea RP, Russia, Brazil and Indonesia. Under the Rules, the Authority is required to determine whether continued imposition of ADD is warranted. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. There are no specific methodologies available to conduct such a likelihood analysis. However, clause (vii) of Annexure II of the Rules provides, inter alia for factors which are required to be taken into consideration viz.:
  - i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation

- ii. Sufficiently 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;
- iii. 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
- iv. Inventories of the article being investigated.

**i. Continued & existing dumping and injury**

169. The Authority notes that the imports of product under consideration in the current period of investigation, are at dumped prices despite anti-dumping duty in existence. Further, dumping margin is positive from the subject countries.
170. It is also noted that the performance of the domestic industry has deteriorated in respect of production, domestic sales, inventories, profits, cash profits and return on capital employed.
171. The volume of dumped imports has remained significant during the period of investigation despite the existence of anti-dumping duties.

**ii. Export prices to third countries**

172. The Authority notes on the basis of information on record that exports from subject countries to third countries are largely priced lower than the exports to India.

	HR Coils Avg Export Price to India (2019)	HR Coils Avg Export Price to World (2019)	HR not in Coils Avg Export Price to India (2019)	HR not in Coils Avg Export Price to World (2019)
<b>Brazil</b>	-	493	-	669
<b>China</b>	576	514	745	560
<b>Indonesia</b>	-	506	580	552
<b>Japan</b>	529	536	993	694
<b>Korea</b>	585	558	664	658
<b>Russia</b>	-	476	-	614

(Source: ITC Trade Map)

173. The Authority notes that the subject countries which did not have any exports to India were exporting to third countries at lower prices. In respect of HR in coils, third country export prices of countries that did not export to India were lower compared to the third country export prices of countries that had exported to India. In respect of HR not in coils also, third country export prices of countries that did

not export to India were generally lower than the third country export prices of some of subject countries.

**iii. Production in excess of demand in the subject countries**

174. As per the information on record, the subject countries have significant excess production than consumption within the country.

	Production			Consumption			Excess Production		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
China PR	996.3	920	870.9	907.5	836.1	773.8	88.8	83.9	97.1
Japan	99.3	104.3	104.7	63.2	65.4	64.4	36.1	38.9	40.3
Indonesia	6.4	6.2	5.2	DNA	DNA	DNA	DNA	DNA	DNA
Russia	71.9	72.1	71.5	43.5	41.4	41.2	28.4	30.7	30.3
Korea RP	71.4	72.5	71	53.2	53.7	56.3	18.2	18.8	14.7
Brazil	32.2	35.4	34.5	20.6	21.2	19.6	11.6	14.2	14.9
<b>Total</b>	<b>1277.5</b>	<b>1210.5</b>	<b>1157.8</b>	<b>1088</b>	<b>1017.8</b>	<b>955.3</b>	<b>183.1</b>	<b>186.5</b>	<b>197.3</b>

(Source: WSA)

175. China produces 88.8 Mn MT in excess of demand in China during 2019. Japan, Russia, Korea RP and Brazil produce in excess of their demand by 36.1 Mn MT, 28.4 Mn MT, 18.2 Mn MT and 11.6 Mn MT respectively during the year 2019. The trend is historical as production in excess of demand existed during the previous years also. This shows that they are highly export oriented.

**iv. Unutilized Capacities**

176. As per the information on record, the producers/exporters in subject countries have significant unutilized capacities.

Countries	Capacity			Production			Unutilized Capacity		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
China PR	1152	1128	1164	996.3	920	870.9	156	198	293
Japan	130	130	130	99.3	104.3	104.7	31	26	25
Indonesia	12	11.5	11	6.4	6.2	5.2	5.5	5.5	6
Russia	87	86	86	71.9	72.1	71.5	15	14	15
Korea RP	82	82	82	71.4	72.5	71	11	10	11
Brazil	51	51	51	32.2	35.4	34.5	19	16	17
<b>Total</b>	<b>1502</b>	<b>1477</b>	<b>1513</b>	<b>1277.5</b>	<b>1210.5</b>	<b>1157.8</b>	<b>225.5</b>	<b>268</b>	<b>356</b>

(Source: WSA and OECD)

177. Capacity in the subject countries have increased during 2019 as compared to the previous year. Production has increased at a higher rate than the rate of increase in capacity. The unutilized capacity in the subject countries is 225.5 Mn MT which is far higher than the demand in India.

**v. Decline in exports from the subject countries**

178. As per the information on record, exports from the subject countries have declined during 2019 compared to 2018.

**vi. Trade Remedial Measures by other countries**

179. 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.

**vii. Reduction in Basic Customs Duty**

180. 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.

**viii. Cyclical nature of Steel price**

181. The Authority also notes that steel prices are cyclical in nature and has 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.

Hot Rolled Band (mt)	2015	2016	2017	2018	2019	2020	Apr 2020	May 2021	June 2021	2021 (Q3)	2021 (Q4)	2022	2023-2030
World Export Market (FOB)	370	382	530	580	498	487	390	1070	1050	975	750	650	513

(Source: WSD)

**L. Conclusion on Likelihood of Dumping and Injury**

182. From an examination of the evidence on record, the Authority notes that dumping has continued from the subject countries, except Brazil and Russia, and the margin of dumping is also significant. Furthermore, the volume of dumped imports from the subject countries except Brazil and Russia have remained significant during the period of investigation despite the existence of an anti-dumping duty. The performance of the domestic industry has significantly deteriorated during the

POI. The Domestic Industry is suffering from continued material injury during the present POI. The evidence on record also shows that export prices from the subject countries to third countries is lower than their prices to India. While there were no imports from Russia and Brazil during the POI, information on record shows that their export price to third countries is lower than the third country export price of subject countries which had exports to India. The subject countries also have surplus production of the subject goods as well as unutilized capacities. Furthermore, a number of third countries have imposed a number of trade remedial measures on the subject countries which has limited other export markets to absorb the surplus production and unutilized capacities existing with the subject countries. Considering the surplus production, unutilized capacities and trade remedial measures imposed by other countries which limit the markets to which the subject countries can export, the Authority notes that the exporters in the subject countries are likely to use such surplus production and unutilized capacities to dump the subject goods in increased quantities from the existing levels which are already very significant. The Authority also notes that the subject countries are likely to divert their exports from other countries, which are being made at lower prices, to India in the event of cessation of ADD. Thus, all these parameters indicate that, in the event of cessation of the existing ADD, the subject countries are likely to intensify exports of the dumped products to India at dumped prices, leading to continuation of dumping and intensified injury to the domestic industry.

#### **J. Post Disclosure submissions by interested parties**

##### **J.1. Submissions by Domestic Industry**

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

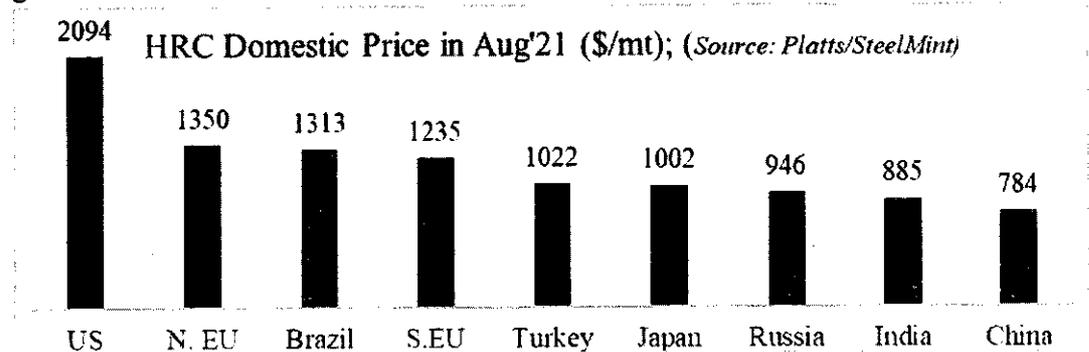
- i. The domestic producers have either produced the grades against which the interested parties have claimed exclusion or have the capacity to manufacture the same upon order. The interested parties have not claimed that these grades are newly developed or were not in existence when the PUC was being determined under the original investigation.
- ii. It is not sufficient for the respondents to claim that the DI does not have the capability, without spelling out the exact specifications of such grades. Rather, it is for the user industry to claim that the domestic industry is not capable of supplying a product. It is to be demonstrated that an effort to procure the same from DI was made and was met with refusal. No such claim has been made out.
- iii. Hyundai has listed a few grades as easily substitutable but did not seek exclusion of those grades. It is clarified that the DI has the capacity to produce the mentioned grades, and has indeed produced and sold them as evidenced by sales invoice. No proof has been produced by any interested

- party showing that the DI could not supply any specific grade.
- iv. Schemes such as BIS standards, SIMS, PLI scheme and the steel recycling policy, are targeted towards increasing the efficiency and competitiveness of the domestic industry but the same cannot shield it against the injurious effects of dumped imports. Since steel prices are cyclical, when steel prices reduce, considering the present degree of dumping by the exporters and producers, import prices of the PUC from the subject countries will also reduce drastically. This would lead to increased injury to the DI.
  - v. The interested parties have themselves admitted that the ADD imposed at a reference price basis prevents unnecessary penalization on imports which are being made at a price higher than the NIP of the DI and hence, are not harming the DI. The users of the PUC have admitted that they are not adversely affected.
  - vi. With respect to Brazil and Russia, the non-cooperation of producers and exporters establish that there is an imminent threat of resumption of exports to India at dumped prices
  - vii. The DA has observed that NSC has sales through a non-cooperative related entity. The DA has observed that such domestic sales are insignificant. It is submitted that noncooperation by a related entity must be viewed seriously and an adverse inference must be drawn in view of the activities carried out by the related selling entity may be wider in scope and may cover transactions other than those that are resold by them and the costs of reselling and other expenses incurred by such related entity may be on the higher side. In both the situations, consideration of whether cost reported by cooperating producer includes whole of cost incurred by related selling entities commensurate with activities carried out by them is necessary. Since the related entities have not cooperated, response of NSC must be rejected.
  - viii. With respect to export price determination of NSC, Japan, JFE Steel Corporation, POSCO Korea RP and PT Krakatau POSCO, Indonesia, Authority observed that these entities have exported some quantities through certain entities who have not filed questionnaire responses. However, exports from such entities was considered insignificant. The very fact that certain exporters or related trading companies have not participated is a sufficient ground for rejection of the responses of producers and no individual dumping margin must be determined.
  - ix. The price undercutting from the subject countries being negative does not indicate that the imports did not have price suppressing and depressing effects. It is relevant to note that subsidiaries of certain interested parties have resold the PUC at a loss. Such factors are indicative of the fact that the weighted average import prices do not allow a proper comparison of the price suppressing and depressing effects as the imports are being resold at a loss by related entities of the producers in the subject countries to

- independent buyers.
- x. While the average import prices may show a lower or negative price undercutting, such practices by producers and their related entities in India result in a much narrower margin of price competition leading to the aforesaid price suppressing and depressing effects. It is submitted that the examination of negative injury margin is also required to be made in the same perspective.
  - xi. While the imports from other countries were insignificant, imports from subject countries remained significant at 7% due to dumping practices. Dumping margin was as high as 50% in some cases. This leads to the conclusion that: (i) the Indian industry is competitive and selling goods at far cheaper rates; (ii) had dumping from the subject countries not continued to such a significant degree, price pressure from the subject countries would have been far less felt and domestic industry would have been able to continue supplying users at better rates than that capable of being supplied by producers in the subject countries in absence of unfair competition of dumping.
  - xii. Certain parties have stated that as the injury margin is negative, the anti-dumping duties must be discontinued. Various past investigations demonstrate that if there is a likelihood of continuation/recurrence of dumping and injury, the anti-dumping duties are continued notwithstanding a negative injury margin.
  - xiii. Continuation of the anti-dumping duties would be in public interest as the interested parties have themselves admitted that the present anti-dumping duties imposed on the basis of reference price prevents unnecessary penalization on imports which are being made at a price higher than the NIP of the DI and hence, are not harming the DI.
  - xiv. User industry has failed to show, through quantified information, any adverse impact on their operations or the public at large. In most cases, users have imported goods above the reference price and thus, did not incur any ADD.
  - xv. Imposition of anti-dumping duties would not affect the availability of the product to the consumers either as the domestic industry has demonstrated that it has the capability of supplying all grades with respect to which the interested parties have raised a claim for exclusion.
  - xvi. Steel prices in India have remained lower than international prices despite the ADD imposed. The prices offered by the domestic industry would continue to be the lowest amongst all sources in the absence of unfair dumping.
  - xvii. Steel industry is critical for nation building contributing to around 2% of GDP and generates substantial direct (approx. 5 lakhs) and indirect employment (approx. 20 lakhs). The 2015 downward spiral had led to a debt of more than Rs. 2 lac crores, adversely affecting the Indian banking sectors,

investors and other stakeholders.

- xviii. Impact of ADD on downstream industries would be negligible, for example, a 20% ADD on HR Steel would cause a 0.17% impact on affordable housing.
- xix. The Authority has made certain adjustments in arriving at the NIP allowed for the product concerned. Adjustments made by the authority are excessive and not in line with the extant rules. The Authority should revise the NIP to the level claimed by the domestic industry.
- xx. The domestic steel prices in India have remained lower than international steel prices despite the existence of the current anti-dumping duties and the global boom.



#### **J.2. Submissions by the other interested Parties**

184. The submissions of the other interested parties are as follows:

- i. The Authority should verify whether the domestic industry has actually produced and sold the grades against which exclusion has been sought by NSC.
- ii. The acceptance or rejection of request for exclusion should not be based on a PCN-to-PCN comparison between DI's grades and producer's grades. Rather, the Authority should examine if the relevant grades were produced and sold by the DI in the POI.
- iii. The DGTR should consider the relevant information in questionnaire responses by the users of PUC produced by the Japanese mills.
- iv. The DGCI&S transaction-wise data has not been made available to Japanese mills, despite request for the same.
- v. Since the DGTR has determined dumping and injury margin separately for HR in coils and HR not in coils in the disclosure statement, the DGTR should conduct a separate assessment of domestic industry standing and injury assessment too.
- vi. The existence of SIMS, BIS standards, PLI schemes, steel recycling policy, and other policies aimed at protecting the domestic industry must be taken into account in DGTR's assessment of likelihood of continuation or recurrence of dumping and material injury. If the domestic industry is being protected by the existing policies, whereby there is no necessity of continuation of anti-dumping duties, it does not justify penalizing the

importers / users in India who would be burdened on account of imposition of duties.

- vii. The DGTR in the past investigations has segregated the DGCI&S data on PCN basis for average dumping margins. The same should be done for the present investigation.
- viii. The DGTR has adopted an inconsistent/selective approach in its injury analysis. For instance, at Paragraph 130 of the disclosure statement, the DGTR has assessed price suppression / depression comparing the figures in the POI with the base year. Whereas, at Paragraphs 140 and 141, the DGTR has assessed the profitability of the domestic industry by making a comparison of the figures in the POI with previous (instead of the base year). The DGTR must adopt a consistent approach,
- ix. The data considered by the DGTR in its disclosure statement is different from the data filed by the Petitioner previously. The DGTR is accordingly requested to immediately issue a clarification providing the reasons as to why the data provided by the Petitioner is different from that relied upon in the disclosure statement.
- x. The observation of the DGTR that contraction in demand cannot be a reason for injury to the domestic industry is contradictory, as DGTR has in Para. 134(iii) has noted that the sales and capacity utilization have been impacted due to decline in demand.
- xi. Lower demand and higher finance costs have impacted the performance of the domestic industry. These have been admitted by the DI in its Annual Report.
- xii. According to the World Steel Association (whose members represent around 85% of global steel production), the demand for steel in India reduced by 14.1% in 2020 compared to 2019.
- xiii. The Petitioner's submission on the cyclical nature of steel prices clearly demonstrates that there is no causal link between the performance of the domestic industry and imports from the subject countries.
- xiv. The import prices in the present case are much higher than the reference price, which clearly demonstrates that the price increase is based on commercial considerations and not artificially inflated due to the reference price based anti-dumping duty.
- xv. The prices of hot rolled not in coils exported from Japan to India are significantly higher than that sold to other countries. As per DGTR, since prices in India are higher, the Japanese mills would have already exported significant quantities of hot rolled not in coils to India. It is worth considering that this is not the case because imports are made based on various commercial considerations.
- xvi. The DGTR has not disclosed source for its claim that the production in India is in excess of demand. Further, existence of significant production in excess of consumption does not prove that the subject countries are export oriented. Further, exports to India have decreased while exports to third countries have remained stable, and there is no evidence of unutilized capacities. Therefore, there is no likelihood of continuance or recurrence of dumping and injury.

- xvii. The DGTR has not disclosed the source of its information for the observation that the capacity utilization in the subject countries is far higher than the demand in India. Assuming there are unutilized capacities which can be utilized towards India, the producers from Japan would have already done the same towards India, which does not appear to be the case in the present case.
- xviii. Between June 2020 to August 2021, the 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 DGTR had recommended the imposition of duties.
- xix. No non-confidential copy of proof that DI is manufacturing HR plates conforming to EN S-355/IS E-350 has been made available to the respondents. Further, while the DI may have submitted proof of its ability to manufacture EN S-355/IS E-350 compliant grades, the plates manufactured by PTKP are far superior to the mandatory standards prescribed under the Indian and European guidelines.
- xx. While the profit and ROCE have improved from the base year, the same have reduced during the POI. Such change has been on account of slump in demand and effects of COVID-19. The negative growth determined in the POI is also on account of the same.
- xxi. No evidence has been provided to support the claim that unutilized capacity of the respondents would be directed to India. Article 3.2 of the ADA provides that it is only based on positive evidence that a determination of injury can be made. This has been held in the case of Indian Spinners Association v. Designated Authority, where it was held that the existence of surplus capacity cannot be taken as posing a clearly foreseen and imminent threat of injury. Thus, no likelihood can be made out from excess capacities.
- xxii. Regarding public interest, it is submitted that EN S355 /IS E-350 compliant grades, are suited for windmill construction and major renewable projects. The user industry in the absence of equivalent supply from the DI will have to bear an additional burden of the ADD.

### **J.3. Examination by the Authority**

185. 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 in the post-disclosure comments/submissions by the interested parties to the extent considered relevant by the Authority are examined below:

- i. As regards the submission of the domestic industry that no individual dumping margin should be granted to the cooperating producers from the subject countries as a number of their related/unrelated traders and exporters have not participated, the Authority notes that exports to India made through noncooperating unrelated parties are very insignificant

in terms of total exports to India. For working out export price of the producers, the Authority has considered the actual export price for the chain comprising producers and cooperating traders who had 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 who had not filed the information in the form and manner prescribed. Accordingly, dumping margin has been determined taking into account the weighted average export price of all exports' channels to India.

- ii. With respect to the contention of NSC that PCN to PCN comparison of the grades supplied by NSC and that supplied by the domestic industry should not be conducted to adjudicate upon product exclusion as it is not in line with the practice of the DGTR, the Authority notes that a similar PCN to PCN comparison of grades produced by the domestic industry and the exporter was made during the original investigation. The Authority also notes that the submissions of the domestic industry that it has supplied some of the grades was disclosed in the disclosure statement pursuant to which, NSC has requested the Designated Authority to verify the same. The Authority has verified evidence provided by the domestic industry and finds that they have produced some of the grades against which exclusion has been sought. Further, it has been claimed by the domestic industry that it has the capability of producing them if orders are received for the same. In this regard, it is also noted that none of the users have provided any evidence to demonstrate that the domestic industry could not supply any of the grades against which exclusion has been sought by the producers and exporters. The producers and exporters have also not demonstrated that the grades against which exclusion has been sought are not substitutable by any other grade falling within the scope of the PUC. Therefore, the Authority holds that no exclusion is warranted from the scope of the PUC.
- iii. With respect to the contention that no non-confidential copy of proof that DI has been manufacturing HR plates conforming to EN S-355/IS E-350 has been made available, the Authority has verified sales information filed on confidential basis, and has disclosed these facts in the disclosure statement.
- iv. With respect to the claim that DGCI&S transaction-wise data has not been made available to Japanese mills despite a request for the same, the Authority notes that it has provided authorization for obtaining DGCI&S data to all parties who have made a request in the proper format as per Trade Notice No.07/2018.
- v. With respect to the contention that as dumping and injury margin have been calculated separately for HR in coils and HR not in coils and therefore, a separate assessment of domestic industry standing and injury assessment too regarding the same should be conducted separately, the Authority notes that calculation of separate dumping and injury margins with respect to HR in coil and HR not in coil is to ensure

a fair comparison between normal value and export price or landed value and NIP. Making such a comparison does not imply that the entire injury analysis needs to be conducted separately. It is also noted that all the applicant domestic producers produce the PUC which includes both HR in Coil and HR not in coil and further, that even in the original investigation, no such separate injury examination was performed.

- vi. With regard to the argument that the existence of SIMS, BIS standards, PLI schemes, steel recycling policy, and other policies aimed at protecting the domestic industry must be taken into account in assessment of likelihood of continuation or recurrence of dumping and material injury since the domestic industry is being protected by the existing policies which does not necessitate penalizing importers / users who would be burdened on account of continuation of duties, the Authority notes that the domestic industry has become more competitive which is evidenced by the fact that despite dumping having continued from the subject countries and the dumping margin also being substantial, the domestic industry has been able to supply the subject goods at prices below the dumped imports. The Authority also notes that since steel prices have historically been cyclical in nature with peaks and slumps witnessed from time to time, such a high margin of continued dumping would cause material injury to the Domestic Industry in the absence of an anti-dumping duty when prices of steel fall again. The Authority also notes that the users and importers have made imports from the subject countries above the reference price of the ADD currently in force and therefore, the same has not impeded them from procuring the subject goods.
- vii. With respect to the contention that submissions of interested parties with respect to likelihood of continuation of injury analysis vis-à-vis statements made by the domestic industry, and various trends and government programs/initiatives in favour of domestic steel industry have not been considered, the Authority notes that it has examined all information provided by the interested parties with respect to the PUC to the extent considered relevant for the examination of continuation or likelihood of recurrence of both dumping and injury.
- viii. With respect to the contention that in the past investigations, DGCI&S data has been segregated on PCN basis for average dumping margins, the Authority notes that the official DGCIS statistics could not be converted in terms of PCN as the description given in the DGCIS data was not sufficient enough to determine the PCN for an overwhelmingly large number of import transactions.
- ix. With respect to the contention that an inconsistent approach has been applied in the injury analysis since price suppression and depression has been compared with the base year whereas profitability has been compared with the previous year, the Authority notes that it has objectively analysed the price effect, and its impact on the domestic industry considering during the entire injury period. It was noted during the examination that prices of the domestic industry increased

till 2018-19 when prices of imports were also increasing. Thereafter, when 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. With regards to profits, it was noted that after imposition of ADD, profit per MT increased significantly till 2018-19. However, profits declined sharply during the POI. A similar trend is seen in respect of PBIT and cash profit.

- x. With respect to the contention that the data considered in the disclosure statement is different from that filed by the Petitioner, it is noted that the said figures have been revised after verification of the information conducted by the Authority.
- xi. Some of the interested parties have raised the argument that the observation of the Authority in the causal link analysis that contraction in demand cannot be a reason for injury to the domestic industry is contradictory to the observation of the Authority that sales and capacity utilization have been impacted due to decline in demand. In this regard, the Authority notes that the demand during the POI has remained at the same level as the base year i.e., 2016-17. However, while production and sales reduced during the POI from 2018-19, and was at the same level as that of the base year, the domestic industry earned a lower return on capital employed than that of the base year due to the fall in prices of imports.
- xii. With respect to the contention that lower demand and higher finance costs have impacted the performance of the domestic industry, the Authority has verified the information provided with respect to economic parameters of the domestic industry regarding the PUC and has noted that finance cost has actually reduced during the POI compared to the base year and therefore, is not one of the reasons for low profitability of the domestic industry. Furthermore, the Authority notes that while the demand is at the same level as that of the base year, the profitability of the domestic industry has declined to a higher extent.
- xiii. With regards to the claim that according to the World Steel Association, the demand for steel in India reduced by 14.1% in 2020 compared to 2019, the Authority notes that the data on record also establishes that demand has decreased during the POI from that of 2018-19 and reduced to the same level as the base year.
- xiv. With regard to the argument that the cyclical nature of steel prices clearly demonstrates that there is no causal link between the performance of the domestic industry and imports from the subject countries, the Authority notes that while dumping has continued, the current anti-dumping duties have prevented low priced dumped imports from entering the domestic market and causing injury to the domestic industry. However, while the prices of steel are presently high and dumped imports are entering India above the reference price of the

ADD currently in force, such dumped imports would cause material injury to the domestic industry when steel prices fall again, in the event of cessation of ADD.

- xv. With respect to the contention that the import prices are much higher than the reference price which demonstrates that price increase is based on commercial considerations and not artificially inflated due to reference price based anti-dumping duty, the Authority notes that dumping has continued from the subject countries to a significant degree, and therefore, the Authority has examined whether continued dumping has led to material injury as well as whether there is a likelihood of recurrence of material injury if the anti-dumping duties are removed.
- xvi. With regard to the argument that prices of hot rolled not in coils exported from Japan to India are significantly higher than that sold to other countries and as such, Japanese mills would have already exported significant quantities of hot rolled not in coils to India but that is not the case because imports are made based on various commercial considerations, the Authority notes that the reference price based ADD has prevented low priced dumped imports from entering the country from the subject countries. The Authority also notes that the ADD currently in force has prevented the subject countries from employing their unutilized capacities to increase imports to India.
- xvii. With respect to the argument that the source for the claim that the production in India is in excess of demand has not been disclosed, it is noted that the total production of the PUC in India is as per the report issued by the Joint Plant Committee and the said figures were contained in non-confidential submissions filed with the Authority which were circulated with all interested parties during the course of the investigation.
- xviii. With respect to the claim that the source of information for the observation that the capacity in subject countries is far higher than the demand in India has not been disclosed, it is noted that the said data is derived from WSA and OECD reports contained in non-confidential submissions filed with the Authority which were circulated with all the interested parties during the course of the investigation.
- xix. With respect to the contention that no evidence has been provided to support the claim that unutilized capacity of the respondents would be directed to India, the Authority notes that as per the information on record, a number of trade remedial measures have been imposed on the subject countries by third countries. This has led to a high volume of unutilized capacities in the subject countries and no evidence has been provided by any interested party to demonstrate that there are other export markets besides the third countries which have imposed anti-dumping duties on the subject countries.
- xx. With respect to the contention that EN S355 /IS E-350 compliant grades are suited for windmill construction and major renewable projects and the user industry will have to bear an additional burden of the ADD in

the absence of equivalent supply from the domestic industry, the Authority notes that no information has been filed by any user that anti-dumping duties have been paid on imports of the said grades from the subject countries. Furthermore, the Authority notes that the domestic industry has supplied the same to users in the domestic market.

- xxi. With respect to the claim of the domestic industry that adjustments in arriving at the NIP made by the authority are excessive, the Authority notes that the same has been determined in accordance with Annexure III of the Rules and therefore, no revisions are warranted to the NIP.

#### **K. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES**

186. 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 the domestic industry, importers and users/consumers of the product.
187. The Authority issued 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.
188. The Authority notes that following users have filed questionnaire response:
- i. POSCO-Maharashtra Steel Private Limited.
  - ii. Hyundai Steel Pipe India Pvt. Ltd
  - iii. Hyundai Motor India Limited
  - iv. Nippon steel pipe India private ltd
  - v. Rajasthan Prime steel Processing center Pvt Ltd
189. 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 are 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.

190. From the information on record, it is noted that imports have occurred above the reference price during the period of investigation and no burden of anti-dumping duty has been faced by the users and therefore, it is not possible to quantify the impact of reference price based anti-dumping duty on the users. The Authority notes from the submissions filed by the domestic industry that hypothetically, assuming an anti-dumping duty at the rate of 20% on the PUC, it can be seen that the impact would be negligible i.e. less than 0.17% of the total value of an affordable house of Rs.2 lakhs.
191. The Authority notes that as per information available on record, steel prices in India including for the product under consideration have remained lower than global steel prices even in a situation where there has been an overall increase in global steel prices recently. This shows that the domestic industry in India has not unduly benefited from the anti-dumping duty in force or the recent increase in global prices and as such, the importers/users/consumers of the product under consideration have not been prejudiced due to the existence of the prevailing anti-dumping duty and recent increase in global steel prices.
192. It is noted that the domestic industry is supplying the subject goods at competitive prices is also evidenced by the fact that the price undercutting has been negative from the subject countries throughout the injury analysis period. This means that the domestic selling price has been lower than the landed value of imports from the subject countries throughout the entire injury analysis period including the POI when the dumping margin from the subject countries were very high.
193. The information on record shows that the manufacturing facilities of the domestic industry are underutilized. The domestic producers in India are fully competent to cater to the entire demand of the product under consideration in India.
194. The Authority notes that fair competition in the Indian market will not be reduced by the continuation of the anti-dumping measures. On the contrary, continuation of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.
195. 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.

196. 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.
197. Therefore, from the information on record, the Authority is of the view that the imposition of anti- dumping duty will be in public interest

#### **L. CONCLUSION**

198. After examining the submissions made by the interested parties and the issues raised therein and considering the facts available on record, the Authority concludes that:
- a. 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.
  - b. The product produced by the domestic industry is like article to the PUC imported from the subject countries.
  - c. The application contained all information relevant for the purpose of initiation of sunset review and the application contained sufficient evidence to justify initiation of the present sunset review.
  - d. The Authority considered a longer period of 18 months from 1st April 2019 to 30th September 2020 as the 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.
  - e. Based on the facts available on record, the normal value, export price and the dumping margin for the subject goods have been determined except in the case of Brazil and Russia, and the dumping margins so determined are significant. There is a continuation of dumping of the subject goods from China, Japan, Korea RP and Indonesia.
  - f. Since there were no imports from Brazil and Russia, no dumping margin was determined for the POI. However, the facts on record show that the export prices from Brazil and Russia to third countries were lower than the even the export prices of subject countries who

have exports to India. Therefore, there is a likelihood of recurrence of dumping from Brazil and Russia if the duties are withdrawn.

g. The domestic industry has suffered material injury in view of the following:

- i. Volume of dumped imports from subject countries have remained significant.
- ii. While both production and sales of the domestic industry declined during the POI along with imports from the subject countries due to a reduction in demand which came down to the same level as the base year, the decline in prices of imports suppressed and depressed the prices of the Domestic Industry leading to a significant decline on return on capital employed to a level lower than that of the base year.

h. There is likelihood of continuation and recurrence of injury to the domestic industry due to the following:

- i. Export prices of the subject countries to third countries are lower than their prices to India which indicates that such exports can be diverted to India if the anti-dumping duties are removed;
- ii. Subject countries have significant unutilized capacities and excess production compared to the demand in the respective countries;
- iii. Exports from the subject countries face a large number of trade remedial measures from third countries which limits their potential to export the existing surplus production as well as employ their unutilized capacities.
- iv. Unutilized capacities and surplus production are likely to be utilized to export to India in the event of cessation of the existing duties
- v. Basic Customs Duty on imports of subject goods has been reduced from 12.5% to 7.5% w.e.f. February 2021.
- vi. Historical trend of global steel prices show that steel prices are cyclical in nature and there is a likelihood if injury to the domestic industry due to imports at low price when there is a decline in global steel prices.

i. 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.

199. In view of the above, the Authority finds that there is a likelihood of continuation or recurrence of dumping and injury upon cessation of the existing anti-dumping

duties and recommends continuation of anti-dumping measures for a further period of five years.

**J. RECOMMENDATIONS**

200. The Authority notes that the sunset review was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, exporters, importers/users and the other interested parties to provide information on the aspects of dumping, injury and causal link and the likelihood of continuation or recurrence of dumping and injury. Having initiated and conducted the sunset review into dumping, injury and causal link and the likelihood of continuation or recurrence of dumping and injury in terms of the provisions laid down under the rules, the Authority is of the view that continued imposition of anti-dumping duty is required on the subject goods from the subject countries.
201. The Authority notes that the producers/exporters from China PR, Korea RP and Japan participated in the original investigation and there was no participation from other countries. However, producers/exporters from China PR have not participated in the present sunset review investigation but producers/exporters from Indonesia have participated in the present sunset review investigation. In such a scenario, the Authority deems it appropriate to prescribe the duty table afresh as given herein below.
202. The Authority recommends continuation of antidumping duty on the imports of the goods described in col.3 of the duty table below originating in or exported from the subject countries from the date of notification to be issued in this regard by the Central Government. Anti-Dumping duty is recommended as the difference between the landed value of the 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 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 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**

<b>S.No.</b>	<b>Headingg/ Sub heading</b>	<b>Description of goods</b>	<b>Country of origin</b>	<b>Countryof export</b>	<b>Producer</b>	<b>Amount</b>	<b>Unit</b>	<b>Currency</b>
1	2	3	4	5	6	7	8	9

1.	7208, 7211, 7225 and 7226	Hot- rolled flat products of alloy or non- alloy steel in coils of a width upto 2100 mm and thickness upto 25mm	Korea RP	Any country including Korea RP	Hyundai Steel Company	478	MT	US\$
2.	- do -	- do -	Korea RP	Any country including Korea RP	POSCO	489	MT	US\$
3.	- do -	- do -	Korea RP	Any country including Korea RP	Any other than S. No. 1 & 2	489	MT	US\$
4.	- do -	- do -	Any country other than those subject to anti- dumping duty	Korea RP	Any	489	MT	US\$
5.	- do -	- do -	Japan	Any country including Japan	JFE Steel Corporation	489	MT	US\$
6.	- do -	- do -	Japan	Any country including Japan	Nippon Steel Corporation	489	MT	US\$
7.	- do -	- do -	Japan	Any country including Japan	Any other than S. No. 5 & 6	489	MT	US\$
8.	- do -	- do -	Any country other than those subject to anti- dumping duty	Japan	Any	489	MT	US\$
9.	- do -	- do -	China PR	Any country including China PR	Any	489	MT	US\$

10.	- do -	- do -	Any country other than those subject to anti-dumping duty	ChinaPR	Any	489	MT	US\$
11.	- do -	- do -	Russia	Any country including Russia	Any	489	MT	US\$
12.	- do -	- do -	Any country other than those subject to anti-dumping duty	Russia	Any	489	MT	US\$
13.	- do -	- do -	Indonesia	Any country including Indonesia	Any	489	MT	US\$
14.	- do -	- do -	Any country other than those subject to anti-dumping duty	Indonesia	Any	489	MT	US\$
15.	- do -	- do -	Brazil	Any country including Brazil	Any	489	MT	US\$
16.	- do -	- do -	Any country other than those subject to anti-dumping duty	Brazil	Any	489	MT	US\$

S.No.	Heading g/ Sub headin gg	Description of goods	Country of origin	Country of export	Produce r	Amo unt	Unit	Cur renc y
1	2	3	4	5	6	7	8	9
1.	7208, 7211, 7225 and 7226	Hot- rolled flat products of alloy or non- alloy steel not in coils (com monl y known as sheet s and plates) of a width upto 4950 mm and thick ness upto 150 mm	Korea RP	Any country including Korea RP	Hyundai Steel Company	561	MT	US\$
2.	- do -	- do -	Korea RP	Any country including Korea RP	POSCO	561	MT	US\$
3.	- do -	- do -	Korea RP	Any country including Korea RP	Any other than S. No. 1 & 2	561	MT	US\$
4.	- do -	- do -	Any country other than those subject to anti- dumping duty	Korea RP	Any	561	MT	US\$
5.	- do -	- do -	Japan	Any country including Japan	JFE Steel Corporati on	561	MT	US\$
6.	- do -	- do -	Japan	Any country including Japan	Nippon Steel Corporati on	561	MT	US\$
7.	- do -	- do -	Japan	Any country including Japan	Any other than S. No. 5 & 6	561	MT	US\$
8.	- do -	- do -	Any country other than those subject to anti- dumping duty	Japan	Any	561	MT	US\$

9.	- do -	- do -	ChinaPR	Any country including ChinaPR	any	561	MT	US\$
10.	- do -	- do -	Any country other than those subject to anti-dumping duty	ChinaPR	Any	561	MT	US\$
11.	- do -	- do -	Russia	Any country including Russia	Any	561	MT	US\$
12.	- do -	- do -	Any country other than those subject to anti-dumping duty	Russia	Any	561	MT	US\$
13.	- do -	- do -	Indonesia	Any country including Indonesia	PT Krakatau POSCO	561	MT	US\$
14.	- do -	- do -	Indonesia	Any country including Indonesia	Any other than serial no 13	561	MT	US\$
15.	- do -	- do -	Any country other than those subject to anti-dumping duty	Indonesia	Any	561	MT	US\$
16.	- do -	- do -	Brazil	Any country including Brazil	Any	561	MT	US\$
17.	- do -	- do -	Any country other than those subject to anti-dumping duty	Brazil	Any	561	MT	US\$

203. The description of goods in the column no 3 in the above duty table does not include the imports of the following:

- a) Hot-rolled flat products of stainless steel.
- b) Hot-rolled flat products of steel which are electrolytically plated or coated with zinc.
- c) Hot-rolled flat products of steel otherwise plated or coated with zinc.
- d) Cladded steel.

**M. FURTHER PROCEDURE**

204. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.

  
(Anant Swarup)  
**Designated Authority**