

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 6/32/2024-DGTR
Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
Parliament Street, New Delhi- 110001

Dated: 27th September, 2024

INITIATION NOTIFICATION

Case No. AD (OI) - 30/2024

Subject: Initiation of anti-dumping investigation concerning imports of “Cold Rolled Non-Oriented Electrical Steel” originating in or exported from China PR.

1. F.No.6/32/2024-DGTR: **POSCO Maharashtra Steel Pvt. Ltd. and CSCI Steel Corporation India Pvt. Ltd.** (hereinafter collectively referred to as the “applicants” or the “petitioners” or the “domestic industry”) have filed an application before the Designated Authority (hereinafter referred to as the “Authority”), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the “Act”) and 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 referred to as the “AD Rules” or “Rules”), for initiation of an anti-dumping investigation concerning imports of **“Cold Rolled Non-Oriented Electrical Steel”** (hereinafter referred to as the “subject goods” or “product under consideration” or “PUC”), originating in or exported from **China PR** (hereinafter referred to as the “subject country”).

2. The applicants have alleged that the product under consideration is being imported from the subject country at dumped prices which are causing material injury to the domestic industry. The applicants have also alleged that there is a further threat of material injury to the domestic industry due to dumped imports and have requested for imposition of anti-dumping duty on the imports of the product under consideration from the subject country.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration in the subject investigation is **“Cold Rolled Non-Oriented Electrical Steel” (CRNO)**. It includes cold-rolled flat steel products of silicon-electrical steel, whether or not in coils, regardless of width and thickness.

4. CRNO is characterized as having substantially the same magnetic and electrical properties in all directions (non-oriented) in the plane of the sheet. In contrast, Grain-Oriented Electrical Steel (GOES) has superior magnetic and electrical properties along the lengthwise direction in the plane of the sheet but less favorable properties in other directions.
5. CRNO is also referred to as Non-Oriented Electrical Steel (NOES), Non-Grain Oriented Steel (NGO), Non-Oriented Steel (NO), Cold-Rolled Non-Grain Oriented Steel (CRNGO) etc. These terms are used interchangeably.
6. PUC includes all kinds of CRNO whether or not it is coated (e.g., with enamel, varnish, natural oxide surface, phosphate surface, or chemically treated with other materials).

Exclusion

7. Cold Rolled Full Hard Silicon Electrical Steel (CRFH) used for manufacturing of CRNO is excluded from the scope of PUC.

Uses

8. CRNO is widely used for iron core materials of rotating machines ranging from large-size power generators to small-size precision electric motors, which are used in variety of applications like home appliances, HEV/EV traction motors, large generators, industrial motors etc.

Tariff classification

9. The product under consideration is classified under HS Codes 72251920, 72251990, 72261920 and 72261990 of the Customs Tariff Act, 1975. However, imports of PUC have also been observed in certain other HS Codes viz., 72255010, 72107000, 72261910, 72269110 and 72261100. The customs classification is indicative only and is in no way binding on the scope of the PUC in the present investigation.
10. The domestic industry has proposed the following Product Control Number (PCN) for the product under consideration in the present investigation:

| Proposed PCN for PUC | | | | |
|-----------------------------|-------------------|----------------------|----------------------------|-------------|
| S.No. | Attributes | No. of Digits | Description | Code |
| 1 | Thickness | 2 | upto and including 0.35 mm | T1 |

| Proposed PCN for PUC | | | | |
|----------------------|---|---------------|--|------|
| <u>S.No.</u> | Attributes | No. of Digits | Description | Code |
| | | | More than 0.35 mm and upto 0.5mm | T2 |
| | | | More than 0.5mm | T3 |
| 2 | Core Loss (at a frequency 50 Hz and a maximum flux density of 1.5 Tesla) | 2 | upto and including 3.50 Watt/Kg | C1 |
| | | | More than 3.50 Watt/Kg and upto 5.00 Watt/Kg | C2 |
| | | | More than 5.00 Watt/Kg | C3 |

11. The parties to the present investigation may provide their comments on the scope of PUC and proposed PCNs, if any, within 15 days of date of initiation of this investigation.

B. LIKE ARTICLE

12. The applicants have claimed that the subject goods, which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. There are no known differences in the technical specifications, quality, functions and end use of the two products. The Authority notes that the two are *prima facie* technically and commercially substitutable. Therefore, for the purpose of the present investigation, the subject goods produced by the applicants in India are being treated as 'like article' to the subject goods being imported from the subject country.

C. SUBJECT COUNTRY

13. The subject country in the present petition is **China PR.**

D. PERIOD OF INVESTIGATION (POI)

14. The period of investigation (POI) adopted by the Authority for the present investigation is 1st April, 2023 to 31st March, 2024. The injury investigation period covers the periods 1st April, 2020 – 31st March, 2021, 1st April, 2021 – 31st March, 2022, 1st April, 2022 – 31st March, 2023 and the POI.

E. DOMESTIC INDUSTRY AND ITS STANDINGS

15. The application has been filed by POSCO Maharashtra Steel Pvt. Ltd. and CSCI Steel Corporation India Pvt. Ltd. As per the information available on record, the production of the applicants accounts for a major proportion of the total domestic production of the like article in India. It is also submitted that POSCO Maharashtra Steel Pvt. Ltd. and CSCI Steel Corporation India Pvt. Ltd have neither imported the subject goods from the subject country nor are related to any exporter or producer of subject goods in the subject country or any importer of the PUC in India.

16. On the basis of the information available on record, Authority is satisfied that the applicants namely, POSCO Maharashtra Steel Pvt. Ltd. and CSCI Steel Corporation India Pvt. Ltd constitute eligible domestic industry in terms of Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

F. BASIS OF ALLEGED DUMPING

a. Normal Value

17. The applicants have claimed that in terms of Article 15(a)(i) of China's Accession Protocol and Para 7 of the Annexure-I to the AD Rules, the normal value for Chinese producers may be determined based on the cost or domestic selling price prevailing in China PR, only if the responding Chinese producers demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of paras 1 to 6 of Annexure-I to the AD Rules, failing which, normal value for the Chinese producers must be determined based on paras 7 and 8 of Annexure-I to the Rules.

18. The applicants have also claimed that the data relating to cost or price in a market economy third country or recourse to other alternative methods is not available. The normal value has been, thereby, constructed based on the best estimates of the cost of the production of the domestic industry of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profits.

b. Export price

19. The export price for the subject goods has been computed based on the DG System transaction-wise import data. Appropriate price adjustments have been claimed to make the prices at ex-factory levels so that they become comparable with normal value.

c. Dumping margin

20. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the *de-minimis* level and is significant in respect of the product under consideration exported from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the Indian market by the exporters from the subject country.

G. INJURY AND CAUSAL LINK

21. Information furnished by the applicants has been considered for assessment of injury to the domestic industry on account of dumped imports of the subject goods from the subject country. The volume of the subject goods from the subject country has increased in absolute as well as relative terms. The price undercutting from the subject country is positive. The landed price of the subject imports had the depressing effect on the prices of the domestic industry. The applicants have claimed that because of the adverse volume and price effect of the dumped imports, their performance have deteriorated in respect of market share, cash profit, profits and return on investment etc. The applicants have also claimed that there is a threat of injury to the domestic industry due to the dumped imports from the subject country. There is sufficient *prima facie* evidence that the domestic industry has suffered material injury and facing threat of material injury due to dumped imports from the subject country to justify the initiation of the anti-dumping investigation.
22. However, in order to examine the threat of material injury to the domestic industry, the Authority may seek post POI data from the applicant domestic industry and the other interested parties for examination.

H. INITIATION OF THE ANTI-DUMPING INVESTIGATION

23. On the basis of the duly substantiated written application by the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, about dumping of the subject goods originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods originating in or exported

from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

24. The provisions stipulated in Rule 6 of the AD Rules shall be followed in this investigation.

J. SUBMISSION OF INFORMATION

25. All communication should be sent to the Designated Authority via email at email addresses- adv13-dgtr@gov.in, consultant-dgtr@govcontractor.in, dir14-dgtr@gov.in and dd12-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
26. The known producers/exporters in the subject country, the government of the subject country through its embassy in India, the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification.
27. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the AD Rules, 1995 and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
28. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.
29. The interested parties are further advised to keep a regular watch on the official website of DGTR at www.dgtr.gov.in for any updated information with respect to this investigation. Interested parties are directed to regularly visit the website of DGTR (<https://dgtr.gov.in>) to stay apprised with further developments in the subject investigation and remain informed regarding notices that may be issued from time to time regarding questionnaire formats, PCN methodology, PCN discussion/meeting schedule, notice of oral hearing, corrigendum, amendment notifications, and other such information. This will ensure that all interested parties to the subject investigation remain well aware of the progress and information pertaining to the subject investigation.

K. TIME LIMIT

30. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses-adv13-dgtr@gov.in, consultant-dgtr@govcontractor.in, dir14-dgtr@gov.in and dd12-dgtr@gov.in within thirty (30) days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries as per Rule 6(4) of the AD Rules. If no information is received within the prescribed time-limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.
31. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

L. SUBMISSION OF INFORMATION ON A CONFIDENTIAL BASIS

32. Any party making any confidential submission or providing information on a confidential basis before the Authority, is required to simultaneously submit a non- confidential version of the same in terms of Rule 7(2) of the AD Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.
33. The parties making any submission (including Appendices/Annexes attached thereto), before the Authority including questionnaire response, are required to file confidential and non-confidential versions separately.
34. The "confidential" or "non-confidential" submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
35. The confidential version shall contain all information that is by nature confidential and/or other information which the supplier of such information claims as confidential. For information that is claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
36. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is

claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

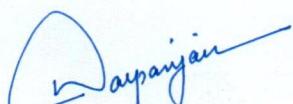
37. The interested parties can offer their comments on the issues of confidentiality claimed by the other interested parties within 7 days from the date of circulation of the non-confidential version of the documents.
38. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
39. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority.

M. INSPECTION OF PUBLIC FILE

40. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions/response/information to all other interested parties. Failure to circulate non-confidential version of submissions/response/information might lead to consideration of an interested party as non-cooperative.

N. NON-COOPERATION

41. In case any interested party refuses access to, or otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as deemed fit.



(Darpan Jain)
Designated Authority