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F. No.6/4/2019-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi 110001

Dated 15 July, 2019

Notification

Preliminary Findings

Sub: Anti-dumping investigation on the imports of “Aluminium and Zinc coated flat products” originating in or exported from China PR, Vietnam and Korea RP - Preliminary Findings.

A. BACKGROUND OF THE CASE

No. 6/4/2019 -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:

Whereas, M/s JSW Steel Coated Products Limited (hereinafter also referred to as “the Applicant” or “the Petitioner” or “the Domestic Industry”) had filed an application before the Designated Authority (hereinafter also referred to as “the Authority”) in accordance with 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”) for imposition of Anti-dumping duty on imports of “Aluminium and Zinc coated flat products” (hereinafter also referred to as “subject goods”) originating in or exported from China PR, Vietnam and Korea RP (hereinafter also referred to as the “subject countries”).

2. And, whereas, the Authority, on the basis of sufficient evidence submitted by the Applicants, issued a public notice vide Notification No. 6/4/2019 -DGTR dated 2nd April, 2019, published in the Gazette of India, initiating the subject investigation in accordance with Rule 5 of the AD Rules to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from the subject countries, and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described herein below has been followed by the Authority with regard to the subject investigation:
- a) The Authority notified the Embassies of the Subject Countries in India about the receipt of the anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
 - b) The Authority issued a public notice dated 2nd April, 2019 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods from subject countries.
 - c) The Authority sent a copy of the initiation notification to the Embassies of the Subject Countries in India, known producers/exporters from the subject countries, known importers/users and the domestic industry as well as other domestic producers as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limit.
 - d) The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the embassy of the subject countries in India in accordance with Rule 6(3) of the Rules supra.
 - e) The Embassies of the subject countries in India were also requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject countries.
 - f) The Authority sent questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the AD Rules:

China PR

- (i) Baosteel Iron and Steel Co Ltd
- (ii) Benxi (Bengang) Steel Plates Co., Ltd.
- (iii) Angang Steel Company Limited
- (iv) BX Steel POSCO Cold Rolled Sheet Co., Ltd.
- (v) JiangyinZongcheng Steel Co., Ltd.
- (vi) Shanghai Meishan Iron and Steel Co Ltd
- (vii) Union Steel China Co., Ltd
- (viii) YiehPhui (China) Technomaterial Co., Ltd.

Vietnam

- (ix) Nam Kim Steel
- (x) HoaSen Group
- (xi) Maruichi Sun Steel Joint Stock Company

Korea RP

- (xii) Dongkuk Steel Mill Co.
- (xiii) POSCO Coated &Color Steel Co., Ltd.
- (xiv) Dongbu Steel Co., Ltd Seoul Square Bldg.,

g) In response, the following exporters/producers from the subject countries filed exporter's questionnaire response in the prescribed format.

- (i) M/s. Zhejiang Huada New Materials Co., Ltd., China PR
- (ii) M/s. Shanghai Shijing International Trading Co., Ltd., China PR
- (iii) M/s. POSCO Asia Company Ltd., China PR
- (iv) M/s. Tay Nam Steel Manufacturing and Trading Co. Ltd, Vietnam
- (v) M/s. Vina One Steel Manufacturing corporation, Vietnam
- (vi) M/s. HoaSen Group JSC. (HSG), Vietnam
- (vii) M/s. HoaSenNghe an one Member LLC (HSNA), Vietnam
- (viii) M/s. Ton Dong A Corporation, Vietnam
- (ix) M/s. Marubeni-Itochu Steel Pte. Ltd, Vietnam
- (x) M/s. POSCO, Korea RP
- (xi) M/s. POSCO Coated and Color, Korea RP
- (xii) M/s. Dongbu Steel & Incheon, Korea RP
- (xiii) M/s. Dongkuk Steel Mill Co., Ltd., Korea RP
- (xiv) M/s. GS Global Corp, Korea RP
- (xv) M/s. POSCO Samsung C&T Corporation, Korea RP
- (xvi) M/s. POSCO Daewoo Corporation, Korea RP
- (xvii) M/s. Hyosung TNC Corporation, Korea RP
- (xviii) M/s. STINKO Co. Ltd., Korea RP.
- (xix) M/s Nam Kim Steel (Vietnam)

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

- (i) AbhayIspat India Pvt. Limited
- (ii) AJS ImpexPvt. Limited
- (iii) Amar Impex
- (iv) Ariston Agency Pvt. Limited
- (v) ColorshineCoatedPvt. Limited
- (vi) Dongkuk Steel India Pvt. Limited
- (vii) Ganges International Pvt. Ltd.
- (viii) Gopani Iron &Power India Pvt. Limited
- (ix) Jai Hind Traders
- (x) J. K. Steel Corporation
- (xi) Jenil Steel Pvt. Limited
- (xii) JTL Infra Limited
- (xiii) La Tim Sourcing India Pvt. Limited
- (xiv) Manaksia Steels Limited
- (xv) Prabhat Global ColourcoatedPvt. Limited
- (xvi) Schneider Electric InfrastructureLimited
- (xvii) Standard Retail Pvt. Limited

i) In response, the following importers/users have responded and have filed importer's questionnaire response/legal submissions.

- M/s Jaihind Traders (Importer)
- M/s Acme Cleantech Solution Private limited (Importer)
- M/s POSCO IPPC (Importer)
- M/s POSCO ICPC (Importer)
- M/s POSCO IDPC (Importer)
- M/s POSCO IAPC (Importer)
- M/s SNS Corporation (User)
- M/s Purshotam Profiles Pvt Ltd (User)
- M/s Vijayshree Steel Industries (User)
- M/s Amplus KN One Power Pvt Ltd. (User)
- M/s Ultra Engineers (User)
- M/s Latin Sourcing (India) Pvt. Ltd. (User)
- M/s Colorshine Coated Private Limited (User)
- M/s Renew Power Limited (User)
- M/s Alstom Transport India Ltd (User)
- Solar Power Developer Association. (User)
- M/s Mahindra and Mahindra Ltd (Importer)
- M/s Standard Retail Pvt Ltd (Importer)
- M/s Mareso Pte Ltd, Singapore (Exporter)
- M/s Avaada Energy Pvt. Ltd. (Importer)
- M/s Turakhia International Pvt. Ltd. (Importer)
- M/s Mareso Pte. Ltd. (Singapore)
- M/s GCL system integration tech. Pvt. Ltd. (Importer)
- M/s POSCO India Holdings (importer)
- M/s Schneider Electric Infrastructure Ltd. (Importer)
- M/s Hero Solar Energy Pvt Ltd. (User and Importer)
- M/s Adani Green Energy Ltd. (user)
- M/s Tricolite Electrical Industries Ltd. (user)
- M/s ISUZU Motor India Pvt. Ltd (user)
- M/s Abhay Ispat (India) Pvt. Ltd. (Importer)
- M/s Neel Metal Products Ltd. (user)
- M/s Solar Power Developers Association. (user)
- M/s Amplus Energy Solution Pvt Ltd (user)
- M/s Sterling Wilson Solar Power Pvt Ltd (user)
- M/s JBM Auto Ltd. (user)
- M/s Mahindra Intertrade Ltd (user)
- M/s Forming India Pvt. Ltd (user)
- M/s Manaksia Steel Ltd (importer)
- National Solar Energy Federation of India (user)
- M/s Polmor Steel Pvt Ltd. (user)
- M/s HOA PHAT Steel Sheet Co. Ltd, Vietnam (exporter)
- M/s KTK Transport Equipment (India) Pvt Ltd
- M/s. Isuzu Motors India Private Limited
- Trade Remedies Authority of Vietnam, Ministry of Industry and Trade, Vietnam

- M/s. Solar Power Developers Association.
- M&B Engineering Ltd, Ahmedabad.
- Embassy of Republic of Korea, New Delhi.
- Ministry of Foreign Affairs, Korea RP.

j) The Authority made available non-confidential version of the evidence presented / submissions made by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties have been taken into account in this Preliminary Finding Notification.

k) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of subject goods for the past three years, and the period of investigation, which was received by the Authority. The Authority has, relied upon the DGCI&S data for computation of the volume of imports and its analysis after due examination of the transactions.

l) The Non-Injurious Price (NIP) has been determined based on the cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.

m) Physical inspection through on-spot verification of the information provided by the applicant domestic industry, to the extent deemed necessary, was carried out by the Authority. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of preliminary findings.

n) The Period of Investigation for the purpose of the present anti-dumping investigation is from 1stOctober, 2017 to 30thSeptember, 2018 (12 Months). The injury investigation period has however, been considered as the period from April 2015 - March 2016, April 2016 - March 2017, April 2017 - March 2018 and the POI.

o) The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in this preliminary findings.

p) Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

q) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the preliminary findings on the basis of the facts available.

r) ‘***’ in this preliminary finding represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

- s) The exchange rate adopted by the Authority for the subject investigation is US\$1 = ₹67.43.

C. PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE

4. At the stage of initiation, the product under consideration was defined as:

“Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc. This alloy of Aluminium and Zinc may contain one or more additional elements which in individual or in combination shall not exceed 3% by weight.

The product under consideration may be in coil form or not in coil form whether or not plain, corrugated or in profiled form. PUC may be skin-passed / processed on temper-mill or non-skin-passed whether or not surface treated with or without additional non-metallic coating. PUC may be supplied in various trade names including but not limited to Alu-Zinc, Al-Zn, Zinc Aluminum, Aluminum Zinc, Zinalume, Galvalume etc. PUC offers resistance to corrosion and is used in many applications and sectors including but not limited to infrastructure projects, solar power projects, roofing, walling decking, cladding and framing, white goods and appliances, furniture and substrate for colour coated steel.

PUC does not include the following products: -

- i. Flat rolled steel products coated with Zinc without addition of Aluminium;*
- ii. Flat rolled color coated steel products*

PUC falls under tariff items 72106100, 72125090, 72259900 and 72269990 of the Customs Tariff Act, 1975. The PUC is also being imported under other Customs Tariff Items 72101290, 72103090, 72104900, 72106900, 72107000, 72109090, 72121090, 72122090, 72123090, 72124000, 72169910, 72255010, 72259100, 72259200, 72269930 etc. The customs classification is indicative only and is in no way binding on the scope of the present investigation.”

C.1. Submissions made by the Domestic Industry

5. The following are submissions made by domestic industry with regard to product under consideration and like article:

- a) The product under consideration in the present investigation is flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc. This alloy of Aluminium and Zinc may contain one or more additional elements which in individual or in combination shall not exceed 3% by weight. The Product under consideration offers protection from corrosion. The product under consideration may be in coil form or not in coil form whether or not plain, corrugated or in profiled form. The product under consideration may be skin-passed / processed on temper-mill or non-skin-passed whether or not surface treated with or without additional non-metallic coating. Product under consideration may be supplied in various trade names including but not limited to Alu-Zinc, Al-Zn, Zinc Aluminium, Aluminium Zinc, Zinalume, Galvalume etc.

- b) Aluminium and Zinc coated flat products falls under tariff item 72106100, 72125090, 72259900 and 72269990 of the Customs Tariff Act, 1975. However, the imports have also been noticed in certain other ITC HS Codes viz. 72101290, 72103090, 72104900, 72106900, 72107000, 72109090, 72121090, 72122090, 72123090, 72124000, 72169910, 72255010, 72259100, 72259200, 72269930 of the Customs Tariff Act, 1975.
- c) The Product under consideration offers resistance to corrosion. PUC is used in many applications and sectors including infrastructure projects, solar power projects, roofing, walling decking, cladding and framing, white goods and appliances, furniture and substrate for color coated steel.
- d) There are no differences in quality, output and performance of the subject goods imported into India from the subject countries and the goods manufactured by the Petitioner. The subject goods produced by the domestic producers and those imported from the subject countries are comparable in all relevant parameters such as physical characteristics, manufacturing process, technology, functions, uses etc. The domestically manufactured product and the imported product are being used interchangeably by Indian consumers.
- e) To the best of the knowledge of Applicant, there are no known major differences in the production process employed by the Applicant and the exporters from the subject countries.
- f) The quality of a product is not the criteria for exclusion from the scope of PUC. The production of the subject goods being produced by the applicant is at par with the imported subject goods.
- g) Domestic producers of the subject goods in India are capable of meeting entire demand of PUC in India.
- h) Applicant is capable to produce subject goods below 70 gsm. However, applicant rarely produces the subject goods having coating mass below 70 gsm due to Bureau of Indian Standards guidelines in effect which are implemented pursuant to the Steel Quality Control order.
- i) In para 4 of the initiation notification dated 2nd April 2019, the Authority has clarified the exclusions from the scope of PUC. POSCO's product PosMAC has both Aluminium and Zinc and is therefore clearly covered within the scope of the product under consideration. The perception that miniscule content of aluminium does not bring it within the product scope is wrong for the following reasons:
- Any Zinc, Aluminium and Magnesium product cannot be manufactured with the same corrosion resistance properties without aluminium.
 - PosMAC is different from zinc coated product as its aluminium content offers better corrosion resistance than zinc coated product and therefore, cannot be regarded as comparable to zinc coated product.
 - Aluminium and Zinc coated product (Galvalume) manufactured by Indian industry is commercially, technically and characteristically substitutable with PosMAC. PosMAC can be used and is being used by the same customers, for the same end use applications by offering a price that undercuts the domestic price of Aluminium and Zinc coated product offered by the Indian industry. In fact, PosMAC is being offered at low prices

despite use of higher zinc content with magnesium, which are much costlier than aluminium.

- The primary intended end-use application for all such products like PosMAC&Galvalume is to offer resistance to corrosion to base steel and hence are easily substitutable.

j) Aluminium and Zinc coated product (Galvalume) being produced by the Indian Industry is a like article to the PosMAC as the same can commercially, technically and characteristically substitute PosMAC. It is further submitted that International standards are irrelevant for determining whether Galvalume is a like article or not for PosMAC.

k) Indian industry has supplied Aluminium and Zinc coated products ranging from 0.19 mm to 2.2 mm thickness to its customer base. No order has been received by the applicant for material having thickness higher than 2.2mm. However, the facility is capable of manufacturing the PUC upto 3mm thickness. In case of any special requirement by the customer, necessary product development can be initiated. Also, it is evident from the transaction wise import data that there is a miniscule quantity of PosMAC imports having a thickness higher than 3mm.

l) The customers have been using Aluminium & Zinc coated product and PosMAC interchangeably for its basic property corrosion resistance. Adequate evidence has been provided for the interchangeability of these products across various end-uses. Moreover, spray (with Aluminium & Zinc) can be used for precautionary measure to enhance corrosion resistance in case of both PosMAC and Aluminium & Zinc.

m) It is pertinent to note that the product Galvalume also has excellent corrosion resistance at cut-edge. The product also has excellent life expectancy of at least 35 years before requiring major maintenance.

n) The domestic industry has capability of supplying Aluminium Zinc coated products with a tensile strength of 540 and above and on the basis of customers requirement, the domestic industry supplies the same.

o) It is to be noted that PosMAC has Zn-Al-Mg coating on HR as well as CR substrates. Secondly, HR cannot simply be used in manufacturing PosMAC. HR base has to undergo shot-blasting, pickling process and requires a pass through the skin-pass mill before the Zn-Al-Mg coating can be applied. Aluminium-Zinc coated product being manufactured by Indian industry should be regarded as like product with HR based PosMAC as these products are technically, commercially and characteristically substitutable with each other. Irrespective of the substrate on which coating is applied, the imported PosMAC has characteristics closely resembling those of the PUC and is displacing the demand for PUC directly. The domestic industry has supplied the Galvanized material with HR base and if the customers require so, the domestic industry has the capability to supply even the Galvalume material with HR base.

p) Applicant has provided sufficient evidence to the effect that the customers are using domestically produced aluminium and zinc coated products and the imported Zn-Al-Mg coated products interchangeably for the same end-use application and the quality of the subject goods being manufactured by the Indian industry and the imported subject goods are at par.

q) Domestic producers of the subject goods are capable of catering to the total demand of the subject goods in India. However, significant volume of dumped imports coming from subject countries have aggressively captured the market share in India. The

Domestic industry has amply demonstrated its capability as well as evidence of supply the PUC to solar industry in terms of both quality as well as commercials.

- r) The quality of the subject goods produced by applicant is at par with the imported product. In fact, the customers use imported goods and the goods being produced by the applicant interchangeably for the same end use application.
- s) Aluminium silicon coated sheet without any zinc is not part of the product under consideration as the PUC only covers “flat rolled product of steel, plated or coated with alloy of aluminium and zinc”.
- t) The applicant has not proposed any PCN wise analysis in its application as PCN wise examination is not required in the facts of the present case.
- u) S. No. 47 of the Steel and Steel Products (Quality Control) Order, 2018 dated 13th August, 2018 makes IS 15961:2012 of the Bureau of Indian Standard mandatorily applicable for “Hot dip Aluminium-Zinc Alloy Metallic Coated Steel Strip and Sheet”. While the Domestic Industry has the capability to produce the PUC having coating mass below AZ 70, it does not do so in order to comply with IS 15961:2012. As per Table 2 of IS 15961:2012, the coating class as well as minimum coating mass is provided as below:

Sl. No.	Coating Class	Minimum Coating Mass g/m ²		
		Total both surfaces		One surface
		Triple Spot	Single Spot	Single Spot
i)	AZ200	200	180	80
ii)	AZ150	150	135	60
iii)	AZ100	100	90	40
iv)	AZ70	70	63	28

The note below the table 2 states "Coating weight other than the above shall be a matter of mutual agreement between the customer and the supplier." Clause 9.1 of IS 15961:2012 reads as under:

“The minimum coating weight shall be as per Table 2 when tested as per 9.2 to 9.7.”

Clause 9.1 of IS 15961:2012 read with Table 2 leads to the following conclusions:

- IS 15961:2012 permits Al-Zn coating as per Table-2.
 - Any other intermittent coating between AZ-70 and AZ-200 is allowed subject to prior agreement between the purchaser and the supplier.
- v) IS 15961:2012 does not authorise any coating below AZ-70.
- w) The warranty offered for PosMAC is nothing but a promotional tactic to substitute Aluminium & Zinc coated product and take its market share. There are various concerns with the warranty offered for PosMAC as detailed below:
- POSCO has the right to modify the terms of agreement.
 - Governing Law: Warranty in accordance with laws of Korea and Seoul Central District Court to have jurisdiction over any dispute, making the warranty difficult to invoke.

- Warranty not valid in case of corrosion caused by alkaline products such as ash, cement, dust or animal excrement (despite PosMAC's contention of better performance under alkaline environment).
- The warranty is not valid for end-use application as contended by PosMACie. for Solar structure fabrication & support structure including structure in contact with soil / concrete.
- The visual aspect of cut-edges and dis-colouration due to run-off from cut-edges is not covered under warranty (despite PosMAC's contention of better performance in case of cut-edges).
- The warranty is not valid in case of posts which are directly rammed into the ground and where PosMAC comes in contact with soil (despite user's contention that PosMAC offers better performance than Aluminium & Zinc in case of posts of solar equipment).
- The warranty is not valid in case the customer does not carry out annual inspection and maintenance and such inspection and maintenance is duly reported to POSCO.

C.2. Submissions made by the other interested parties

6. The following are submissions made by other interested parties comprising exporters, importers, users and other interested parties with regard to product under consideration and like article:

- a) The PUC defined in the Application is inconsistent with the parameters under Rules 2(d) which requires and contemplates the product category to be very clear and precise. However, the application has been filed seeking imposition of anti-dumping duty on an extremely broad and wide category of products.
- b) The DA is supposed to assess if the products are alike, identical or even substitutable. Here, the products- "PosMAC" and "Galvalume" are completely distinct and different making the imposition of anti-dumping duty on "PosMAC" unjustified.
- c) POSCO (brand name PosMAC), Nisshin (brand name ZAM), NSSMC (brand name Super Dyma) and A-Mittal (brand name Magnelis) and Mg 1~2% coated steel [JFE (brand name Ecogal), Tata Steel (Magizinc), TKS (Ecoprotect) and VAS (Corrender)] are not manufactured by the Applicant and thus, should be excluded.
- d) SPDA is a user of "PosMAC" whereas the Applicant is a producer of "Galvalume". It is relevant to point out that:
 - The chemical composition of the coating layer of "PosMAC" and "Galvalume" is totally different.
 - The international standards classification of both products are different.
 - "PosMAC" is not produced in India and internationally only 4 companies can produce Mg 3% coated steel: POSCO (brand name PosMAC), Nisshin (brand name ZAM), NSSMC (brand name Super Dyma) and A-Mittal (brand name Magnelis).
 - Product life of PosMAC is 25 years and for "Galvalume" it is 10 years. This makes the product "PosMAC" suitable for solar projects based on a return on investment model of 25 years.
- e) The scope of PUC is very wide and without any rationale for the same. The PUC, as defined in the Initiation Notification, covers all kind of flat rolled products of steel, plated or coated with alloy of Aluminium and Zinc regardless of each components' proportion.

- f) PosMAC (POSCO Magnesium Aluminium Alloy Coated Steel) essentially coated with 94.5% Zinc and an alloy of 3% Mg and 2.5% Al is included in the PUC merely because there exists a miniscule proportion of Aluminium in what is primarily a Zinc coated product.
- g) PosMAC is a Zinc and Magnesium coated product ('ZM coated product') with a very negligible quantity of Aluminium added to it, which quantity does not render PosMAC an Aluminium and Zinc coated product.
- h) The very definition of the PUC is based on it being an alloy of Aluminium and Zinc where the quantities of both Aluminium and Zinc must be significant, if not equal.
- i) It is significant to mention that the domestic producers have volunteered the exclusion of Zinc coated products from the scope of PUC. However, while excluding the Zinc coated products there has been no threshold limit provided for the Aluminium content in such product.
- j) PosMAC does not fall within the scope of PUC as the quantity of Aluminium present in PosMAC is negligible, being only 2.5% making it only a Zinc and Magnesium coated product. If PosMAC is treated as PUC for purposes of this Investigation, such inclusion will adversely impact the market conditions and weaken the competitiveness of Indian customers.
- k) Aluminium and Zinc coated steel and Zinc & Magnesium coated steel are classified in separate specifications in International Standards like ASTM and European Standards (EN).
- l) The demand of Domestic Market has increased substantially due to the demand in solar energy sector. The DI is not in a position to cater the entire demand of the Domestic Market.
- m) Colorshine imports mainly PUC with mass coated rated at AZ-40, which is not produced/manufactured by Indian producers including the petitioner, JSW Steel Coated Products Limited and other Indian producers namely Tata Steel BSL Limited.
- n) HS Code 72106900 includes Aluminium and Silicon coated material which are not manufactured by Domestic Industry.
- o) Zinc and Magnesium Coated is classified as 'EN10346(ZM)' with the sum of Aluminium and Magnesium from 1.5 to 8% and balance Zinc (equivalent to 'ASTM 1046/1046M'), while Aluminium Zinc coated is classified as 'EN10346(AZ)' with 55% Aluminium alloyed with 1.5% Si (equivalent) to ASTM 792/792M).
- p) At present the domestic industry is not capable of catering to the demand of the solar industry in terms of required quality of PUC (Galvalume) as well as cost.
- q) Furthermore, the projected growth of the solar industry (and consequent increase in demand for MMS, of which PUC is the primary raw material) is exponential.
- r) Any drastic increase in cost of inputs/raw materials shall have a significant impact on the cost of execution of these projects, and finally result in an increase in tariff which shall be passed on to the citizens of India.
- s) Min AZ 20 as required is not available with local suppliers. The imported product is skin passed which gives better quality in FG and has much fewer deficiencies in quality than the domestic product. The range provided by local manufacturers.
- t) PosMAC thickness range (especially in thickness 1.2~4mm) makes this product both cost and time effective.
- For instance, solar structure fabricators need 2mm~4mm thick steel material for lessening the number of Columns and for saving times of fabrication.
 - Galvalume, which is only produced from 0.8mm to 1.2 mm, is not considered as a proper source of making supporters of wide solar panel as well as heavy wind load

u) PosMAC as a ZM coated steel has two distinctive anti-corrosive properties compared to Galvalume's (AZ Coated). One is 'Self-healing system', and the other is 'Alkaline resistance':

- 'Self-healing system' prevents corrosion from 'red-rust' at edge. And the 'edge' occurs every moment when the coil or sheet material is cut, stamped and even scratched.
- Galvalume and AZ coated has no Self-healing system, while ZM coated steel like PosMAC has it due to Zinc and Magnesium elements. Miniscule quantity of Aluminium is required only for technical reasons while the product is Zinc Coated.
- Galvalume/AZ coated steel is not considered as a substitution of PosMAC/ZM coated steel by fabricators because using Galvalume causes profit loss since the edge must be cut off as much as it can ensure the quality of converted products.
- Solar power generators are reluctant to use it as the solar project requires 25 year warranted durability. They do want to warrant the safety and the longer life of solar energy structure without frequent repair/replacement.
- When it comes to 'Alkaline resistance', Galvalume users' website indicates that Galvalume should not be used in alkaline environment like concrete ground or farm where materials are exposed to agricultural chemicals and excrement as the cycle of coating weight loss in that environment is short. To the contrary, PosMAC and even Zinc coated steel can resist corrosion much longer in the same environment.
- Pre-painted or colour coated Aluminium Zinc alloy coated steel sheets (Pre-coated SGL sheets) i.e Pre-painted Galvalume coils with various thickness and width is not covered by the investigation and the same should be confirmed.

C.3. Examination by the Authority

7. The submissions made by the domestic industry and other interested parties with regard to the PUC and like article related issues have been examined.

8. With regard to the contention of the interested parties for exclusion of certain products from the scope of PUC, the Authority has examined the contention of interested parties with regards to scope of PUC and like article.

a) As regards to exclusion of PosMAC from the scope of product under consideration, it is noted that the users of Galvalume substitutably use the PosMAC for their end use applications. It is also ascertained from the records made available by interested parties that users of Aluminium and Zinc coated flat steel products use PosMAC produced and sold by exporters from subject countries, and also Galvalume produced and sold by the domestic industry. Though the chemical composition of subject goods produced and sold by domestic industry is different from the PosMAC imported from subject countries, they are being used interchangeably by the users in India. It is thus noted on examination of records and the evidence provided by the domestic industry that Aluminum and Zinc coated product being produced by the domestic Industry is a like article to the PosMAC which can commercially and technically substitute PosMAC.

b) On the issue of domestic industry not producing and selling PUC having coating mass below 70 GSM, it is noted that domestic industry is rarely producing this specific product because of implementation of BIS Guidelines in pursuance to the Quality Control Order.

- c) With regard to submissions made by some of interested parties about Flat rolled steel products coated with Aluminium without addition of Zinc within the scope of PUC, it is noted that the same is excluded from the scope of PUC.
- d) With regard to submissions made by the interested parties that Pre-painted or colour coated Aluminium Zinc alloy coated steel sheets (Pre-coated SGL sheets) i.e Pre-painted Galvalume coils with various thickness and width is not covered by the investigation and the same should be confirmed, it is noted that Pre-painted or colour coated Aluminium Zinc alloy coated steel sheets (Pre-coated SGL sheets) is excluded from the PUC.
- e) With regard to submissions made by some of the interested parties that HS codes of the product is too broad, it is noted that the customs classification mentioned for the PUC is indicative only and is in no way binding on the scope of the present investigation. The scope of the PUC for this investigation is clearly mentioned under appropriate heading.
9. With regards to contention made by some of the interested parties that the PUC is too broad and vague, it is noted that the PUC has been appropriately defined keeping in view the imports from subject countries, and production and sales of the domestic industry. The Authority has thoroughly examined the contentions by all interested parties before arriving at the scope of PUC.

Scope of PUC

10. On the basis of submissions made by various interested parties and the information on record, the Authority holds that

“the product under consideration is Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc. This alloy of Aluminium and Zinc may contain one or more additional elements which in individual or in combination shall not exceed 3% by weight.” (also referred to as PUC)

11. *Further, the product under consideration may be in coil form or not in coil form whether or not plain, corrugated or in profiled form. PUC may be skin-passed / processed on temper-mill or non-skin-passed whether or not surface treated with or without additional non-metallic coating. PUC may be supplied in various trade names including but not limited to Alu-Zinc, Al-Zn, Zinc Aluminum, Aluminum Zinc, Zincalume, Galvalume etc. It is also noted that PUC offers resistance to corrosion and is used in many applications and sectors including but not limited to infrastructure projects, solar power projects, roofing, walling decking, cladding and framing, white goods and appliances, furniture and substrate for colour coated steel. PUC does not include the following products: -*

- i. Flat rolled steel products coated with Zinc without addition of Aluminium;***
- ii. Flat rolled steel products coated with Aluminium without addition of Zinc***
- iii. Pre-painted or colour coated Aluminium Zinc alloy coated steel sheets (Pre-coated SGL sheets).***

12. PUC falls under tariff items 72106100, 72125090, 72259900 and 72269990 of the Customs Tariff Act, 1975. The PUC is also being imported under other Customs Tariff Items 72101290, 72103090, 72104900, 72106900, 72107000, 72109090, 72121090, 72122090, 72123090, 72124000, 72169910, 72255010, 72259100, 72259200, 72269930 etc. The customs classification is indicative only and is in no way binding on the scope of the present investigation.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

13. It is noted that the subject petition has been filed by M/s JSW Steel Coated Products Limited. Apart from the petitioner, there are three other producers of the PUC in India, namely, M/s. Tata BlueScope Steel Private Limited, M/s. Tata Steel BSL Limited and M/s. Asian Colour Coated Ispat Limited. It had been claimed that M/s. Asian Colour Coated Ispat Limited had not produced the PUC from 2017 onwards.

D.1. Submissions made by the Domestic Industry

14. The submissions made by the domestic industry during the course of the investigation with regard to scope of domestic industry & standing are as follows:

- a) Application was filed by M/s. JSW Steel Coated Products Ltd., who is a producer of the subject goods in India. There are three more known domestic producers of the product under consideration, namely, Tata Steel BSL Limited, Tata Bluescope Steel Private Limited and Asian Colour Coated Ispat Limited.
- b) Applicant has not imported the product under consideration and is not related to any importer in India or exporter from subject countries.
- c) Applicant holds a major proportion of total Indian production of the PUC. The Applicants' share in total eligible Indian production of PUC is in the range of 55-65% during the POI. Accordingly, the applicant clearly satisfies the requirement of standing and thus constitutes 'domestic industry' in India for the product concerned in terms of Rule 2(b) read with Rule 5(3) of the AD Rules.

D.2. Submission of other interested parties

15. The submissions made by various other interested parties with regard to the scope of domestic industry & standing are as under:

- a) The present application has been filed by a single entity and is not supported by other manufacturers of "Flat rolled product of Steel, plated or coated with alloy of Aluminum and Zinc. This alloy of Aluminum and Zinc may contain one or more additional elements which is individual or in combination shall not exceed 3% by weight". The Applicant admits that the following entities produce the same PUC:
 - Tata Steel BSL Limited;
 - Tata BlueScope Steel Private Limited;
 - Asian Colour Coated Ispat Limited

None of the above manufactures have supported the Applicant's application. It is submitted that one out of four manufacturers can't constitute "domestic industry" under Rule 2(b) of the AD Rules.

- b) The first element of Rule 2(b) i.e. “the manufacture of the like article” is absent as the applicant does not even produce some of the PUC in particular “PosMAC” and the products produced by the Applicant are not even viable substitutes of “PosMAC”.
- c) The applicant has shown a frivolous basis for the assessment of the production by the other manufacturers as only 1 out of 4 manufacturers have filed the application although the production by other manufacturers is significant. It is respectfully submitted that in absence of authentic figures regarding the production of other manufacturers, the Applicant cannot be treated as the “domestic industry” under Rule 2 (b) of the AD Rules.
- d) Vague basis has been given for assessment of the production by the other manufacturers and stated as under:
“Based upon the information provided by the respective producers. The Authority may verify the same from the respective sources.”

D.3. Examination by the Authority

16. Rule 2(b) of the AD Rules provides as follows:
“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”

17. The Authority notes that the petition has been filed by M/s. JSW Steel Coated Products Ltd, who is a major producer of the subject goods in India. There are three more known domestic producers of the product under consideration in India, namely, Tata Bluescope Steel Private Limited, Tata Steel BSL Limited and Asian Colour Coated Ispat Limited.

18. The Authority notes that applicant company has neither imported the subject goods, nor it is related to an importer or exporter of the subject goods. The evidence on record shows that the Petitioner commands a major proportion (more than 60%) of the total production of the subject goods in India. Therefore, the Authority holds that for the purpose of this investigation the Petitioner Company satisfies the standing requirement and constitutes the domestic industry in terms of Rule 2(b) and Rule 5(3) of the AD Rules.

E. ISSUES RELATING TO CONFIDENTIALITY

E.1. Submissions by domestic industry

19. The following submissions have been made by the domestic industry with regard to confidentiality issues:

- a) Producers, exporters and related importers in Dongkuk group have claimed excessive confidentiality on various information that is neither business sensitive nor

capable of causing any adverse effect on them. Dongkuk Steel Mill Co. Ltd., Korea RP has claimed confidentiality on the following:

- Channel of marketing for export sales and sale in home market, distribution channels for export to India have been kept confidential because of which, parties through which exports to India takes place cannot be identified.
- Sales negotiation process for export sales to India, expenses claimed, detail of distribution channels for sale in home market, sales negotiation process for sale in home country cannot be kept confidential.
- Manufacturing process, post invoicing/sales discount or year-end rebates given to domestic customers cannot be kept confidential.
- Appendix 6, 7, 8 and 9 has been disclosed as confidential in the non-confidential version by Dongkuk Steel Mill Co. Ltd. In the absence of non-provision of these appendices and exhibits at all applicant is not in a position to ascertain what these appendices and exhibits contain, why they are being treated as confidential, why their summarization is not possible.

b) Hyosung TNC Corporation Korea has claimed confidentiality on the following:

- List of products sold, company's world-wide corporate structure and affiliations, including parent companies and all other related companies should be provided and cannot be kept confidential,
- Distribution channels for export to India have been kept confidential because of which, parties through which exports to India takes place cannot be identified. This information cannot be kept confidential.

c) Dongkuk Steel India Private Limited has claimed confidentiality in the following:

- List of shareholders, list of products sold by entity should be provided. This information cannot be kept confidential.
- Distribution channels and related party information cannot be kept confidential as distribution channel is mandatorily to be disclosed.
- Sales negotiation process

In view of the above, producers, exporters and related importers in Dongkuk group should be treated as non-cooperative because they have failed to disclose the essential information in the non-confidential version and have also violated Trade Notice No. 10/2018 dated 7th September 2018.

d) Producer and exporter in Dongbu group have claimed excessive confidentiality on various information that is neither business sensitive nor capable of causing any adverse effect on them. Dongbu Steel and Incheon Korea has claimed confidentiality in the following:

- list of principal shareholders, list of all products sold by Dongbu Steel and Incheon should be provided. This information cannot be kept as confidential.
- Company's world-wide corporate structure and affiliations, including parent companies and all related companies should be provided.
- Details of distribution channels for sale in home market.
- Post invoicing/sales discount or year-end rebates given to domestic customers.
- Manufacturing process and production flow chart.

- Appendix 6, 7, 8 and 9 has been disclosed as confidential in the non- confidential version by Dongbu Steel and Incheon. In the absence of non-provision of these appendices and exhibits at all we are not in a position to ascertain what these appendices and exhibits contain, why they are being treated as confidential, why their summarization is not possible.

In view of the above, producers and exporters in Dongbu group should be treated as non-cooperative because they have failed to disclose the essential information in the non-confidential version and have also violated Trade Notice: 10/2018 dated 7th September 2018.

e) GS Global Corp has claimed excessive confidentiality on various information that is neither business sensitive nor capable of causing any adverse effect on them. Applicant has examined the confidentiality related issues for GS Global Corp and the same are stated below:

- List of principal shareholders should be provided.
- List of all products sold by GS Global Corp should be provided.
- List of related entities has been provided by GS Global Corp but their telephone, fax number and email address has not been provided. Activities of each entity and details of whether they are involved in export of PUC to India should also be provided.
- Financial and cost accounting system of the company
- Distribution channels for export to India have been kept confidential because of which, parties through which exports to India takes place cannot be identified.
- Sales negotiation process for export sales to India.
- Details of distribution channels for sale in home market.
- Sales negotiation process for sale in home country.
- Name of related party in India.

In view of the above, GS Global Corp should be treated as non-cooperative because it has failed to disclose the essential information in the non-confidential version and has also violated Trade Notice No. 10/2018 dated 7th September 2018.

f) Producers, exporters and related importers in POSCO group have claimed excessive confidentiality on various information that is neither business sensitive nor capable of causing any adverse effect on them. Posco Korea has claimed confidentiality on the following:

- List of related entities has been provided by the POSCO but their addresses, telephone, fax number and email address has not been provided. Activities of each entity and details of whether they are involved in export of PUC to India should also be provided.
- POSCO has submitted that it produces and sells zinc, aluminium and magnesium coated steel products called as “POSMAC” which is different from the product under investigation. In support of his claim, POSCO has provided in Exhibit- B-1 its product brochure showing the comparison between POSMAC and typical aluminium zinc coated steel. However, this product brochure has not been provided in the non-confidential version. In the absence of product brochure, applicant will not be able to file any comment on this issue.

- Distribution channels for export to India have been kept confidential because of which, parties through which exports to India takes place cannot be identified.
- Sales negotiation process for export sales to India, details of distribution channels for sales in home market and sales negotiation process for sale in home country.
- Names of raw materials used in production process Appendix 1, 3A, 4A, 4B, 6, 7, 8, 9, 10, 11 and Exhibit B-1, D-1, G-1, G-2, E-1, F-1, F-2 has not been provided at all by POSCO in the non- confidential version. In the absence of non-provision of these appendices and exhibits at all applicant is not in a position to ascertain what these appendices and exhibits contain, why they are being treated as confidential, why their summarization is not possible.

In view of the above, producers, exporters and related importers in POSCO group should be treated as non-cooperative because they have failed to disclose the essential information in the non-confidential version and have also violated Trade Notice: 10/2018 dated 7th September 2018.

E.2. Submissions by other interested parties comprising producers, exporters and importers

20. The following submissions have been made by other interested parties with regard to confidentiality issues:

- a) The disclosure of entire evidence to an affected party is an essential attribute of the principles of natural justice.
- b) The Applicant has claimed confidentiality with respect to the following aspects:
 - Production figures of the Petitioner as well as other major producers of PUC.
 - Dumping Margin or Ex-Factory export price.
 - Domestic Sales of the Applicant and other producers for relevant years
 - Captive consumption for relevant years.
 - Market Share of the Applicant and other producers for relevant years.
 - Domestic Selling Price of the Applicant.
 - Domestic Selling Price of the producers from China RP, Vietnam and Korea RP.
 - Cost to make and sell of the PUC for the Applicant for relevant years.
 - Capacity Utilization of the Applicant for relevant years.
 - Profit/Loss of the Applicant for relevant years. In the absence of a proper non-confidential version, the rights of the responding interested parties are severely prejudiced.

In the absence of the full information with regard to the aforesaid, it is impossible to defend our interests

- c) The Applicant has failed to show “good cause” for claiming confidentiality as per Rule 7 of the AD rules and Article 6.5 of the WTO Anti-Dumping Agreement.

E.3. Examination by the Authority

21. With regard to confidentiality of information, Rule 7 of Anti-dumping 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, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

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

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

22. Non-confidential version of the information provided by various interested parties were made available to all interested parties through the public file containing non- confidential version of response submitted by various interested parties for inspection.

23. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality to the extent considered relevant has been examined by the Authority. After the receipt of response from the exporters, the same has been examined. With regard to claims of excessive confidentiality by the exporters, it is noted that deficiency letters are being issued to responding exporters asking for required information in the form and manner as mentioned in the of exporter’s questionnaire. These exporters have also been asked to submit some of the non-confidential information (of the confidential information filed) in the form and manner as provided in the trade notice no 10/2018. The Authority has provisionally accepted the response filed by responding exporters pending the receipt of detailed information from those exporters. This issue would continue to be examined during further investigation. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

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

Submissions by the Domestic Industry

24. The following submissions have been made by the domestic industry:
- a) There are significant market distortions prevailing in the steel industry in China PR due to significant state influence, etc. Therefore, the petitioner requests the authority not to accept the costs and prices prevailing in China PR for determining the normal value unless producers/ exporters in China PR are able to demonstrate that their costs and prices are not distorted. The petitioner submits that European Commission (“EC”) in its recently published report has examined the market distortions that exist in specific sectors in China PR wherein the EC has found that there exist countrywide market distortions related to land, energy, capital, raw materials and labour in China PR.
 - b) If the related importer resells the subject goods in India either in the same form or after minor modifications and incurs a loss, then the authority should make suitable adjustments to the net export price as well as the landed value of imports. This has been the consistent practice of the authority as can be seen in the anti-dumping investigation concerning glass fibre from China PR. If appropriate adjustments are not done by the authority while determining the dumping margin and injury margin then this kind of practice of importing at a higher price and reselling at a lower price will become an exit route for the foreign exporters and lead to duty evasion or circumvention of the duty by exporters.
 - c) During the POI, Dongkuk primarily made direct exports to its related importer (Dongkuk Steel India Private Limited) in India. Some exports have also been made through unrelated Korean exporters namely Hyosung TNC Corporation and SK Networks. SK Networks has not filed the EQR. In the absence of questionnaire response from SK Networks, complete export chain to India is not available and accordingly the response filed by entire group should be rejected.
 - d) Dongkuk has also purchased the PUC from other suppliers (may be POSCO). It should be verified whether PUC purchased by Dongkuk from other producers has been exported to India or not. If Dongkuk has exported the product manufactured by some other producer in India and such producer has not participated in the investigation, complete response filed by entire group should be rejected.
 - e) It can be seen from the response filed by Dongkuk Steel India Private Limited (related importer) that it was incurring losses (after adjusting other

income and changes in inventory) during the year 2017-18. The losses incurred by Dongkuk Steel India Private Limited for 2017-18 can be seen as under:

Particulars	Amount(in lacs)
Profit before tax	925
Other Income	293
Change in inventory	-3,646
Profit/Loss	-3,014

We request the authority to kindly examine the impact of losses suffered by the related importers in detail and make appropriate adjustment while determining the ex- factory export price and landed value for Dongkuk Steel Mill Co.

f) In response to Ques E.11, for computation of export price to India, POSCO has claimed deductions on account of (a) ocean freight, (b) inland transportation, (c) loading fee, (d) packaging cost and (e) credit expense. However, in response to Ques F.10, for computation of Normal Value, POSCO has claimed deductions on account of (a) inland transportation, (b) warehousing expense, (c) handling fees, (d) credit expense and (e) packaging cost and (f) warranty expense.

g) It can be seen that while determining the Normal Value, additional deduction towards warranty expense has been claimed. We would like to bring to the notice of authority that POSCO has made detailed submissions explaining as to why POSMAC (Zinc, Aluminium and Magnesium coated steel) exported by them to India is different from Aluminium -Zinc coated steel supplied by the applicant. One of the most important difference highlighted by them is that they are providing 25 years of warranty on POSMAC exported to India. It is therefore abundantly clear that POSCO has stated incorrect facts either in their submissions or in the questionnaire response. If they are actually providing 25 years warranty on exports to India then, they should have shown warranty expense as a deduction for exports to India. If they are not providing 25 years warranty, then they should not have made such a submission while highlighting the differences between POSMAC exported by them to India and Aluminium - Zinc coated steel supplied by the applicant.

h) Further POSCO has also claimed additional deduction on account of warehousing expense from the Normal Value. Whereas no such deduction has been claimed from the export price.

- i) POSCO has not claimed any deduction from the export price for bank charges. Therefore, we request the authority to make appropriate adjustments towards warranty expense, warehousing expense and bank charges from the export price of POSCO to India. Similar adjustments should also be made from the export price of related producer M/s. POSCO Coated & Color Steel Co.Ltd.
- j) We understand that POSCO has made sales to its related party in the domestic market. However, no information has been provided in Appendix 4C (Resale by related customers to independent customers).
- k) It can be seen from the response filed by POSCO India Holdings Private Limited (related importer) that it was incurring losses (after adjusting other income and changes in inventory) during the year 2017-18. The losses incurred by POSCO India Holdings Private Limited for 2017-18 can be seen as under:

Particulars	Amount(in lacs)
Profit before tax	7,961
Other Income	409
Change in inventory	-8,063
Profit/Loss	-511

- l) In addition, it can also be seen from the response filed by M/s. POSCO IAPC that it had incurred losses during 2016-17 as well. We request the authority to kindly examine the impact of losses suffered by the related importers in detail and make appropriate adjustment while determining the ex- factory export price and landed value for POSCO and POSCO Coated & Color Steel Co.Ltd.
- m) Zhejiang Huada New Materials Co. Ltd has not claimed any deduction from the export price for bank charges. Therefore, we request the authority to make appropriate adjustments towards bank charges from the export price of Zhejiang Huada New Materials Co. Ltd. to India.
- n) Zhejiang Huada New Materials Co. Ltd has made sales to its related party in the domestic market. However, no information has been provided in Appendix 4C (Resale by related customers to independent customers).
- o) We request the authority to kindly check whether exporter/ trader M/s Marubeni-Itochu Steel Pte Ltd. has earned reasonable profits and has recovered all its cost for exports to India or not. If exporter/trader have not earned

reasonable profits, then we request the authority to make appropriate adjustment while determining the ex- factory export price and landed value.

p) We request the authority to kindly check whether exporter/trader M/s Vina One Steel Manufacturing has earned reasonable profits and has recovered all its cost for exports to India or not. If exporter/trader have not earned reasonable profits, then we request the authority to make appropriate adjustment while determining the ex- factory export price and landed value.

q) As per the response filed by Stinko Co. Ltd, it has exported the PUC directly to India customers and through unrelated trading companies based in 3rd countries. We request the authority to check whether trader through which Stinko Co. Ltd has exported the PUC to India have participated or not. If the traders have not participated, then authority should treat Stinko Co. Ltd and related producer through which Stinko Co. Ltd has purchased the PUC as non-cooperative.

r) It should be noted that Dongkuk Steel India Private Limited is a related party of GS Global Corp. This fact can be verified from the annual report for the year 2017 (Refer Page 61, Point 12). Accordingly, Producer and Exporter (Dongkuk Steel Mill Co. and GS Global Corp) both are related. Therefore, we request the authority to verify this fact and whether the same has been disclosed by GS Global Corp or not. If this fact has not been disclosed, then GS Global Corp should be treated as non-cooperative.

s) Further, we request the Authority to verify whether GS Global has earned reasonable profit and recovered all its cost or not.

t) Shanghai Shijing International Trading Co. Ltd has made sales in the domestic market. However, no information has been provided in Part-III, Section F (Domestic Sales).

u) We request the authority to kindly check whether exporter/trader M/s Shanghai Shijing International Trading Co. Ltd. has earned reasonable profits and has recovered all its cost for exports to India or not. If exporter/trader have not earned reasonable profits, then we request the authority to make appropriate adjustment while determining the ex- factory export price and landed value.

Submissions by the other interested parties

25. The following submissions have been made by other interested parties:

- a) The Applicant has failed to provide sources relied on for determination of dumping. The notable instances are as follows:
- The Applicant has failed to provide any justification for treating Vietnam or China PR as “non-market economies.”
 - The Applicant states that it does not possess information about domestic selling prices in Korea RP.
- b) The Application should be rejected because the Applicant has made blanket assumptions and has relied on unsourced data in order to determine dumping.

Examination by the Authority

26. The Authority has provisionally determined normal value/constructed normal value, export price and dumping margin in respect of producers/exporters of the subject countries based on the response filed by them during the process of investigation. It is also noted that some of the responding producers have given an account of the PCN pertaining to the product and have requested Authority to examine dumping margins based on those PCN. However, other producer and exporters have not submitted any arguments or submissions with regard to PCN. The domestic industry has also not submitted the information in this regard. After examining the contention of various interested parties, the Authority has taken the entire PUC as one product into account for determining the normal value and export price.

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

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

(i) 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

(ii) 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);

- c) 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:

- (i) M/s. Zhejiang Huada New Materials Co., Ltd., China PR
- (ii) M/s. Shanghai Shijing International Trading Co., Ltd., China PR
- (iii) M/s. POSCO Asia Company Ltd., China PR
- (iv) M/s. Tay Nam Steel Manufacturing and Trading Co. Ltd, Vietnam
- (v) M/s. Vina One Steel Manufacturing corporation, Vietnam
- (vi) M/s. HoaSen Group JSC. (HSG), Vietnam
- (vii) M/s. HoaSenNghe an one Member LLC (HSNA), Vietnam
- (viii) M/s. Ton Dong A Corporation, Vietnam
- (ix) M/s. Marubeni-Itochu Steel Pte. Ltd, Vietnam
- (x) M/s. POSCO, Korea RP
- (xi) M/s. POSCO Coated and Color, Korea RP
- (xii) M/s. Dongbu Steel & Incheon, Korea RP
- (xiii) M/s. Dongkuk Steel Mill Co., Ltd., Korea RP
- (xiv) M/s. GS Global Corp, Korea RP
- (xv) M/s. POSCO Samsung C&T Corporation, Korea RP
- (xvi) M/s. POSCO Daewoo Corporation, Korea RP
- (xvii) M/s. Hyosung TNC Corporation, Korea RP
- (xviii) M/s. STINKO Co. Ltd., Korea RP

Normal Value for producers/exporters of subject goods in China PR

Normal value in China PR

28. The Article 15 of China's Accession Protocol in WTO provides as follows:
 "Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"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.”

29. It is noted that on 11.12.2016 the provisions of 15 (a) (ii) have though expired, 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 1 of India’s AD Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the MET status. It is noted that since none of the responding producers, exporters from China have submitted additional questionnaire response, the normal value computation is required to be dealt as per provisions of para 7 of Annexure-1 of AD Rules.

G.1. Determination of Normal Value and Export Price for cooperating producers and exporters in China PR

Zhejiang Huada New Materials Co., Ltd. (“Huada”)

30. Zhejiang Huada New Materials Co., Ltd. (“Huada”) was established on July 25, 2003, Huada is a limited liability company, incorporated in accordance with the Company Law of the People’s Republic of China.

Determination of Normal Value

31. The Authority notes that none of the producer/ exporter from China PR have filed the supplementary questionnaire response wherein they were sought to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Antidumping Rules.. Under the circumstances, the Authority has to proceed in accordance with Para 7 of Annexure - I to the Rules in this regard.

32. In view of the above, the normal value for the PUC imported from China PR into India is determined based on facts available. Cost of production as optimized for the petitioners after reasonable additions for selling, general & administrative expenses and reasonable profit margin has been considered. Accordingly, the normal value has been constructed for all producers and exporters in China PR for the PUC during the POI as given in the dumping margin table herein.

Export Price for Zhejiang Huada New Materials Co., Ltd. (“Huada”), China PR

33. With regards to export price of subject goods from responding exporter to India, it is noted that M/s Zhejiang Huada New Materials Co., Ltd., China PR has exported the subject goods to India and has given the information in the appendix 3 of the response of the exporters’ questionnaire. The exporter has also responded that Appendix-3B and Appendix-3C are not applicable in their case because there are no related Indian customers in India sales and the producer exporter Huada did not export subject goods to India through trading company. For the purpose of this preliminary findings, the Authority has provisionally accepted the adjustments made by the exporter subject to verifications.

34. It is noted that during the POI, M/s Zhejiang Huada New Materials Co., Ltd., China PR exported *** MT of subject goods to India valued at US\$*** directly The exporter has claimed adjustments on account of ocean freight, insurance, inland freight, port and other related expenses and Non-Refundable VAT which have been provisionally allowed for the purpose of preliminary findings subject to detailed onsite verification. The net export price as determined for ocean freight, insurance, inland freight, port and other related expenses and Non-Refundable VAT is given in the dumping margin table.

Other Producers and exporters from China PR

Dumping Margin for all non-cooperating exporters from China PR

35. The normal values and export prices for other non-cooperating exporters from China PR has been determined as per best facts available taking into account the data of

the co-operating exporters from that country and the same is mentioned in the dumping margin table.

Determination of Normal Value and Export Price for cooperating producers and exporters in Vietnam

Determination of Normal Value for producers and exporters in Vietnam

M/s Ton Dong A Corporation, Vietnam

36. It is noted that M/s Dong A Company Limited (hereafter 'the company', 'Ton Dong A' or 'TDA') was incorporated under the Law of Enterprise of the Socialist Republic of Vietnam as Dong A Company Limited. The company was renamed Ton Dong A Company Limited in 2005 and was renamed Ton Dong A Corporation in 2009.

Normal Value

37. It is noted from the response filed that they have given information pertaining to their domestic sales in the format 4A, 4B and 4C of the exporter's questionnaire. It is also noted from the response that M/s Ton Dong A Corporation, Vietnam, during the POI, has sold *** MT of the subject goods having invoice value *** VND in the domestic market to related and unrelated customers. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. In order 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 are more than 80% then the authority has considered all the transactions in the domestic market for the determination of the normal value. Where the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, profitable sales have been taken into account for determination of normal value, since the profitable sales were less than 80%.

38. M/s Ton Dong A Corporation, Vietnam, has claimed adjustments on account of insurance, inland transportation and credit cost, which have provisionally allowed for the purpose of preliminary findings subject to detailed onsite verification. Accordingly, normal value for M/s Ton Dong A Corporation, Vietnam, has been provisionally determined and is given in the dumping margin table.

Export Price

39. It is noted that M/s Ton Dong A Corporation, Vietnam, has exported *** MT of PUC directly, *** MT through M/s Marubeni-Itochu Steel Pte Ltd., Singapore and *** MT through Macsteel International Far East Limited. M/s Ton Dong A Corporation, Vietnam, has filed the questionnaire response. Separate Questionnaire response has been filed by its unrelated trading company, namely M/s Marubeni-Itochu Steel Pte Ltd., Singapore. It is further noted M/s Macsteel International Far East Limited, has not filed its EQR with the authority.

40. Since, the volume of exports by producer and its unrelated cooperating traders who have filed response before the Authority are considered substantial and are more than *** %, the information submitted by producer and cooperating traders have been taken into account for arriving at the export price.

41. Adjustments have been allowed on account of ocean freight, insurance, inland freight, port and other related expenses for the purpose of preliminary findings subject to detailed onsite verification. The net export price after these adjustments is given in the dumping margin table.

M/s Hoa Sen Group (HSG), and M/s HoaSenNgne An One Member Limited Liabilities Company (HSNA) Vietnam

42. M/s HoaSen Group (HSG), Vietnam, has filed the questionnaire response along with its related company, namely, M/s HoaSenNgneAn One Member Limited Liabilities Company (HSNA), Vietnam. Hoa Sen Group (“HSG”) is a Joint Stock Company listed on Ho Chi Minh City Stock Exchange. 100% of HSNA is owned by Hoa Sen Group Joint Stock Company (“HSG”). Both HSG and its related company HSNA are producers of subject goods. However, only HSG has exported the subject goods to India during the POI.

Normal value

43. It is noted from the response that M/s Hoa Sen Group (HSG), Vietnam has sold *** MT of the subject goods having invoice value *** VND in the domestic market both to the related and unrelated customers in Vietnam during the POI. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. In order 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. If profit making transactions are more than 80%, 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 are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, profitable sales have been taken for determination of normal value, since the profitable sales were less than 80%.

44. M/s Hoa Sen Group (HSG), Vietnam, has claimed adjustments on account of insurance, inland transportation, credit cost and other expenses, which have provisionally allowed for the purpose of preliminary findings subject to detailed onsite verification. Accordingly, normal value for HSG, Vietnam, has been provisionally determined and is given in the dumping margin table.

Export Price for M/s HoaSen Group (HSG), Vietnam and M/s HoaSenNgneAn One Member Limited Liabilities Company (HSNA) Vietnam

45. During the POI, M/s Hoa Sen Group (HSG), Vietnam, has directly sold *** MT to unrelated Indian customers. Out of which *** MT has been sourced from M/s HoaSenNgneAn One Member Limited Liabilities Company (HSNA), Vietnam.

46. Adjustments have been allowed on account of ocean freight, insurance, inland freight, port and other related expenses for the purpose of preliminary findings subject to detailed onsite verification. The net export price as provisionally determined is given in the dumping margin table.

Tay Nam Steel Manufacturing & Trading Co., Ltd (Tay nam) and Vina One Steel Manufacturing Corporation (Vina One), Vietnam.

47. Tay Nam Steel Manufacturing & Trading Co., Ltd (hereinafter referred to as “Tay Nam or Company”) was established on 15th March, 2016 as a private limited company. It is engaged in the manufacture and exports of the PUC. Vina One Steel Manufacturing Corporation (Vina One), Vietnam is a related company as both the companies have common shareholders. Vina One Steel Manufacturing Corporation, is engaged in the sales of the product under consideration.

Normal value

48. It is noted that M/s Tay Nam Steel sold the product concerned directly as well as through Vina One to customers in the home market. It is noted that M/s Tay nam and Vina One, Vietnam has sold *** MT of the subject goods having invoice value *** VND in the domestic market both to the related and unrelated customers in Vietnam during the POI. Based on their response, a deficiency letter is being issued to responding producer with regards to some of the information filed by them. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. In order 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. If profit making transactions are more than 80%, 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 are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, all sales have been taken for determination of normal value, since the profitable sales were more than 80%.

49. M/s Tay Nam Steel, Vietnam, has claimed adjustments on account of credit cost, which have provisionally allowed for the purpose of preliminary findings subject to detailed onsite verification. Accordingly, normal value for Tay nam Steel, Vietnam, has been provisionally determined and is given in the dumping margin table.

Export price

50. The company exported the product concerned directly as well as through Vina One to customers in India. During the POI, Both the companies have directly sold *** MT with a net invoice value of VND *** to unrelated Indian customers. Adjustments have been allowed on account of ocean freight, insurance, port and other related expenses, credit costs and bank charges provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as provisionally determined is given in the dumping margin table.

Nam Kim Steel Joint Stock Company, Vietnam

51. Nam Kim Steel is a joint stock company. It is noted that Nam Kim Steel sells a major volume of sales of product under consideration to independent customer upon the local market demand. All domestic sale transactions of PUC made by Nam Kim Steel are sold directly to its local customers.

Normal value

52. It is noted from their response that M/s Nam Kim Steel has sold *** MT at a net invoice value of *** VND in the domestic market during the POI. It is also noted from the response that their major sales were made to unrelated customers in their home market and only a minor share of domestic sales were made to related company for internal consumption. Based on their response, a deficiency letter is being issued to responding producer with regards to some of the information filed by them. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. In order 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. If profit making transactions are more than 80%, 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 are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, profitable sales have been taken for determination of normal value, since the profitable sales were less than 80%.

53. M/s Nam Kim Steel, Vietnam, has claimed adjustments on account of credit cost and packing cost, which have provisionally been allowed for the purpose of preliminary findings subject to detailed onsite verification. Accordingly, normal value for Nam Kim Steel, Vietnam, has been provisionally determined and is given in the dumping margin table.

Export price

54. It is noted from the response that the company sold the product concerned directly to customers in India. During the POI, It is noted that the company sold *** MT

to unrelated Indian customers. Adjustments have been allowed on account of ocean freight, inland freight, and insurance, credit costs, packing costs and port and other related expenses provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as provisionally determined is given in the dumping margin table.

Other Producers and exporters from Vietnam

Dumping Margin for all non-cooperating exporters from Vietnam

55. The normal values and export prices for other non-cooperating exporters from Vietnam has been determined as per best facts available taking into account the data examined for the co-operating exporters from that country and the same is mentioned in the dumping margin table.

Determination of Normal Value and Export Price for cooperating producers and exporters in Korea RP

POSCO, Korea RP

56. POSCO is a listed company (joint-stock corporation) in Korea. It is noted from the response that M/s POSCO has mostly sold the subject goods directly to its customers in their domestic market and also through POSCO Daewoo Corporation.

Normal Value

57. It is noted from the response that M/s POSCO, Korea RP, during the POI, has sold *** MT of the subject goods having invoice value *** KRW in the domestic market. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. Based on their response, a deficiency letter is being issued to responding producer with regards to some of the information filed by them. 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 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 are taken into consideration for the determination of normal value. In this case, based on the ordinary course of trade test, all domestic sales have been taken for determination of normal value, since the profitable sales were more than 80%.

58. M/s POSCO, Korea RP, has claimed adjustments on account of freight expenses, warehousing expenses, handling fee, credit cost, packing cost and warranty expenses. After examining the response, warranty and warehousing expenses have not been adjusted for arriving at normal value. Other adjustments have been taken into account for the purpose of preliminary findings subject to verification. Accordingly,

normal value for M/s POSCO, Korea RP, has been provisionally determined and is mentioned in the dumping margin table.

Export Price for POSCO, Korea RP

59. M/s POSCO, Korea RP, has exported *** MT and *** MT of PUC through M/s GS Global Corporation, Korea RP and M/s Samsung C & T Corporation, Korea RP respectively. These unrelated traders have further exported the PUC to India through a related trader namely M/s POSCO Asia, Hong Kong. All of the above producer/exporters/traders have filed separate EQRs.

60. It is also noted that related traders/exporters have further sold the subject goods to related processors/importers of POSCO, Korea RP, namely POSCO IAPC, India, POSCO IDPC, India, POSCO ICPC India and POSCO IPPC, India. All these related parties have also filed importers/end-user questionnaire responses.

61. It is noted from the response filed by above mentioned POSCO subsidiaries in India that together, they have incurred a loss 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 which included import prices and SGA of the subsidiaries, suitable adjustment has been made from their landed price and net export price. Further Adjustments have been allowed on account of ocean freight, inland freight, and insurance, credit costs, packing costs and port and other related expenses provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as provisionally determined is given in the dumping margin table.

“POSCO Coated & Color Steel Co., Ltd.”(POSCO C&C), Korea RP

62. It is noted that M/s POSCO C & C, Korea RP is a part of POSCO group

Normal Value for POSCO C & C, Korea RP

63. It is noted that during the POI, has sold *** MT of the subject goods having invoice value *** KRW in the domestic market. These goods have been sold to both related *** MT and unrelated *** MT customers. Based on their response, a deficiency letter is being issued to responding producer with regards to some of the information filed by them. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. 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 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 are taken into consideration for the determination of normal value. In this case, based on the ordinary course of trade test, all domestic sales have been taken for determination of normal value, since the profitable sales were more than 80%.

64. M/s POSCO C & C, Korea RP, has claimed adjustments on account of inland freight, credit cost and claim expenses. Accordingly, weighted average normal value for M/s POSCO C&C, Korea RP, has been provisionally determined and is mentioned in the dumping margin table.

Export Price for POSCO C & C, Korea RP

65. M/s POSCO C&C, Korea RP, has exported *** MT and *** MT of PUC through M/s Posco Asia Co., Hong Kong (related company) and M/s Posco International, Korea RP, (related company) respectively. M/s POSCO C&C, Korea RP, has filed the questionnaire response and separate questionnaires have been filed by its related trading companies, namely, M/s Posco International Corporation (formerly POSCO Daewoo Corporation), Korea RP and M/s POSCO Asia Co., Hong Kong. It is further noted that POSCO International Corporation, Korea RP and M/s POSCO Asia Co., Hong Kong have sold major share to the related Indian Company namely IAPC, IPPC, ICPC and IDPC.

66. It is noted from the response filed by above mentioned POSCO subsidiaries in India that together, they have incurred a loss during the sale of the subject goods imported from their parent company i.e POSCO C&C through different trading channels as mentioned above. As their sales price of subject goods are lower than their purchase price which included import prices and SGA of the subsidiaries, suitable adjustment has been made from their landed price and net export price. Further Adjustments have been allowed on account of ocean freight, inland freight, and insurance, credit costs, packing costs and port and other related expenses provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as determined is given in the dumping margin table.

67. Adjustments have been allowed on account of ocean freight, inland freight, credit costs and port and other related expenses provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as provisionally determined is given in the dumping margin table.

M/s Dongkuk Steel Mill Co., Ltd., Korea RP

Normal Value for M/s Dongkuk Steel Mill Co., Ltd., Korea RP

68. It is noted from the response that M/s Dongkuk Steel Mill Co., Ltd., Korea RP, during the POI, has sold *** MT of the subject goods having invoice value *** KRW to unrelated customers in the domestic market. Based on their response, a deficiency letter is being issued to responding producer with regards to some of the information filed by them. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. 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 are more than 80% then the authority has considered all the transactions in the domestic market for the determination of the normal value. Where profitable transactions are less than 80%, only profitable domestic sales are taken into consideration

for the determination of normal value. Based on the ordinary course of trade test, only profitable sales have been taken for determination of normal value, since the profitable sales were less than 80%.

69. M/s Dongkuk Steel Mill Co., Ltd., Korea RP, has claimed adjustments on account of discount (Early Payment Discount), inland transportation, credit cost, packing expenses and claim expense, which have been considered. Accordingly, weighted average normal value for M/s Dongkuk Steel Mill Co., Ltd., Korea RP, has been provisionally determined, and same is mentioned in dumping margin table.

Export Price for M/s Dongkuk Steel Mill Co., Ltd., Korea RP

70. M/s Dongkuk Steel Mill Co., Ltd., Korea RP, has exported directly *** MT of PUC to its subsidiary in India i.e M/s Dongkuk Steel India Private Limited who in turn have sold the subject goods to unrelated consumers in India, *** MT through M/s Hyosung TNC, Korea RP who in turn have also sold the subject goods to M/s Dongkuk Steel India Private Limited, India and *** MT through SK Networks, Korea RP. M/s Dongkuk Steel Mill Co., Ltd., Korea RP, has filed the questionnaire response and a separate questionnaire has been filed by its unrelated trading company, namely, M/s Hyosung TNC, Korea RP and M/s Dongkuk Steel India Private Limited. It is further noted M/s SK Networks, Korea RP has not filed its EQR with the authority.

71. Since, the volume of exports by producer and its unrelated cooperating traders are substantial, the export volumes reported by producer and cooperative traders have been considered for arriving at the export price.

72. It is noted from the response filed by M/s Dongkuk Steel India Private Limited, India that they have incurred a loss during the sale of the subject goods imported from their parent company i.e M/s Dongkuk Steel Mill Co., Ltd through different trading channels as mentioned above. As their sales price of subject goods are lower than their purchase price which included import prices and SGA of the subsidiaries, suitable adjustment has been made from their landed price and net export price. Further Adjustments have been allowed on account of ocean freight, inland freight, and insurance, credit costs, packing costs and port and other related expenses provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as determined is given in the dumping margin table.

73. Adjustments have been allowed on account of ocean freight, inland freight, and insurance, credit costs, packing costs and port and other related expenses provisionally for the purpose of preliminary findings subject to detailed onsite verification. The net export price as provisionally determined is given in the dumping margin table.

M/s Dongbu Steel Co., Ltd., and M/s Dongbu Incheon Steel Co., Ltd. Korea RP

74. It is noted from the response that the company's legal name is Dongbu Steel Co., Ltd (hereinafter "Dongbu Steel"). Dongbu Steel is a listed company in the Republic of Korea and is incorporated under the Commercial Code of the Republic of Korea. It is noted that Dongbu Steel separated its Incheon works from its other undertakings and placed that asset in a new company named Dongbu Incheon Steel Co., Ltd (hereinafter "Dongbu Incheon"). At all material times and presently Dongbu Incheon has been wholly owned by Dongbu Steel.

75. It has been added that Dongbu Incheon sold very small quantity of the subject goods to domestic market only. Dongbu Incheon did not export the products under consideration to India and any other third countries' markets.

76. It has been represented that Dongbu Steel and Dongbu Incheon should be treated as a single economic entity for the purposes of normal value calculation

77. It is noted from the response that M/s Dongbu Steel Co., Ltd., Korea RP, during the POI, has sold *** MT of the subject goods having invoice value *** KRW. As per Appendix-4B, the M/s Dongbu Steel Co., Ltd., Korea RP, has sold *** MT to M/s Dongbu Incheon Steel Co., Ltd. Out of which *** has been resold in domestic market by M/s Dae-Woong SNT Co. Same has been reported in Appendix-4C. These goods have been sold to both related *** MT and unrelated *** MT customers.

78. It is noted from the response that M/s Dongbu Steel Co., Ltd., Korea RP, has exported directly *** MT of PUC, *** MT through M/s GS Global Corporation, Korea RP, *** MT through M/s Hyosung TNC, Korea RP, *** MT through M/s Shanghai Shijing International Trading Co. Ltd., China PR, *** MT through M/s Stinko, Korea RP and *** MT through M/s Prime Resource, Korea RP. M/s Dongbu Steel Co., Ltd., Korea RP has filed the questionnaire response. Separate Questionnaire responses have been filed by its unrelated trading companies, namely M/s M/s GS Global Corporation, Korea RP, M/s Hyosung TNC, Korea RP, M/s Shanghai Shijing International Trading Co. Ltd., China PR and M/s STINKO Co., Ltd., Korea RP. It is further noted M/s Prime Resource, Korea RP, has not filed its EQR with the authority.

79. It is noted from the response that a substantial volume of exports made by M/s Stinko, Korea RP to India has not been accounted for in the response as the connected traders in the chain have not responded and have not disclosed export price to India, the response submitted by M/s Stinko have not been taken into account for the purpose of determining export price to India. It is also noted that with the exclusion of M/s Stinko, the volume of exports to India by producer M/s Dongbu Steel Co., Ltd., Korea RP and accounted for in the response filed by them and connected traders is not considered substantial and the same is therefore not taken into account for the purpose of Preliminary findings. A deficiency letter is being separately issued to the cooperating producer and exporters in the chain to submit required information within a specified period, and the response of the producer/exporter would be taken into account during the final findings.

80. In view of the above, no individual dumping margin is provisionally being allowed for the responding producer and exporter for the purpose of preliminary findings.

Dumping margin for other producers and exporters, Korea RP

81. The normal values and export prices for other non-cooperating exporters from Korea RP has been determined as per best facts available taking into account the data of the co-operating exporters from that country and the same is mentioned in the dumping margin table.

Dumping margin for related producers and Exporters

82. It is noted that in the subject investigations many cooperating producers and exporters are related to each other and form a group of related companies. It has been a consistent practice of the Authority to consider related exporting producers and exporters as one single entity for the determination of a dumping margin and thus to establish one single dumping margin for them. This is in particular because calculating individual dumping margins might encourage circumvention of antidumping measures, thus rendering them ineffective, by enabling related exporting producers to channel their exports to India through the company with the lowest individual dumping margin.

83. In accordance with the above, the relating producers and exporters were regarded as one single entity and attributed one single dumping margin which was calculated on the basis of the weighted average of the dumping margins of the cooperating related producers and exporters.

G.2. Dumping Margin Table

84. Considering the normal value and export price for subject goods, the dumping margins for the subject goods from subject countries have been provisionally determined as follows:

:

Country of Origin and/or Export	Producer	NV	NEP	DM	DM%	DM % range
Korea RP	Dongkuk Steel Mill Co., Ltd.	***	***	***	***	20-30
Korea RP	POSCO	***	***	***	***	20-30
Korea RP	POSCO Coated &Color Steel Co., Ltd.	***	***	***	***	20-30

Korea RP	Any Other producer and exporter	***	***	***	***	20-30
Vietnam	Ton Dong A Corporation	***	***	***	***	10-20
Vietnam	HoaSen Group	***	***	***	***	10-20
Vietnam	Tay Nam Steel Manufacturing and Trading Co. Ltd, Vietnam	***	***	***	***	0-10
Vietnam	Nam Kim Steel Joint Stock Company	***	***	***	***	10-20
Vietnam	Any other producer and exporter	***	***	***	***	30-40
China PR	Zhejiang Huada New Materials Co., Ltd.	***	***	***	***	30-40
China PR	Any other producer and exporter	***	***	***	***	40-50

Injury and causal Link

Cumulative Assessment

85. Annexure II (iii) of the Anti Dumping Rules provides that in case imports of a product from more than one country are being simultaneously subjected to anti dumping investigations, the Designated Authority will cumulatively assess the effect of such imports, in case it determines that: -

- a) the margin of dumping established in relation to the imports from each country/territory is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent of the imports of the like article or where the export of the individual countries is less than three percent, the imports cumulatively accounts for more than seven percent of the imports of like article, and;
- b) cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

In the present case,

- a) the margin of dumping from each of the subject countries is more than the limits prescribed above;

- b) the volume of imports from each of the subject countries is more than the limits prescribed;
 - c) cumulative assessment of the effects of imports is appropriate since the exports from the subject countries directly compete with the like goods offered by the domestic industry in the Indian market. It is noted that there is no submission made by any interested party disputing cumulative assessment in the present case.
86. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of imports.

H. INJURY ASSESSMENT AND CAUSAL LINK

H.1. Submission made by the Domestic Industry

87. The submissions made by domestic industry are as follows:

- a) Cumulative assessment of the effect of imports is appropriate since the exports from the subject countries directly compete through comparable sales channel under similar commercial conditions with the subject goods offered by the domestic industry in the Indian market. The Designated Authority is, therefore, requested to assess injury to the domestic industry cumulatively from the subject countries. Applicant submits that the dumped imports are identical to the goods sold in the domestic market. The dumped imports are entering the Indian market simultaneously from several countries.
- b) If the related importer resells the subject goods in India either in the same form or after minor modifications and incurs a loss then the authority should make suitable adjustments to the net export price as well as the landed value of imports. This has been the consistent practice of the authority as can be seen in the anti-dumping investigation concerning glass fibre from China PR. If appropriate adjustments are not done by the authority while determining the dumping margin and injury margin then this kind of practice of importing at a higher price and reselling at a lower price will become an exit route for the foreign exporters and lead to duty evasion or circumvention of the duty by exporters.
- c) Significant price undercutting exists for each of the subject countries.
- d) The dumped imports from subject countries are coming into India at prices significantly below the Non-injurious price/fair price of the domestic industry. The low-priced dumped imports coming into India are not allowing the domestic industry to fetch a fair price for the subject goods and this is causing material injury to the domestic industry.
- e) The imports from subject countries were coming at prices above the cost of sales of the Domestic Industry till 2016-17. From 2017-18 onwards, the imports from subject countries have started coming into India at prices substantially lower than the cost of sales of the Domestic Industry. As a result, the dumped imports are not allowing the domestic industry to fetch a selling price which could re-cover its full cost.

- f) The products imported from the subject countries enter the Indian market through comparable channels of distribution and directly compete with the domestically produced goods.
- g) The products supplied from the subject countries and domestically produced goods are being marketed in India under similar commercial conditions.
- h) The domestic producers and exporters in the subject countries are selling the product to the same category of consumers in India.
- i) It is pertinent to mention that the domestic producers in India are capable of meeting entire demand of PUC in India.
- j) The dumped imports from subject countries have aggressively captured the market share in India. The petitioner has not been able to increase the sales of product concerned commensurate with the increase in demand because of the significant volume of dumped imports coming from subject countries. It is evident from the fact that while the demand of the product concerned increased by ***MT from 2015-16 to POI, the domestic sales of the petitioner increased merely ***MT whereas the import quantity of the PUC from the subject countries increased by whopping ***MT during the same period. Almost the entire increase in demand has been captured by the imports from subject countries.
- k) While the market share of petitioner has fallen from 45-50% during 2015-16 to 30-35% during POI, the market share of imports from subject countries has increased from 5-10% to 35-40% during the same period.
- l) Cash profits of the petitioner have reduced significantly from cash profit of 100 indexed units in 2015-16, profits have turned into massive losses of (244) indexed units during the POI. If such rampant dumping continues, domestic industry may not able to meet its liabilities in future.
- m) The domestic industry submits that the only cause of injury suffered by them is the dumped/subsidized imports coming from subject countries in significant volumes. There are no trade restrictive practices, technology issues, export performance issues, productivity issues or any other factor which can be attributed to the injury being suffered by domestic industry.
- n) With regard to developments in technology, Domestic Industry has been investing in world class technologies comparable to that of producers in other countries. Therefore, developments in technology are not at all the reason for injury to the domestic industry.
- o) As far as productivity and competition between foreign and domestic producers is concerned, it is submitted that injury suffered by the domestic industry is because of the dumped/subsidized imports coming from subject countries in significant volumes. If the imports take place at the fair normal prices, the Domestic Industry is totally in a position to face the competition from imports.
- p) The export performance of the Domestic Industry in no way has affected its financial and economic situation. Also, petitioners have ignored the information related to exports while examining the injury parameters and entire injury analysis is based only on domestic performance of petitioners.

q) The petitioners would like to submit that the dumped/subsidized imports coming from subject countries in significant volumes is the only cause of injury being suffered by them and there exists a causal link as between the injury suffered by the domestic industry and increasing low priced dumped imports coming into India as evident from the following:

- Imports of the subject goods have increased in absolute terms over the entire period of investigation. Imports of PUC from subject countries have increased in absolute terms from 17,695 MT in 2015-16 to 2,02,711 MT in POI.
- Imports of the subject goods have increased relative to production and also relative to consumption in India. Imports were in range of 0-5% of production of the Domestic Industry in 2015-16 which increased to 25-30% during POI. Further, imports sharply increased from the range of 5-10% in 2015-16 to 35-40% in POI in relation to consumption.
- Market share of the Domestic Industry has decreased from 2015-16 to POI even though demand for the subject goods has been rising in India during the same period. This is due to the reason that imports have aggressively captured the increase in demand.
- While the market share of petitioner has fallen from 45-50% during 2015-16 to 30-35% during POI, the market share of imports from subject countries has increased from 5-10% to 35-40% during the same period.
- There is significant price undercutting/underselling due to low priced dumped imports coming in India. There is significant price suppression due to low priced dumped imports coming in India.
- The Domestic Industry's profitability has been drastically affected. From total profit of 100 indexed units in 2015-16, profits have turned into massive losses of (5112) indexed units during the POI.
- From cash profit of 100 indexed units in 2015-16, profits have turned into massive losses of (244) indexed units during the POI.
- The return on capital employed (ROCE) of the domestic industry has declined significantly from 100 indexed points in 2015-16 to 7 indexed points during the POI.

H.2. Submission by other interested parties

88. The following are the submissions made by the exporters, importers, users and other interested parties with regard to injury and causal link,:

a) India is undertaking the largest renewable capacity expansion program to increase its share in the clean energy in the world. Based on the vision, a National Solar

Mission was launched in 2010 with a target to deploy 20,000 MW of grid connected solar power by 2022. Various states also enacted policies/guidelines to promote electricity generation through solar power. Imposition of anti-dumping duty will cause serious loss to solar power developers and it will be detrimental to the growth of solar power in the state and will be contrary to the Government of India policy and also hamper the development of solar power in India.

- b) The electricity distribution companies (DISCOMS) being the ultimate purchasers of solar power have indicated that they will purchase solar power only at low prices. However, due to the impending anti-dumping duties, stakeholders will not be able to offer low tariffs to DISCOMS. Consequently, any imposition of anti-dumping duty will affect the developers and the end-consumers. As an alternative to anti-dumping duty, government may consider providing low interest loans to the applicant. This will prove helpful to the domestic industry by making them globally competitive as such supports are being provided by different countries to make their domestic industry globally competitive.
- c) The project developers and DISCOMS have entered into numerous power purchase agreements where power tariffs have been arrived at by reverse auction process. Import of subject goods for such projects are under shipment or yet to commence and imposition of anti-dumping duty will impact this process. Ability of developers to deliver the project at estimated cost and to offer electricity at the agreed tariff will be affected by imposition of anti-dumping duty. Imposition of anti-dumping duty will also affect the rural population using the solar power at the current tariffs, thus causing an adverse effect to rural electrification.
- d) The application fails to establish any injury which is an essential condition for imposition of anti-dumping duty. The applicant has clubbed distinct products with different uses into a single category but has failed to provide separate injury data on each product category making it impossible to do an injury analysis.
- e) Additionally, the domestic sales of the Applicant and other manufacturers have increased in years during injury period and during the POI. Imports have also increased and the indexed profit figures in addition to the capital employed disclosed in the application show that even today the profit remains higher than the base year i.e. 2015-16.
- f) Since the sales and profit are consistently growing for Applicant and other manufacturers, it can be said that the industry is not affected by the dumped imports. Moreover, other entities constituting the domestic industry have not supported the application making it clear that the domestic industry is not suffering injury.
- g) There is no causal link between the injury and the import of PUC. Consistently growing sales for the Applicant and other manufacturers' show that the dumping is not affecting the Applicant's products and hence the injury cannot be attributed to the import of the aforementioned products. There is an absence of disclosures about installed capacity, investment and other material business decision which are important factors to assess the injury.

H.3. Examination of the Authority

89. The Authority has taken note of the submissions made by the interested parties and has examined various parameters in accordance with the Anti-Dumping Rules after duly considering the submissions made by the interested parties.

Cumulative Assessment

90. Para (iii) of Annexure II of the Anti-Dumping Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigation, the Authority will cumulatively assess the effect of such imports, in case it determines that:

- a) Margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of imports from each country is three percent (or more) of the import of like article or where the import of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article; and
- b) Cumulative assessment of the effect of imports is appropriate in the light of the conditions of competition between the imported article and the like domestic articles.

91. The Authority notes that:

- a) The subject goods are being dumped into India from subject countries. The margin of dumping from each of the subject countries is more than the de minimis limits prescribed under the Rules.
- b) The volume of imports from each of the subject countries is individually more than 3% of total volume of imports.
- c) Cumulative assessment of the effects of imports is appropriate as the exports from the subject countries not only directly compete inter se but also with the like articles offered by the domestic industry in the Indian market.

92. In view of the above, the Authority considers that it is appropriate to assess injury to the domestic industry cumulatively from imports of the subject goods from the subject countries.

93. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...". In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of

the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.

94. The submissions made by the domestic industry and other interested parties during the course of investigations with regard to injury and causal link, which have been considered relevant by the Authority are examined and addressed as under:

H.4. Volume Effect of Dumped Imports on the Domestic Industry

(a) Assessment of Demand/Apparent Consumption

95. 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 domestic sales of the Indian Producers and imports from all sources. The demand so assessed is given in the table below.

Particular	Unit	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Domestic sales of Petitioner	MT	***	***	***	***
Trend	Indexed	100	119	141	170
Domestic Sales of other producers	MT	***	***	***	***
Trend	Indexed	100	104	142	142
Import from Subject Countries	MT	18,220	34,721	1,45,805	2,09,676
Trend	Indexed	100	191	800	1,151
Import from Other Countries	MT	1,728	1,448	4,278	8,517
Trend	Indexed	100	84	248	493
Demand (MT) (Excluding Captive Consumption)	MT	***	***	***	***
Trend	Indexed	100	117	193	235
Captive consumption of Applicant	MT	***	***	***	***
Trend	Indexed	100	106	147	156

demand (MT) (Including captive consumption of Applicant)	MT	***	***	***	***
Trend	Indexed	100	111	167	190

96. It is noted from the above table that the demand of the product concerned increased significantly (135 indexed points) from 2015-16 to POI. In the demand increase, the domestic sales of the petitioner increased merely by 70 indexed points whereas the import quantity of the PUC from the subject countries increased significantly by 1051 indexed points during the same period. It is thus noted that almost entire increase in demand has been captured by the imports of subject countries from subject countries.

Volume Effects of Dumped Imports

(b) Import Volumes from subject countries

97. 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 from subject countries, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the import data procured from DGCI&S. The volume of imports of the subject good from the subject countries have been analyzed as under:

Particulars	Unit	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Import from subject countries					
China PR	MT	2,075	375	51,575	43,370
Trend	Indexed	100	18	2,486	2,090
Korea RP	MT	16,146	34,346	56,443	79,304
Trend	Indexed	100	213	350	491
Vietnam	MT	0	0	37,787	87,003
Trend	Indexed	100	100	37,787	87,003
Total Imports from subject countries	MT	18,220	34,721	1,45,805	2,09,676
Trend	Indexed	100	191	800	1,151
Imports from other countries	MT	1,728	1,448	4,278	8,517
Trend	Indexed	100	84	248	493
Total Imports	MT	19,948	36,169	1,50,083	2,18,193
Trend	Indexed	100	181	752	1,094

98. It is noted that dumped imports of the subject goods from the subject countries have increased in absolute terms during the POI from 18,220 MT in 2015-16 to 2,09,676 MT in POI.

(c) **Subject Country Imports in relative terms**

Particulars	Unit	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Dumped imports from subject Countries in relation to Petitioners' total production	%	***	***	***	***
Range	%	0-5	5-10	15-20	25-30
Dumped imports from subject Countries in relation to Demand in India	%	***	***	***	***
Range	%	5-10	10-15	30-35	35-40

99. It is noted that the dumped imports has increased significantly in relation to production and demand in the POI as compared to the base year and previous years. Imports of PUC from subject countries have increased in relation to petitioner's production from 0-5 % in 2015-16 to 25-30 % in POI whereas imports of PUC from subject countries have increased in relation consumption in India from 5-10 % in 2015-16 to 35-40 % in POI.

(d) **Market Share in Demand**

100. It is noted that the market share of the subject imports in demand increased significantly in the POI as compared to base year. The market share of the domestic industry has declined significantly from 45-50% during 2015-16 to 30-35% during POI, whereas, the market share of imports from subject countries has increased from 5-10% to 35-40% during the same period. The market share of the domestic industry has been aggressively captured by the imports from subject countries.

Particular	Unit	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Domestic sales of Petitioner	MT	***	***	***	***
Trend	Indexed	100	119	141	170
Domestic Sales of other producers	MT	***	***	***	***
Trend	Indexed	100	104	142	142
Import from Subject Countries	MT	18,220	34,721	1,45,805	2,09,676
Trend	Indexed	100	191	800	1,151
Import from Other Countries	MT	1,728	1,448	4,278	8,517
Trend	Indexed	100	84	248	493
Demand (MT) (Excluding Captive Consumption)	MT	***	***	***	***
Trend	Indexed	100	117	193	235
Captive consumption of Applicant	MT	***	***	***	***
Trend	Indexed	100	106	147	156
Demand (MT) (Including captive consumption of Applicant)	MT	***	***	***	***
Trend	Indexed	100	111	167	190
Share of Applicant	%	46	47	34	33
Range	%	45-50	45-50	30-35	30-35
Share of other Producers	%	45	40	33	27
Range	%	45-50	35-40	30-35	25-30
Share of Subject countries	%	8	13	32	38
Range	%	5-10	10-15	30-35	35-40
Share of Other countries	%	1	1	1	2
Range	%	0-5	0-5	0-5	0-5

Price effect of imports

H.5. Price Effect of Dumped Imports on the Domestic Industry

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

(a) **Price Undercutting**

102. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. While computing the net selling price of the domestic industry all taxes, rebates, discounts and commissions have been deducted and sales realization at ex works level has been determined for comparison with the landed value of the dumped imports.

Price Undercutting	Unit	China PR	Vietnam	Korea RP
Landed Value	Rs. /MT	50,918	54,828	57,121
Domestic Selling Price	Rs. /MT	***	***	***
Price Undercutting	Rs. /MT	***	***	***
Price Undercutting	% of LV	***	***	***
Price Undercutting	Range	10-15	15-20	0-5

103. The Authority notes that the landed prices of the subject goods were below the selling price of the domestic industry showing significant price undercutting being caused by the dumped imports from subject countries.

(b) **Price Suppression and Depression**

104. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress

prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period.:

Particulars	Unit	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Cost of Sales	Rs/MT	***	***	***	***
Trend	Indexed	100	105	123	138
Selling price	Rs/MT	***	***	***	***
Trend	Indexed	100	112	126	138
Landed Value	Rs./MT	43,053	47,963	48,444	54,886
Trend	Indexed	100	111	113	127

105. The selling prices of the subject good in the domestic market have not declined during the injury period. Thus, the domestic industry has not suffered a price depression.

106. From the above table, it is also noted that the imports of subject goods from subject countries were coming at prices above the cost of sales of the domestic industry till 2016-17. From 2017-18 onwards, the imports from subject countries have started coming into India at prices substantially lower than the cost of sales of the domestic industry. This has forced domestic industry not to increase its prices in line with increase in cost of sales and has led to a situation where in the domestic industry has been forced to sell almost at the same level as cost of sales during POI ultimately causing adverse impact on the domestic industry.

(c) **Price Underselling**

107. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from the subject countries, as follows :

Price Underselling	Unit	China PR	Vietnam	Korea RP
Landed Value	Rs. /MT	50,918	54,828	57,121
NIP	Rs. /MT	***	***	***

Injury Margin	Rs. /MT	***	***	***
Injury Margin	% of LV	***	***	***
Range	%	10-20	0-10	(0-10)

108. The non-injurious price (NIP) of the domestic industry has been determined and compared with the landed value of the subject goods (as per DGCI&S) to arrive at the extent of price underselling. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation on the basis of principles mentioned in Annexure III of the Rules. The analysis shows that during the period of investigation, the landed value of subject imports was below the non-injurious price of the domestic industry, as can be seen from the table below, demonstrating positive price underselling effect. From the aforesaid table, it is noted that price underselling from the subject countries during the POI is positive except for Korea RP.

H.6. Economic Parameters of the Domestic Industry

109. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the Anti-dumping Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective 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.

110. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions. The various injury parameters relating to the domestic industry are discussed herein below:

(a) Production, Capacity, Sales and Capacity Utilization

111. Capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the following table: -

Particulars	UOM	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Capacity Total	MT	***	***	***	***
Trend	Indexed	100	101	104	113
Production (PUC)	MT	***	***	***	***
Trend	Indexed	100	115	155	165
Production (NPUC)	MT	***	***	***	***
Trend	Indexed	100	116	95	92
Total Production (PUC & NPUC)	MT	***	***	***	***
Trend	Indexed	100	116	114	115
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	114	110	102
Domestic sales of Petitioner	MT	***	***	***	***
Trend	Indexed	100	119	141	170

112. The Authority notes that the product under consideration is jointly produced with non PUC product and since the production facilities are common, capacity utilization has been examined by considering combined production of PUC and non PUC.

113. It is noted from the above table that the capacity utilization of the domestic industry was improving till 2016-17 when dumped imports from subject countries were not coming in very significant quantities. However, the capacity utilization of the domestic industry has started deteriorating from 2017-18 onwards when dumped imports from subject countries started coming into India in significant quantities. It is noted that the capacity utilisation of the domestic industry has declined during POI and this decline synchronises with the significant increase in the dumped imports of subject goods from subject countries. It is also noted that the petitioner has not been able to increase the sales of product concerned commensurate with the increase in demand because of the significant volume of dumped imports coming from subject countries.

Market share

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

Particular	Unit	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Domestic sales of Petitioner	MT	***	***	***	***
Trend	<i>Indexed</i>	100	119	141	170
Market share of domestic industry	%	***	***	***	***
Range	%	45-50	45-50	30-35	30-35
Share of other Producers	%	***	***	***	***
Range	%	45-50	35-40	30-35	25-30
Share of Subject countries	%	8	13	32	38
Range	%	5-10	10-15	30-35	35-40
Share of Other countries	%	1%	1%	1%	2%
Range	%	0-5	0-5	0-5	0-5

115. It is noted that the market share of the domestic industry has declined significantly from 45-50% during 2015-16 to 30-35% during POI, whereas, the market share of imports from subject countries has increased from 5-10% to 35-40% during the same period.

(b) **Profitability, return on investment and cash profits**

116. The profitability, return on investment (ROI) and cash profits of the domestic industry over the injury period has been analysed as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Profit/ Loss	Rs/MT	***	***	***	***

Particulars	UOM	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Trend	Indexed	100	14,585	6,175	1,175
Profit/ Loss	Rs.Lacs	***	***	***	***
Trend	Indexed	100	17,273	8,632	1,982
Profit before Interest and Tax	Rs.Lacs	***	***	***	***
Trend	Indexed	100	583	363	211
Cash Profit (Loss)	Rs/MT	***	***	***	***
Trend	Indexed	100	1,038	475	133
Cash Profit (Loss)	Rs.Lacs	***	***	***	***
Trend	Indexed	100	1,238	669	226
Capital Employed	Rs. Lacs	***	***	***	***
Trend	Indexed	100	113	106	123
Return on Capital Employed	%	***	***	***	***
Trend	Indexed	100	518	342	172
Average stock	MT	***	***	***	***
Trend	Indexed	100	111	235	256

117. From the above table, it is noted that the profitability of domestic industry has been adversely affected due to intensified dumping by exporters from subject countries. It is further noted that profitability of domestic industry has significantly declined during the POI.

118. Similarly, cash profits of the domestic industry have reduced significantly.

119. It is also noted that ROC during injury period has significantly declined after 2015-16 and decline during POI is the considered very significant.

(c) **Employment, productivity and wages**

120. Employment, productivity and wages of Domestic Industry over the injury period is given in the table below.

Particulars	UOM	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Employment - DI	Nos	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	100	100	101
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	108	143	148
Productivity per employee	MT/ Nos	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	116	114	114
Productivity per day	Mt/Day	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	116	114	115

121. Since the domestic industry does not have dedicated employment for the product under consideration, situation of the domestic industry with regard to employment and wages was examined by considering information for the company for all operations. It is noted that the Productivity per day and productivity per employee of the domestic industry remained almost constant with negligible change throughout the injury investigation period and during the POI.

(d) Inventories

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

Particulars	UOM	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Average stock	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	104	171	230

123. It is noted from the above table that the average stock during POI has increased as compared to the base year as well as the previous year. It is further noted, the market share of the Domestic Industry has come down and the increased demand has been significantly captured by dumped imports. As a result, the domestic industry is having significant accumulated inventories.

(e) **Growth**

124. The Authority notes that growth of the domestic industry with regard to capacity utilization, profits, return on investment has been negative during 2017-18 and the period of investigation as can be seen from the table below. The domestic sales has shown positive growth.

Particulars (Year on Year)	2015-16	2016-17	2017-18	POI (Oct 17- Sep 18)
Production		15%	35%	6%
Capacity Utilization		12%	-4%	-7%
Domestic Sales		19%	18%	21%
PBIT (Rs/MT)		389%	-47%	-52%
PBIT (Rs. Lakhs)		482%	-38%	-42%
Return on investment		5%	-2%	-2%

(f) **Magnitude of dumping margin**

125. Magnitude of dumping is an indicator of the extent to which the dumped imports can cause injury to the domestic industry. The data shows that the dumping margin determined against the subject country are above de minimis and significant. The Authority has determined, as a part of this Preliminary Findings that the dumping margin of the cooperating exporters is significant during the POI.

(g) **Ability to Raise Capital Investments**

126. The Authority notes that given the rising demand of the product in the country, the domestic industry has made significant investments in plant and machinery. However, despite these investments, the performance of the domestic industry has deteriorated considerably and dumping of the product under consideration may adversely impact the ability of the domestic industry to raise capital investment

(h) Factors affecting domestic prices

127. Consideration the import prices from subject countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market show that the landed value of imported material from subject countries are significantly below the selling price of the domestic industry, causing significant price undercutting in the Indian market. The domestic industry contended that benchmark for the domestic prices are the import prices from subject countries. It is also noted that the demand for the subject goods was showing significant increase during the injury period including the POI and therefore it could not have been a factor affecting domestic prices. Thus, it can be concluded that the principal factor affecting the domestic prices is the dumped imports of subject goods from subject countries.

Injury Margin

128. The Authority has determined Non-Injurious Price (NIP) for the domestic industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP of the domestic industry has been worked out and it has been compared with the landed price (LP) from each of the subject countries for calculating injury margin (IM). In line with the determination of dumping margins, the injury margin has also been determined for the related companies together taking them as one entity.

129. As mentioned in the dumping margin analysis in this findings, it is noted from the response filed by some of the producers and exporters from Korea RP that their wholly owned Indian subsidiaries in India have incurred a loss during the sale of the subject goods imported from their parent companies through different trading channels. As their sales price of subject goods are lower than their purchase price which included import prices and SGA of the Indian subsidiaries, suitable adjustment has been made from their landed price

Country of Origin and/or Export	Producer	NIP	LV	IM	IM%	IM range
Korea RP	Dongkuk Steel Mill Co., Ltd.	***	***	***	***	0-10
Korea RP	POSCO	***	***	***	***	10-20
Korea RP	POSCO Coated &Color Steel Co., Ltd.	***	***	***	***	10-20
Korea RP	Any other producer and exporter	***	***	***	***	10-20
Vietnam	Ton Dong A Corporation	***	***	***	***	0-10
Vietnam	Hoa Sen Group	***	***	***	***	0-10
Vietnam	Tay Nam Steel Manufacturing and Trading Co. Ltd,	***	***	***	***	0-10
Vietnam	Nam Kim Steel Joint Stock Company	***	***	***	***	10-20
Vietnam	Any other producer and exporter	***	***	***	***	30-40
China PR	Zhejiang Huada New Materials Co., Ltd.	***	***	***	***	0-10
China PR	Any other producer and exporter	***	***	***	***	10-20

I. Non-Attribution Analysis

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

(i) Volume and price of imports from third countries

131. The imports from the countries other than the subject countries are not significant in volume terms so as to cause or threaten to cause injury to the Domestic Industry. Imports from other countries accounted for less than 5% in total imports and 1% of total demand/consumption in India. Thus, it cannot be said that imports from other countries are causing injury.

(j) Export Performance

It is noted that the injury information examined by the Authority is for domestic operations and therefore possible changes in exports volume have not caused injury to the Domestic Industry.

(k) Development of Technology

132. None of the interested parties have furnished any evidence to demonstrate significant changes in the technology that could have caused injury to the domestic industry. It is further noted that technology for production of the product concerned has not undergone any change. Thus, development in technology is not a factor causing injury to the domestic injury.

(l) Performance of other products of the company

133. The Authority notes that the performance of other products being produced and sold by the Domestic Industry does not appear to be a possible cause of injury to the domestic industry.

(m) Trade Restrictive Practices and Competition between the Foreign and Domestic producers

134. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. No evidence has been submitted by any interested party to suggest that the conditions of competition between the foreign and the domestic producers have undergone any change.

(f) Productivity of the Domestic Industry

135. It is noted that the productivity of the domestic industry in terms of production per employee as well as production per day has marginally increased over the period.

(n) Contraction in Demand and Changes in pattern of consumption

136. It is noted that the demand of the subject goods has increased consistently over the entire injury period. Thus, it can be concluded that the injury to the Domestic industry was not due to contraction in demand.

I. Conclusion on Injury & Causal Link:

137. It is thus noted that listed known other factors do not show that the domestic industry could have suffered injury due to these other factors. The Authority examined whether the dumping of the product has caused injury to the domestic industry. The following parameters show that injury to the domestic industry has been caused by dumped imports:

- a. Imports of the subject goods from the subject countries have increased in absolute terms over the entire period of investigation. Imports of the PUC from the subject countries have increased in absolute terms. Imports of the subject goods have increased relative to production and consumption in India.
- b. The domestic industry has not been able to increase its production and sales commensurate with the increase in demand.
- c. Market share of the Domestic Industry has decreased from 2015-16 to POI even though demand for the subject goods has been rising in India during the same period. This is due to the reason that imports have aggressively captured the increase in demand.
- d. The imports of subject goods from subject countries were significantly undercutting the prices of the domestic industry in the market. Resultantly, the domestic industry was forced to reduce its prices significantly. The price suppression suffered by the domestic industry is primarily because of dumping of the product in the Country.
- e. The domestic industry was forced to reduce its prices even below cost of production causing financial losses. The price suppression caused by the dumped imports from subject countries has thus resulted in significant deterioration in profits of the domestic industry.
- f. Performance of the domestic industry with regard to profits, cash flow and return on investments deteriorated as a result of price suppression. Thus, dumping of the product has led to deterioration in performance of the domestic industry in terms of profits, cash flow and return on investments.

138. It is therefore, provisionally concluded that the domestic industry suffered material injury due to dumped imports.

J. Indian Industry's interest & other issues

139. With regard to the contention of the interested parties that imposition of anti dumping duty will have serious implications on the availability of subject goods in

India, the Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. It is noted that imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and, therefore, would not affect the availability of the products to the consumers. The Authority recognizes that imposition of anti-dumping duties might affect the price level of the product in India. However, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or even more sources of supply.

K. Conclusion & Recommendations

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

- a) There is significant increase in imports of subject goods from subject countries in absolute terms as well as in relation to production & consumption in India.
- b) The product under consideration has been exported to India from the subject countries below their normal values.
- c) The domestic industry has suffered material injury.
- d) Material injury has been caused by the dumped imports of subject goods from subject countries.

141. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal links. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the authority is of the view that imposition of provisional duty is required to offset dumping and injury, pending completion of the investigation. Therefore, Authority considers it necessary and recommends imposition of provisional anti-dumping duty on imports of subject goods from the subject countries.

142. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of provisional antidumping duty on the imports of subject goods, originating in or

exported from subject countries, from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col 7 of the duty table appended below. The landed value of imports for this purpose shall be 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.

Serial number	Tariff Heading*	Description of Goods	Country of Origin/ or export	Country of Export	Producer	Duty Amount	Currency	Unit
1	2	3	4	5	6	7	8	9
1	7210, 7212, 7225 and 7226	Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc**	Korea RP	Korea RP	Dongkuk Steel Mill Co., Ltd.	28.67	US\$	MT
2	do	do	Korea RP	Korea RP	POSCO	113.49	US\$	MT
3	do	do	Korea RP	Korea RP	POSCO Coated & Color Steel Co., Ltd.	113.49	US\$	MT
4	do	do	Korea RP	Any	Any other producer other than serial number 1, 2 and 3	122.66	US\$	MT
5	do	do	Any country other than Subject countries	Korea RP	Any	122.66	US\$	MT

6	do	do	Vietnam	Vietnam	Ton Dong A Corporation	45.35	US\$	MT
7	do	do	Vietnam	Vietnam	Hoa Sen Group	54.07	US\$	MT
8	do	do	Vietnam	Vietnam	Tay Nam Steel Manufacturing and Trading Co. Ltd,	49.05	US\$	MT
9	do	do	Vietnam	Vietnam	Nam Kim Steel Joint Stock Company	86.06	US\$	MT
10	do	do	Vietnam	Any	Any other producer other than serial number 6, 7, 8 and 9	199.53	US\$	MT
11	do	do	Any country other than Subject countries	Vietnam	Any	199.53	US\$	MT
12	do	do	China PR	China PR	Zhejiang Huada New Materials Co., Ltd.	68.08	US\$	MT
13	do	do	China PR	Any	Any producer other than Zhejiang Huada New Materials Co., Ltd.	129.59	US\$	MT
14	do	do	Any country other than Subject countries	China PR	Any	129.59	US\$	MT

**Custom classification is only indicative and the determination of the duty shall be made as per the description of PUC. The PUC mentioned above should be subject to above ADD even when it is imported under any other HS code*

***Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc. This alloy of Aluminium and Zinc may contain one or more additional elements which in individual or in combination shall not exceed 3% by weight.*

Product under consideration as mentioned in column no 3 in the above table does not include the following products: -

- *Flat rolled steel products coated with Zinc without addition of Aluminium;*
- *Flat rolled steel products coated with Aluminium without addition of Zinc*
- *Pre-painted or colour coated Aluminium Zinc alloy coated steel sheets (Pre-coated SGL sheets).*

L. Further Procedure

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

- i. The Authority invites comments on preliminary findings from all known interested parties within 21 days from the date of issue of preliminary findings. The comments received from them would be examined in the final findings.
- ii. The Authority would conduct oral hearing in terms of rule 6(6) to give an opportunity to all interested parties to present their views relevant to the investigation. Issues and concerns raised during oral hearing will be examined in the final findings.
- iii. The date of the oral hearing would be announced on the DGTR website (dgtr.gov.in).
- iv. The Authority would conduct further verification to the extent deemed necessary.
- v. The Authority would disclose the essential facts as per the Anti-dumping Rules before announcing the final findings.

(Sunil Kumar)
Additional Secretary and Director General