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**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
JEEVAN TARA BUILDING, 5, PARLIAMENT STREET
NEW DELHI-110001**

Date: 27.09.2016

NOTIFICATION

Preliminary Findings

Subject: Anti-dumping investigation concerning imports of “Wire Rod of Alloy or Non-Alloy Steel” originating in or exported from China PR.

No.14/17/2016-DGAD: Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules thereof, as amended from time to time (hereinafter referred to as the AD rules).

2. Whereas M/s Steel Authority of India Limited, M/s Rashtriya Ispat Nigam Limited, M/s Usha Martin Limited and M/s JSW Steel Limited (hereinafter referred to as the “applicants” or “petitioners” or “domestic industry”) have jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the AD Rules, for initiation of anti-dumping investigation concerning imports of “Wire Rod of Alloy or Non-Alloy steel” (hereinafter also referred to as the subject goods), originating in or exported from China PR (hereinafter also referred to as the subject country), alleging dumping and consequent injury and requested for levy of anti-dumping duty on the imports of the subject goods from the subject country.
3. And whereas the Authority on the basis of sufficient evidence submitted by the applicant, issued a public notice vide Notification No.14/17/2016-DGAD dated 02.06.2016, published in the Gazette of India, Extraordinary, initiating the subject investigation in accordance with the sub Rule 5 of the AD Rules, to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

A. PROCEDURE

4. The procedure described below has been followed:
 - a. The Authority notified the embassy of subject country in India about the receipt of application before proceeding to initiate the investigation in accordance with Rule 5(5) of the AD Rules.

- b. The Authority sent a copy of initiation notification to the embassy of subject country in India, known producers/ exporters from the subject country and known importers/ users/ associations of the subject goods as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification in accordance with the Rule 6(2) of the AD Rules.
- c. The Authority forwarded a copy of the non-confidential version of application to embassy of the subject country in India, known producers/exporters from the subject country in accordance with the AD Rules. A copy of the application was also provided to other interested parties, wherever requested.
- d. The embassy of the subject country in India was also requested to advise the producers/exporters from their country to file their responses within the prescribed time limits.
- e. The Authority sent exporter's questionnaires to elicit relevant information to the following known exporters in the subject country in accordance with Rule 6(4) of the AD Rules:
 1. Jiuquan Iron & Steel (Group) Co. Ltd.
 2. Handan Iron & Steel Group Co. Ltd.
 3. Lianyuan Iron & Steel Group Co. Ltd.
 4. Baosteel Group Corp
 5. Wuhan Iron & Steel (Group) Corp.
 6. Benxi Iron & Steel (Group) Special Steel Co Ltd.
 7. Lingyuan Iron & Steel (Group) Co. Ltd.
 8. Shougang Changzhi Iron & Steel Ltd.
 9. Hangzhou Iron & Steel Group Company
 10. Anfeng Steel Structure Materials Co. Ltd.
 11. Tianjin Xuboyuan Iron & Steel Trading Co. Ltd.
- f. In response to the initiation notification, the following exporters/producers from the subject country and traders have filed exporter's questionnaire:
 1. Jiangsu Shagang Material Trade Co. Ltd. (Exporter)
 2. B&L Metal (HK) Limited (Exporter)
 3. Jinagsu Runzhong High Tech Co. Ltd (Producer)
 4. Zhangjiagang Shajing Steel Co. Ltd. (Producer)
 5. Zhangjiagang Hongxing Gaoxian Co. Ltd (Producer)
 6. Zhangjiagang Rongsheng Steel Making Co. Ltd. (Producer)
 7. Jinagsu Shagang International Trade Co. Ltd. (Exporter)
 8. B&L International Investment Co. Ltd.
 9. Zhangjiagang Hongchang Gaoxian Co. Ltd.(Producer)
 10. Zhangjiagang Runzhong Steel Co. Ltd. (Producer)
 11. Xinsha International Pte. Ltd. (Exporter)
 12. Minmetals Yingkou Medium Plate Co. Ltd. (Producer)
 13. Sinomaterial International Co. Ltd. (Exporter)
 14. Manuchar Steel Hong Kong Limited (Exporter)
 15. Burwill Resources Limited (Exporter)
 16. Jiangsu Yonggang Group Co. Ltd. (Producer)
 17. Genesis Resources Co. Ltd (Hong Kong)
 18. Smart Timing Steel Limited (Exporter)

19. Toptip Holding Pte. Ltd. (Exporter)
20. Zenith Steel Group Co. Ltd. (Producer)
21. Hangzhou Cogeneration (Hong Kong) Co. Limited (Exporter)
22. Unisteel International DMCC (Exporter)
23. Win Faith Trading Limited (Exporter)
24. Benxi Iron and Steel Hong Kong Limited (Exporter)
25. Benxi Beiying Iron and Steel Group Imp. And Exp. Corp. Ltd. (Exporter)
26. Benxi Beitai Gaosu steel Wire Rod Co. Ltd. (Producer)
27. Future Materials Industry (Hong Kong) Co. Limited (Exporter)
28. Jiangyin Xingcheng Alloy Material Co., Ltd (Producer)
29. Jiangyin Xingcheng Special Steel Works Co., Ltd

g. Further, the following exporters/traders have filed only Appendix-2 and 3A instead of filing the complete questionnaire response.

1. Hong Kong Grand International Co. Ltd.
2. Hyosung Corporation
3. Steelco Pacific Trading Limited
4. Steelforce Far East Ltd.
5. Tata International Metals (Asia) Limited
6. Unisteel International DMCC (Separately filed)

h. None of the producers/exporters from China PR has claimed Market Economy Treatment (MET) rebutting the non-market economy treatment in the present investigation.

i. Questionnaires were sent to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:

1. A.A. International
2. Aggarwal Impex
3. D.P. Wires Pvt. Ltd.
4. Garg Inox Ltd.
5. H.D. Wires Pvt. Ltd.
6. Indian Wire & Steel Products
7. J.S. Industries Pvt. Ltd.
8. Kadimi Special Steels Pvt. Ltd.
9. Lakshmi Card Clothing Mfg. Co. Pvt. Ltd.
10. Makalu Trading Ltd.
11. Nirmal Wires Pvt. Ltd.
12. Oceanic Overseas
13. Pankaj Steel Corporation
14. R.K. Steels
15. Sterling Tools Ltd.
16. Transnational
17. Uday Industries
18. V.N.C. Electrodes
19. Vidhi Impex
20. Weldwell Electrodes
21. Yatin Steels India Pvt. Ltd.
22. Zarhak Steels Ltd.

- j. The following importers/users of the subject goods have responded in the form of questionnaire responses:
1. Apar Industries Limited
 2. Rajratan Global Wire Ltd.
 3. National Engineering Industries Limited
 4. Indian Wire & Steel Products
 5. FAG Bearings India Limited
- k. Further, the following parties have filed submissions/comments on the initiation notification.
1. National Engineering Industries Limited
 2. Ball & Roller Bearing Manufacturers Association of India
 3. Steel Wire Manufacturers Association of India (SWMAI)
 4. Jiangyin Xincheng Alloy Material Co. Ltd. and Jiangyin Xincheng Special Steel Works Co. Ltd.
 5. FAG Bearings India Limited
- l. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties to the extent relevant have been taken into account in present findings.
- m. 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.
- n. Further information was sought from the applicants and other interested parties to the extent deemed necessary.
- o. 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 findings on the basis of the facts available.
- p. The Non-Injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules has been worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- q. Considering the fact that the subject goods are being imported in various grades (alloy or non-alloy etc.)/ sizes/ dimensions, the applicants have also proposed Product Control Numbers (PCNs) in order to make a PCN to PCN comparison for computing the dumping margin and injury margin. However, for the purpose of preliminary findings, the Authority has not adopted PCN to PCN comparison.

- r. Verification of the information provided by the applicant domestic industry was carried out by the Authority to the extent deemed necessary. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of present preliminary findings.
- s. Investigation was carried out for the period starting from 1st July 2015 to 31st December 2015 (6 months) (hereinafter referred to as the ‘period of investigation’ or the ‘POI’). The examination of trends, in the context of injury analysis covered the period from 2012-13, 2013-14, 2014-15, April 2015 to December 2015 and the POI.
- t. The petitioners had submitted the petition alleging dumping of the subject goods from the subject country relying upon transaction wise imports data sourced from IBIS. However, request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction wise details of the imports of the subject goods for the past three years, including the period of investigation. The Authority has relied upon the DGCI&S data in the preliminary findings and the same has been placed in the public file.
- u. Arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in the preliminary findings.
- v. Exchange rate for conversion of USD to INR is considered for the POI as INR 65.93 as per customs data.
- w. In this notification *** represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

- 5. The product under consideration in the present investigation is bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel or alloy steel (commonly known as “Wire Rods”). These products are of prime and non-prime category and in all sizes. These products conform to various qualities of steels including but not limited to electrode, free cutting, forging, cold heading, low / medium / high carbon steels, drawing, ball bearing steel, case hardening steel, spring steel, corrosion resistant steel, weathering steel, structural steel and many more qualities of steel.
- 6. The following products are not included in the scope of the product under consideration:
 - (i) Bars and rods containing indentations, ribs, grooves or other deformations produced during the rolling process falling under Tariff Item 72131090 (commonly known as rebars or TMT bars).
 - (ii) Bars and rods of Stainless steel falling under Tariff Heading 7221.
 - (iii) Bars and rods of High speed steel falling under Tariff Item 72271000.

7. The PUC is used in many applications and sectors such as fasteners including nuts and bolts, nails, binding wire for construction industry, welding electrodes, railway sleepers, springs, automotive components, wire mesh, general engineering, armoured cables etc.
8. The PUC is classified under Custom Tariff Heading 7213 and 7227. The Customs classification is indicative only in no way binding on the scope of the present investigation.

Submissions made by Exporters, Importers, Users and other interested parties

9. Submissions made by exporters, importers, users and other interested parties with regard to issues related to PUC and considered relevant by the Authority are as follows:
 - a. There is no 'like article' being produced by the applicants. Domestic Industry (DI) is not able to meet some of the quality parameters required to be covered for producing high quality "Bearings". Although the domestic steel producers are able to produce steel with oxygen level > 10 PPM, they are not capable of fulfilling requirements where oxygen level to be maintained in steel is less than 6-8 PPM.
 - b. There is only one manufacturer of 'bearing grade wires/wire rods' in India, namely, Mukand Limited. Even Mukand Ltd. is not able to fulfill the product requirements. Moreover, Mukand Limited is also not an interested party requesting imposition of anti-dumping duty. HS Codes 72283019, 72283029, 72299090, 72279030, 72279040 and 72279090 should be excluded from the purview of the investigation. "Bearing Grade" should be kept outside the scope of the subject investigation and duty should not be recommended on the imports of "bearing grade bars and wire rods" falling under Indian HS Classification 7227, 72279030, 72279040 and 72279090.
 - c. It is submitted that the manufacturing process of wire rods of Tariff Heading 7213/7214 and bars of Tariff Heading 7227/7228 are different and requires different set of machinery. Thus, 7214 and 7228 are not like articles and, therefore, beyond the subject matter of this investigation.
 - d. The PUC defined is extremely vague, wide and amorphous. It includes all sizes of wire rods including those which are not manufactured by the DI. As per the product brochure JSW is capable of manufacturing wire rods other than bearing steel of size up to 22 mm diameter. RINL is not capable of manufacturing wire rods of sizes more than 14 mm. Scope of PUC must be limited for size upto 14 mm diameter and not all sizes.
 - e. 100Cr6 grade alloy steel bars which is equivalent to SAE 52100 grade is not produced by the applicants and cannot be included in the product scope.

Submissions made by Domestic Industry

10. The submissions made by the Domestic Industry and considered relevant by the Authority are as follows:

- a. DI has submitted that they have the capability to manufacture and are manufacturing wire rods of ball bearing quality falling under tariff item 7227 9030 and wire rods of cold heading quality falling under tariff item 7227 9040. Therefore, the claim of the interested parties for exclusion of these grades is unwarranted.
- b. DI has submitted that the present application relates to wire rods in coil form falling under tariff heading 7213 and 7227 of the customs tariff. The present application does not cover bars and rods in straight length falling tariff heading 7214 and 7228. Therefore, the claim of the interested parties for exclusion of bar and rods falling under tariff heading 7214 and 7228 does not make any sense.
- c. DI has submitted that the claim of the interested parties for exclusion of wire rods falling under tariff item 7227 9090 cannot be entertained unless the interested parties specify the exact grade for which exclusion is required. Tariff item 7227 9090 is residual heading (“Others”) and covers a broad range of products within its ambit.
- d. DI has submitted that the claim of the interested parties for exclusion of products falling under tariff item 7229 9090 does not make any sense because tariff heading 7229 pertains to “wire of other alloy steel”. The present application relates to wire rods and not wire.
- e. The DI has submitted that the claim of interested parties for restricting the scope of PUC upto 14mm diameter cannot be entertained because the domestic industry has the capability to manufacture the subject goods of more than 14mm diameter as and when orders are placed on them. In fact, the interested parties have failed to demonstrate that they require PUC of more than 14mm diameter and that they have placed orders of higher diameter with DI but the DI has failed to supply the same. In the absence of such information from the interested parties there is no basis of restricting the scope of PUC upto 14mm diameter.
- f. DI has submitted that they have the capability to manufacture and are manufacturing wire rods with oxygen level less than 6-8 PPM.
- g. DI has submitted that they have the capability to manufacture and are manufacturing wire rods of 100Cr6 grade alloy steel.

Examination by the Authority

11. The submissions made by the interested parties and the domestic industry with regard to the PUC related issues and considered relevant by the Authority are examined and addressed hereunder.
12. With regard to the contention of the interested parties for exclusion of certain products from the scope of the PUC, the Authority is provisionally unable to accept the claims of the interested parties due to following reasons:

- i. DI has the capability to manufacture and are manufacturing wire rods of ball bearing quality falling under tariff item 7227 9030 and wire rods of cold heading quality falling under tariff item 7227 9040.
 - ii. The present application relates to wire rods in coil form falling under tariff heading 7213 and 7227 of the customs tariff. The present application does not cover bars and rods in straight length falling tariff heading 7214 and 7228.
 - iii. Tariff item 7227 9090 is residual heading (“Others”) and covers a broad range of products within its ambit. The claim of the interested parties for exclusion of wire rods falling under tariff item 7227 9090 cannot be entertained unless the interested parties specify the exact grade for which exclusion is required.
 - iv. The claim of the interested parties for exclusion of products falling under tariff item 7229 9090 does not make any sense because tariff heading 7229 pertains to “wire of other alloy steel”.
 - v. The claim of interested parties for restricting the scope of PUC upto 14mm diameter cannot be entertained because the domestic industry has the capability to manufacture the subject goods of more than 14mm diameter. The interested parties have failed to demonstrate that they have placed orders of higher diameter with DI and DI has failed to supply the same.
 - vi. DI has the capability to manufacture and is manufacturing wire rods with oxygen level less than 6-8 PPM.
 - vii. DI has the capability to manufacture and is manufacturing wire rods of 100Cr6 grade alloy steel.
13. As regards the contention that the PUC is too broad and vague, the Authority notes that the PUC has been appropriately defined keeping in view the imports from the subject country and production and supply position of the domestic industry. The Authority has thoroughly examined the contentions by all parties before arriving at the product scope.
14. With regard to like article, Rule 2(d) of the AD Rules provides as follows: -"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation. On the basis of information on record and considering the submissions made by the interested parties, the Authority provisionally holds that there is no known difference in the subject goods produced by the Indian industry and those imported from the subject country. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers use the two interchangeably. The Authority provisionally holds that the products manufactured by the applicants constitute like article to the subject goods being imported into India from the subject country.

C. SCOPE OF DOMESTIC INDUSTRY AND STANDING

Submissions made by Exporters, Importers, Users and other interested parties

15. Submissions made by exporters, importers, users and other interested parties with regard to issues related to standing of the domestic industry and considered relevant by the Authority are as follows:
- a. The Applicant producers constitute mere 40% of the total domestic production and do not satisfy Rule 2(b) of the AD Rules. The Authority must elicit information in relation to production of other producers from the Central Excise Commissionerate. A 40% share of the total production can in no way confer to the requirement of Rule 2(b). Injury examination based on 40% domestic production would give a skewed picture of injury and the Authority should consider calling for more producers to make the share at least 50%.
 - b. Two supporters, namely, Tata Steel Ltd and Jindal Steel and Power Ltd have supported the application but no disclosure has been made regarding the information relating to imports of the PUC by the aforesaid supporters. The support letters were given prior to filing of the application. Rule 5(3) makes it apparent that any support to the application can be made only after filing of the said application before DGAD.
 - c. Usha Martin Limited cannot be included in the scope of the 'domestic industry' as Usha Martin is one of the importer of subject goods at Page 93 of the Application.

Submissions made by Domestic Industry

16. Submissions made domestic industry are as under:
- a. The mentioning of name of M/s Usha Martin Limited on page 93 of the application under the list of known importers is merely a clerical mistake. M/s. Usha Martin has not imported the subject goods during the POI as is evident from the certificate provided by M/s Usha Martin Limited along with the application filed with the Authority.
 - b. There is no provision under the AD Rules which mandates that the domestic producers having a share of more than 50% of total Indian production have to necessarily participate for seeking levy of antidumping duty.

Examination by Authority

17. Rule 2 (b) of the AD rules defines the domestic industry as under:

“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term ‘domestic industry’ may be construed as referring to the rest of the producers”

18. The application has been filed M/s Steel Authority of India Limited, M/s Rashtriya Ispat Nigam Limited, M/s Usha Martin Limited and M/s JSW Steel Limited. The production of the aforesaid four producers accounts for a major proportion of the total domestic production. The application has also been supported by two domestic producers, namely, Tata Steel Limited and Jindal Steel and Power Limited.
19. With regard to imports by M/s Usha Martin Limited, it is noted by the Authority that M/s. Usha Martin Limited has not imported the subject goods during the POI as is evident from the certificate provided by M/s Usha Martin Limited along with the application filed with the Authority. The mentioning of the name of M/s Usha Martin Limited by DI on page 93 of the application under the list of known importers is merely a clerical mistake as admitted by the DI.
20. With regard to the issue that the Applicant producers constitute mere 40% of the total production in India and do not satisfy the requirement under Rule 2(b) the AD Rules, the Authority notes that the domestic industry means the domestic producers whose collective output constitutes a major proportion of the total domestic production. The phrase used is “major proportion” not “majority proportion”. There is no express requirement that the Applicants must constitute 50% or more of the total domestic production in order to have a major proportion. There are judicial precedents providing that less than 50% of the total production would satisfy the requirement of major proportion under the Rules.
21. Explanation to Rule 5 of the AD Rules states that the application shall be deemed to have been made by or on behalf of the domestic industry, if it is supported by those domestic producers whose collective output constitutes more than fifty per cent of the total production of the like article produced by that portion of the domestic industry expressing either support for or opposition, as the case may be, to the application. The Authority notes that there is no opposition to the present application from any domestic producers of the subject goods in India.
22. The Authority further notes that the share of petitioners along with supporters is 65% of the total Indian production of Wire Rods as shown in the table below.

Particulars in MT	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (July 2015-Dec 15)	POI (A)
Petitioners						
Rashtriya Ispat Nigam Limited	***	***	***	***	***	***
Steel Authority of India Limited	***	***	***	***	***	***
JSW Steel Ltd	***	***	***	***	***	***
Usha Martin Ltd	***	***	***	***	***	***
Petitioners' Total Production	1,475,041	1,609,279	1,503,065	1,780,457	903,013	1,806,025
Supporters' Total Production	1,006,800	1,037,081	1,034,350	1,102,147	556,268	1,112,536
Other Producers	1,093,862	1,571,108	1,461,719	1,603,483	781,159	1,562,317
Total Domestic production	3,575,703	4,217,468	3,999,134	4,486,087	2,240,439	4,480,879

Particulars in MT	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (July 2015- Dec 15)	POI (A)
Share of Petitioners	41%	38%	38%	40%	40%	40%
Share of Petitioners and Supporters	69%	63%	63%	64%	65%	65%

23. The Authority, therefore, holds that the applicants command a major proportion of the production of the subject goods in India and for the purpose of this investigation the applicants satisfy the standing requirement in terms of Rule 5(3) and constitute the domestic industry in terms of Rule 2(b) of the AD Rules.

D. MISCELLANEOUS ISSUES RAISED BY INTERESTED PARTIES.

24. Miscellaneous submissions made by various interested parties and considered relevant by the Authority are as follows:

- a. The Authority did not issue notice to all the interested parties including the Association as soon as it was satisfied that there was sufficient evidence to justify initiation. This is in contravention of Article 12.1 of the ADA. The Authority failed to disclose the Application to the domestic producers in India for seeking opposition to the application as mandated under AD Rules.
- b. The subject goods are largely consumed captively by the producers. The Authority is requested to collect the same data from the petitioners.
- c. The PUC includes wide range of products which vary significantly in terms of price and cost. The DI has resorted to excessive confidentiality. The costing and price information provided by the DI hampers provision of any meaningful comments.
- d. Ball and Rolled Bearing Manufacturers Association has submitted that there is a wide difference between the quantum of imports reported by the applicants and the data sorted by the Association. It is requested to submit the details of imports considered for determination of the PUC. Applicants have relied on IBIS data which is not authenticated by DGCIS who is mandated official organization for collection, compilation and dissemination of India's trade statistics and commercial information.
- e. The POI and injury period is a deviation from all the past practices adopted by the Authority. The POI in the subject investigation is taken for a period of six months which is contrary to the WTO Anti-dumping Committee recommendation (G/ADP/6, adopted by the Committee on 5 May 2000). The Authority is requested to consider extending the POI upto June 2016. The POI selected is inconsistent with the Trade Notice No. 2/2004. There is an absolute overlap between the POI and April, 15 to December, 15 period which is provided as one of the previous years for comparisons.
- f. There is no history of dumping of the subject goods as no such investigation has ever been initiated in India. Therefore, retrospective duty cannot be levied in the present investigation due to the absence of any history of dumping.

- g. Initiation of investigation is bad in law due to misleading data furnished by the applicants and improper evaluation of data by the Authority.
25. Miscellaneous submissions made by the Domestic Industry and considered relevant by the Authority are as follows:
- a. Section 9A (3) of the Act is with reference to history of dumping of the product. The Petitioners request the Authority to recommend retrospective levy of anti-dumping duty on the subject goods because the conditions for retrospective levy of antidumping duty are fully satisfied.
 - b. There is evidence of dumping of the subject goods which is evident from the fact that many countries including Australia, Canada, EU, USA, etc. have initiated anti-dumping investigation against the import of Wire Rods from China PR. Massive dumping of PUC into India has taken place in a relatively short period of time causing injury to the domestic industry.
 - c. Exporters are well aware that they are resorting to dumping which is causing injury to the domestic industry since import prices of PUC have reduced significantly as evident from the landed values for the subject country.

Examination by the Authority

26. Miscellaneous submissions made by the interested parties and considered relevant by the Authority are examined and addressed as follows:
- a. As regards the submission that Authority has not issued notice to all the interested parties, it is the practice of the Authority to intimate only known parties at the time of initiation. Further, under Article 12.1, the Authority is required to inform interested parties known to the investigating authorities. Further, any other interested party, which is not known to the Authority at the time of initiation, can submit its request and get non confidential version of the application.
 - b. With regard to the issue of captive consumption, the Authority has already collected the same from the applicants.
 - c. With regard to the issue of that the PUC covers wide range of products which vary in terms of price and cost, the Authority notes that PUC is wire rods which are manufactured in various grades and sizes. Due to availability of PUC in various grades and sizes, there is difference in price and cost. Therefore, there is no merit in the submission of the interested parties.
 - d. The Authority notes that the production quantity figures have been sourced from the JPC data only wherever necessary. Further, the Authority has relied upon DGCI&S import data in these findings.

- e. 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 confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of a public file.
- f. With regard to the contention of the interested parties that period of investigation should be more than 6 months, the Authority notes that according to recommendation of committee on anti-dumping practices (WTO document no. G/ADP/6 dated 16 May 2000):
- “...the period of data collection for dumping investigations normally should be twelve months, and in any case no less than six months, ending as close to the date of initiation as is practicable”*

Therefore, in view of above recommendation, 6 months period can be taken as the POI. The Authority also notes that the initiation of the present investigation is in no way in violation of Trade Notice No. 2/2004.

- g. As regards the request for retrospective imposition of anti-dumping duty, Section 9A(3) of Customs Tariff Act provides as follows:

If the Central Government, in respect of the dumped article under inquiry, is of the opinion that

- (i) *there is a history of dumping which caused injury or that the importer was, or should have been, aware that the exporter practices dumping and that such dumping would cause injury; and*
- (ii) *the injury is caused by massive dumping of an article imported in a relatively short time which in the light of the timing and the volume of imported article dumped and other circumstances is likely to seriously undermine the remedial effect of the anti-dumping duty liable to be levied,*

the Central Government may, by notification in the Official Gazette, levy anti-dumping duty retrospectively from a date prior to the date of imposition of anti-dumping duty under sub-section (2) but not beyond ninety days from the date of notification under that sub-section, and notwithstanding anything contained in any law for the time being in force, such duty shall be payable at such rate and from such date as may be specified in the notification.

- h. The Authority would examine the matter concerning retrospective imposition of anti-dumping duty at the stage of the final finding.
- i. The present investigation has been initiated on the basis of prima facie analysis of the information/data furnished by the applicants showing dumping of subject goods from the subject country, injury to the applicants on account of the said dumping and causal link between the two. The contention of the opposing interested parties that the initiation of investigation is bad in law due to misleading data furnished by the applicants and improper evaluation of data by the Authority, the Authority notes that it has prima facie satisfied itself about the accuracy and adequacy of information on the basis of information furnished by the petitioners at the time of initiation.

E. DUMPING MARGIN

Market Economy Treatment (MET), Normal Value, Export Price and Dumping Margin

NORMAL VALUE

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

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

(ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-

(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

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

Provisions relating to Non- Market Economy country

28. Annexure-I to AD rules states as under:

7. In case of imports from non-market economy country, normal value shall be determined on the basis if the price or constructed value in the market economy

third country, or the price from such a third country to other country, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated Authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

8. (1) The term “non-market economy country” means any country which the designated Authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3)

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an anti-dumping investigation by the designated Authority or by the competent Authority of any WTO member country during the three year period preceding the investigation is a nonmarket economy country

Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated Authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in subparagraph (3)

(3) The designated Authority shall consider in each case the following criteria as to whether:

(a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;

(b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;

(c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and

(d) the exchange rate conversions are carried out at the market rate.

Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated Authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph”.

Submissions made by Exporters, Importers, Users and other Interested Parties

29. Various submissions made by the interested parties with regard to normal value, export price and dumping margin and considered relevant by the Authority are examined and addressed as follows:

- a. Applicants have directly constructed normal value without considering the constructed value in China or the price from any other third country to India in violation of Annexure I(7) of the AD Rules. Reliance is placed on the decision of the Apex Court in the case of Shenyang Matsushita S. Battery Co. Ltd. V. Exide Industries Ltd & Others wherein it was held that the Authority is required to construct normal value after sequentially applying the different methods mentioned in Annexure I(7) of the AD Rules.
- b. The petitioners have considered constructed normal value based on the cost of the DI. The cost of most efficient producer should alone be considered based on consistent practice of the Authority.
- c. The Authority has violated Article 5.3 of the ADA by accepting the export price and normal value data for different periods. The Authority has not determined the dumping margins by making comparison between the export price and normal value in respect of sales made at same point of time. Applicants have not disclosed whether the normal value has been determined for the POI period or any other period.

Submissions made by the Domestic industry

30. Various submissions made by the domestic industry with regard to normal value, export price and dumping margin during the course of the investigation and considered relevant by the Authority are as follows:

- a. There is sufficient reason to consider that the producers in China PR are dumping the subject goods.
- b. None of the Chinese producers can satisfy market economy status. None of the WTO Member country has granted market economy status to Chinese producers on the basis of the latest detailed evaluation of relevant criteria.

- c. Unless the responding Chinese exporters conform to the standards laid down under the Rules, the Designated Authority is required to determine the normal value in accordance with Para 7 of Annexure-I to the Rules.
- d. None of the producers/exporters from China PR has claimed market economy treatment.
- e. None of the interested parties has suggested a surrogate country to the Designated Authority. Therefore, there is no merit in the submissions made by the interested parties that the Authority should have proceeded sequentially while determining the normal value for China PR.

Examination by the Authority

Market Economy claims for Chinese producers

- 31. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules.
- 32. As per Paragraph 8, Annexure I to the AD Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provides information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and prove to the contrary. The cooperating exporters/producers of the subject goods from People's Republic of China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-
 - a. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values.
 - b. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts.
 - c. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms.
 - d. The exchange rate conversions are carried out at the market rate.
- 33. It is noted that none of producers of the subject goods in China PR has claimed market economy treatment. Accordingly, the Authority is not required to examine any of the above criteria and held that producers/exporters from China PR are not operating under market economy conditions.

Determination of Normal Value

34. The Authority sent questionnaires to the known exporters/producers from the subject country, advising them to provide information in the form and manner prescribed. The following parties have filed exporter questionnaire responses:

1. Jiangsu Shagang Material Trade Co. Ltd. (Exporter)
2. B&L Metal (HK) Limited (Exporter)
3. Jinagsu Runzhong High Tech Co. Ltd (Producer)
4. Zhangjiagang Shajing Steel Co. Ltd. (Producer)
5. Zhangjiagang Hongxing Gaoxian Co. Ltd (Producer)
6. Zhangjiagang Rongsheng Steel Making Co. Ltd. (Producer)
7. Jinagsu Shagang International Trade Co. Ltd. (Exporter)
8. B&L International Investment Co. Ltd.
9. Zhangjiagang Hongchang Gaoxian Co. Ltd.(Producer)
10. Zhangjiagang Runzhong Steel Co. Ltd. (Producer)
11. Xinsha International Pte. Ltd. (Exporter)
12. Minmetals Yingkou Medium Plate Co. Ltd. (Producer)
13. Sinomaterial International Co. Ltd. (Exporter)
14. Manuchar Steel Hong Kong Limited (Exporter)
15. Burwill Resources Limited (Exporter)
16. Jiangsu Yonggang Group Co. Ltd. (Producer)
17. Genesis Resources Co. Ltd (Hong Kong)
18. Smart Timing Steel Limited (Exporter)
19. Toptip Holding Pte. Ltd. (Exporter)
20. Zenith Steel Group Co. Ltd. (Producer)
21. Hangzhou Cogeneration (Hong Kong) Co. Limited (Exporter)
22. Unisteel International DMCC (Exporter)
23. Win Faith Trading Limited (Exporter)
24. Benxi Iron and Steel Hong Kong Limited (Exporter)
25. Benxi Beiyong Iron and Steel Group Imp. And Exp. Corp. Ltd. (Exporter)
26. Benxi Beitai Gaosu steel Wire Rod Co. Ltd. (Producer)
27. Future Materials Industry (Hong Kong) Co. Limited (Exporter)
28. Jiangyin Xingcheng Alloy Material Co., Ltd (Producer)
29. Jiangyin Xingcheng Special Steel Works Co., Ltd

35. Further, the following exporters/traders have filed only Appendix-2 and 3A instead of filing the complete questionnaire response.

1. Hong Kong Grand International Co. Ltd.
2. Hyosung Corporation
3. Steelco Pacific Trading Limited
4. Steelforce Far East Ltd.
5. Tata International Metals (Asia) Limited
6. Unisteel International DMCC (Separately filed)

36. It is noted that none of producers of subject goods in China PR has claimed market economy treatment. Therefore, in view of the facts placed on record by the domestic industry for the purpose of the provisional findings, the Authority has adopted the constructed normal value for determination of the normal value in terms of Para-7 to Annexure-1 to the Rules.
37. With regard to the contention of interested parties that Authority is required to construct normal value after sequentially applying the different methods mentioned in Annexure I(7) of the AD Rules, Authority notes that none of the interested parties have either suggested a surrogate country to the Designated Authority or provided any credible data in this regard. Therefore, the Authority has constructed the Normal Value on the basis of best available facts as described in the following paragraphs.
38. With regard to contention that Authority has violated Article 5.3 of the ADA by accepting the export price and normal value data for different periods. Authority notes that submission made by the interested parties is devoid of any merit as normal value and export price is determined for POI only.

Methodology for determination of normal value

39. In view of the above, the normal value for China PR is required to be determined as per the procedure described in Para 7 of the Annexure I to the Anti-dumping Rules. As per the provisions of Para 7 of Annexure I, the normal value in China PR is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, if the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include reasonable profit margin.
40. In the absence of any reliable price and cost details for the subject goods in any market economy third country, the Designated Authority has constructed the normal value for China PR on the basis of price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. Accordingly, the Normal Value for all the exporters from China PR has been provisionally determined and the same is shown in the Dumping Margin Table below.

EXPORT PRICE

M/s Benxi Beitai Gaosu Steel Wire Rod Co., Ltd., China PR (Producer) through related traders M/s. Benxi Beiyong Iron and Steel Group Imp. and Exp. Corp. Ltd, China PR, M/s. Benxi Iron and Steel Hong Kong Limited (Hong Kong) and unrelated traders, M/s. Hangzhou Cogeneration (Hong Kong) Co. Limited (Hong Kong), M/s. Win Faith Trading Limited (Hong Kong), M/s. Future Materials Industry (Hong Kong) Co. Limited (Hong Kong) and M/s. Unisteel International DMCC (UAE)

41. From the response filed by M/s Benxi Beitai Gaosu Steel Wire Rod Co., Ltd., China PR (“BBG”), the Authority notes that BBG is the producer of the subject goods. Its related

company M/s. Benxi Beiyong Iron and Steel Group Imp. and Exp. Corp. Ltd. (“BBIG”), is acting as exporting agency of BBG and has exported the subject goods to India through another related trading company M/s. Benxi Iron and Steel Hong Kong Limited as well as through unrelated traders, namely, M/s. Hangzhou Cogeneration (Hong Kong) Co. Limited (Hong Kong), M/s. Win Faith Trading Limited (Hong Kong), M/s. Future Materials Industry (Hong Kong) Co. Limited, M/s. Unisteel International DMCC (UAE), M/s. Ningbo CIMEI Import & Export and Manuchar Steel Hong Kong Limited.

42. From the response submitted by BBIG, the Authority notes that it is only acting as export agency for BBG. BBIG has not reported any exports to India in Appendix-2 and has submitted only Appendix-9. Further, BBG in its response has not shown name of the customer as BBIG. Whereas BBIG is entering into contract with buyers and issuing export invoices in its own name. Accordingly, the Authority is unable to understand that how BBIG can issue invoices to buyers for exports to India while acting as an export agency.
43. Further, out of the above mentioned companies, M/s Ningbo CIMEI Import & Export has not filed response and Manuchar Steel Hong Kong Limited has not reported any exports to India manufactured by BBG. Therefore, in view of absence of complete information from BBIG including suppression of facts by trader, the Authority does not accept the response filed by BBG for the purpose of provisional findings. Accordingly, the export price for BBG is based on the facts available with the Authority.

Jinagsu Runzhong High Tech Co. Ltd, Zhangjiagang Shajing Steel Co. Ltd., Zhangjiagang Hongxing Gaoxian Co. Ltd, Zhangjiagang Rongsheng Steel Making Co. Ltd., Zhangjiagang Hongchang Gaoxian Co. Ltd., and Zhangjiagang Runzhong Steel Co. Ltd. (Producers) exported through related traders Jinagsu Shagang International Trade Co. Ltd., Jiangsu Shagang Material Trade Co. Ltd, Xinsha International Pte. Ltd. and unrelated traders B&L Metal (HK) Limited, B&L International Investment Co. Ltd., Hong Kong Grand International Co. Ltd., Hyosung Corporation, Steelco Pacific Trading Limited, Steelforce Far East Ltd, Tata International Metals (Asia) Limited and Unisteel International DMCC

44. From the response filed by above companies, the Authority notes that the subject goods were produced by six related companies, namely, M/s. Jinagsu Runzhong High Tech Co. Ltd., Zhangjiagang Shajing Steel Co. Ltd., Zhangjiagang Hongxing Gaoxian Co. Ltd., Zhangjiagang Rongsheng Steel Making Co. Ltd., Zhangjiagang Hongchang Gaoxian Co. Ltd., and Zhangjiagang Runzhong Steel Co. Ltd.
45. The subject goods manufactured by these producers are exported through related traders, namely, M/s. Jinagsu Shagang International Trade Co. Ltd., M/s. Jiangsu Shagang Material Trade Co. Ltd., M/s. Xinsha International Pte. Ltd. and unrelated traders, namely, M/s. B&L Metal (HK) Limited (Hong Kong), B&L International Investment Co. Ltd., M/s. Hong Kong Grand International Co. Ltd., M/s. Hyosung Corporation, M/s. Steelco Pacific Trading Limited, M/s. Steelforce Far East Ltd, M/s. Tata International Metals (Asia) Limited, M/s. Unisteel International DMCC, Manuchar Steel Hong Kong Limited, M/s. Thyssenkrupp Mannex Asia Pte Ltd, UIL Hong Kong Ltd., Gallop Resources Pte Ltd. M/s. Cumic Steel Limited and M/s. Smart Timing Steel Limited.

46. Out of the above mentioned companies, M/s. Thyssenkrupp Mannex Asia Pte Ltd, UIL Hong Kong Ltd. Gallop Resources Pte Ltd. and Cumic Steel Limited have not filed any response. In addition, M/s. Smart Timing Steel Limited and Manuchar Steel Hong Kong Limited have not reported exports to India manufactured by these producers. Further, the responses filed by M/s. Hong Kong Grand International Co. Ltd., M/s. Hyosung Corporation, M/s. Steelco Pacific Trading Limited, M/s. Steelforce Far East Ltd, M/s. Tata International Metals (Asia) Limited are grossly incomplete. These traders have submitted only Appendix-2 and 3A and no other information has been provided by these traders. Filing of EQR is not an empty formality to be fulfilled by filing only very selected information as per the convenience of the exporters.
47. Further, none of the producers has submitted the information relating to exports to India in Appendix-2. In the absence of information in Appendix-2 from the producers it is not possible to ascertain the ex-factory export price to India.
48. In view of the aforesaid reasons, the Authority provisionally rejects the responses filed by these companies. Accordingly, the export price for M/s. Jinagsu Runzhong High Tech Co. Ltd, Zhangjiagang Shajing Steel Co. Ltd., Zhangjiagang Hongxing Gaoxian Co. Ltd, Zhangjiagang Rongsheng Steel Making Co. Ltd., Zhangjiagang Hongchang Gaoxian Co. Ltd and Zhangjiagang Runzhong Steel Co. Ltd. is based on the facts available with the Authority.

Jiangsu Yonggang Group Co. Ltd. (Producer) exported through M/s. Sinomaterial International Co. Ltd., M/s. Manuchar Steel Hong Kong Limited and M/s. Burwill Resources Limited

49. From the response filed by the producers and exporters, the Authority notes that the subject goods were produced by Jiangsu Yonggang Group Co. Ltd and exported through unrelated traders, namely, M/s. Sinomaterial International Co. Ltd., M/s. Manuchar Steel Hong Kong Limited, Burwill Resources Limited, Smart Timing Steel Limited, Metal One (Shanghai) Corporation, Navex Asia Limited, Wa Trading Co., Limited., Tewoo Metal (H.K.) Limited, Tata International Metals (Asia) Limited and Steelforce Far East Ltd.
50. Out of the above mentioned companies, Metal One (Shanghai) Corporation, Navex Asia Limited, Wa Trading Co., Limited, Tewoo Metal (H.K.) Limited, Tata International Metals (Asia) Limited and Steelforce Far East Ltd have not filed response. Further, M/s. Smart Timing Steel Limited has not reported exports to India manufactured by Jiangsu Yonggang Group Co. Ltd. Further, quantity of exports to India reported by M/s. Burwill Resources Limited and Sinomaterial International Co. Ltd is not matching with the quantity reported by Jiangsu Yonggang Group Co. Ltd.
51. Therefore, in view of the aforesaid reasons including suppression of facts, the Authority provisionally rejects the responses filed by these companies. Accordingly, the export price for Jiangsu Yonggang Group Co. Ltd is based on the facts available with the Authority.

Zenith Steel Group Co. Ltd. (Producer), Genesis Resources Co. Ltd (Hong Kong) Smart Timing Steel Limited (Hong Kong) (Exporter), Toptip Holding Pte. Ltd. (Exporter)

52. From the response filed by the producer M/s. Zenith Steel Group Co. Ltd, the Authority notes that the producer has exported the subject goods to India through Genesis Resources Co. Ltd (Hong Kong), Toptip Holding Pte. Ltd. (Singapore) and Win Faith Trading Limited, China PR. Win Faith Trading Limited, China PR has not cooperated with the Authority. Toptip Holding Pte. Ltd has further resold the entire quantity to another trader M/s. Cargill International Trading Co., Singapore who has not filed any response. Genesis Resources Co. Ltd (Hong Kong) has sold the subject goods to Smart Timing Steel Limited (Hong Kong) who in turn resold the subject goods to DHAMM SK A, Switzerland, which also failed to cooperate with the Authority.
53. Therefore, in view of non-cooperation by traders/exporters exporting significantly large quantities, the Authority does not accept the response filed by these companies for the purpose of provisional finding. Accordingly, the export price for Zenith Steel Group Co. Ltd is based on the facts available with the Authority.

Minmetals Yingkou Medium Plate Co., Ltd. (Producer cum Exporter)

54. From the response filed by Minmetals Yingkou Medium Plate Co., Ltd. (“MYMP”), the Authority notes that MYMP has exported the subject goods directly to India during the POI.
55. The sales to Indian customers are on CFR basis. MYMP has claimed adjustments on account of inland freight, port charges, ocean freight and bank charges and the same have been allowed provisionally. The Authority has made further adjustment on account of non-refundable VAT provisionally. Accordingly, the provisional weighted average export price has been determined for MYMP at ex-factory level and the same is shown in the Dumping Margin Table below.

Jiangyin Xingcheng Alloy Material Co., Ltd (Producer) exported through Jiangyin Xingcheng Special Steel Works Co., Ltd

56. From the response filed by the producer and exporter, the Authority notes that subject goods were produced by Jiangyin Xingcheng Alloy Material Co., Ltd (“JXAM”) and exported through related trading company Jiangyin Xingcheng Special Steel Works Co., Ltd (“JXSS”). The Authority notes that JXAM has not submitted the information relating to exports to India in Appendix-2. In the absence of information in Appendix-2 from the producer it is not possible to ascertain the ex-factory export price to India.
57. Therefore, in view of absence of complete information from JXAM with regard to ex-factory export price, the Authority does not accept the response filed by JXAM for the purpose of the provisional findings. Accordingly, the export price for JXAM is based on the facts available with the Authority.

Export Price for non-cooperating producers and exporters

58. The Authority notes that no other producer/exporter from China PR has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in China PR, the Authority has determined the provisional weighted average export price for Wire Rods on the basis of best available information and the same is shown in the Dumping Margin Table below.

Dumping Margin

59. The export price to India (net of all the adjustments claimed by the exporters and accepted by the Authority) has been compared with the normal value to determine the dumping margin. The dumping margin during the POI for all the cooperating exporters/producers from the subject country has been determined as shown in the Dumping Margin table below.

Dumping Margin Table

S. No	Country	Producer	Exporter	Normal Value	Net Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range %
1.	China PR	Minmetals Yingkou Medium Plate Co., Ltd.	Minmetals Yingkou Medium Plate Co., Ltd.	***	***	***	***	35-45
2.	China PR	Others	Others	***	***	***	***	100-110

60. It is seen that the dumping margins in respect of exports made by all the producers-exporters of the product under consideration from subject country are quite significant and more than the limits prescribed under the Rules.

F. INJURY

Submissions made by importers, exporters, users and user associations

61. The submissions made by the opposing interested parties with regard to injury related issues and considered relevant by the Authority are as follows:
- The injury, if any, to the DI is caused by factors including decline in export performance, increased interest costs, increased cost of sales per unit etc. Production capacity of the domestic producers has not increased in line with domestic demand. Demand of the subject goods increased from 100 index units in 2012-13 to 160 points in POI (Annualised).
 - JSW's Karnataka plant was closed during the POI (Q2) for which no disclosure has been made in the petition. The Authority should provide revised injury information after making adjustments for the closure of Karnataka plant. The DI has expanded its

capacity and production of the DI has significantly improved from the base year. Thus there is no adverse impact on these factors.

- c. There is no adverse impact on profitability due to alleged imports. The profits of the DI have declined due to rise in per unit cost of interest from 100 points in 2012-13 to 177 point in the POI. Moreover, the negative price undercutting shows that the landed price of imports are not affecting the domestic prices.
- d. The injury to the Applicants is on account of decline in export performance, high interest costs and increased per unit costs. The demand of the subject goods has increased from 100 index points in 2012-13 to 160 index points in POI (A). However, the production capacity of the domestic producers has not increased in line with the domestic demand. The increase in imports is only to bridge the demand-supply gap.

Submissions made by the Domestic Industry

62. The following are the submissions with regard to injury related issues made by the domestic industry and considered relevant by the Authority:

- a. Imports of the subject goods have increased in absolute terms over the entire period of investigation. Imports of the PUC from the subject country have increased in absolute terms.
- b. Imports of the subject goods have increased relative to production and also relative to consumption in India as well in absolute terms.
- c. Market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. This is due to the reason that the imports have aggressively captured the increase in demand, while the market share of imports from subject country sharply increased from 2012-13 to POI (A).
- d. The Domestic Industry has not been able to increase its production and sales commensurate with the increase in demand.
- e. Inventories of the Domestic Industry have been on the rise as the Domestic Industry has not been able to increase its sales despite increase in demand. Imports have been aggressively capturing the demand in India.
- f. There is significant price depression and suppression due to low priced dumped imports coming into India.
- g. The Domestic Industry's profitability and return on capital employed have been drastically affected. The return on capital employed, net profits and cash profits have

followed a negative trend during the entire injury period and the losses have further aggravated during the POI.

- h. The export performance of the Domestic Industry in no way has affected its financial and economic situation. Also, the 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.
- i. The analysis overwhelmingly indicates that the Domestic Industry is suffering material injury due to increasing dumped imports of PUC into India. There exists a strong nexus between the increase in dumped imports of the subject goods and the material injury being suffered by the Domestic Industry.
- j. At the time of placing orders with the domestic industry, the customers insist that the Domestic Industry must match the price with the offer given by the foreign producer during the same month, though the offer given by a foreign supplier would be delivered only after 2 months. Therefore, the proper comparison for price undercutting should be between the domestic sales realisation with two months lag. If the Authority takes into account this time lag issue, price undercutting would be evident.
- k. It is also pertinent to note that during the recent periods, the landed value of imports of the subject goods have declined much more than the decline in raw material prices. Further, it should be noted that imports have come at grossly low prices and the domestic industry has been forced to match such low prices, to the extent that their prices have gone below the cost of production of the domestic industry.
- l. Interested parties have submitted that injury being suffered by the domestic industry is due to their own internal factors such as high fixed cost burden and underutilized capacities. These claims are very general and without any facts and figures to support. The fact that injury has been caused due to dumped imports of the subject goods in India has already been established. The domestic industry has been in existence since many years and has been doing well in the past.

Examination by the Authority

63. The submissions made by the domestic industry and other interested parties during the course of investigation with regard to injury and causal link and considered relevant by the Authority are examined and addressed as below:
 - a. The Authority notes that landed value of imports of the subject goods from the subject country has declined drastically and the domestic industry has been forced to match such low prices causing material injury to domestic industry.
 - b. With regard to the export performance of the domestic industry, the Authority notes that entire injury analysis is based only on the domestic performance of the petitioners.

c. The Authority has further analysed the contention of the interested parties that injury being suffered by the domestic industry is due to their own internal factors including high fixed cost burden and underutilized capacities. These claims are very vague and without any specific facts and figures to support. The fact that injury has been caused due to the dumped imports of the subject goods in India has been established in the succeeding paragraphs. The domestic industry has been in existence since many years and has been doing well in the past. Infrastructure and capacities are in place with the domestic industry to meet the demand of the subject goods. Had these factors impacted the performance of domestic industry, the domestic industry should not be earning profits in previous years.

64. Rule 11 of AD 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, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the AD Rules.

Volume Effect of Dumped Imports and Impact on Domestic Industry

Assessment of Demand

65. The demand/apparent consumption of the subject goods has been determined by adding domestic sales of Indian producers of like product and imports of the subject goods from all the countries. For the purpose of present injury analysis, the Authority has relied upon the import data procured from DGCI&S. The Authority notes that demand/apparent consumption of the subject goods increased significantly over the injury period as shown in the table below:

Particulars (in MT)	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Total dumped imports from subject country	1,60,582	1,16,366	7,70,493	8,27,721	4,95,732	9,91,463
Imports from other countries	2,03,688	71,595	1,00,927	1,06,142	53,835	1,07,670
Total imports	3,64,270	1,87,961	8,71,420	9,33,863	5,49,567	10,99,134
Domestic sales of petitioners	11,55,858	12,26,631	10,83,019	15,03,914	7,83,210	15,66,421

Domestic sales of supporters	6,21,818	6,22,535	6,63,185	7,07,817	3,63,094	7,26,188
Domestic sale of other producers	8,57,162	11,97,536	10,53,228	13,54,427	6,77,523	13,55,046
Total Demand/Apparent consumption	29,99,108	32,34,663	36,70,852	45,00,021	23,73,394	47,46,789

Import Volumes and Share of the Subject Country

66. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. The volume effect of dumped imports of the subject goods from the subject country is analyzed as under:

Particulars (in MT)	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Dumped imports from subject country	1,60,582	1,16,366	7,70,493	8,27,721	4,95,732	9,91,463
Trend	100	72	480	515	309	617
Imports from other countries	2,03,688	71,595	1,00,927	1,06,142	53,835	1,07,670
Trend	100	35	50	52	26	53
Total Imports	3,64,270	1,87,961	8,71,420	9,33,863	5,49,567	10,99,134
Trend	100	52	239	256	151	302
Total Demand/Apparent consumption	29,99,108	32,34,663	36,70,852	45,00,021	23,73,394	47,46,789
Trend	100	108	122	150	79	158
Dumped imports from Subject Country relative to consumption	5%	4%	21%	18%	21%	21%
Production of Petitioners	14,75,041	16,09,279	15,03,065	17,80,457	9,03,013	18,06,025
Dumped imports from Subject Country relative to petitioners' total production	11%	7%	51%	46%	55%	55%

67. The Authority notes as under from the above table:

- a) Imports of the subject goods from China PR have increased in absolute terms from 1,60,582 MT in 2012-13 to 9,91,463 MT in POI (A).

- b) Imports of the subject goods from China PR have increased in relation to petitioners' production from 11% in 2012-13 to 55 % in POI (A).
- c) Imports of subject goods from China PR have increased in relation to consumption in India from 5% in 2012-13 to 21% in POI (A).

68. It is, thus, concluded that the imports of the PUC from the subject country have increased both in absolute terms and in relation to production and consumption in India.

Price Effect of the Dumped Imports on the Domestic Industry

69. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

"With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree."

70. It has been examined whether there has been a significant price undercutting by the dumped imports of the like product 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 price undercutting, price underselling, price suppression and price depression, if any.

Price Undercutting

71. 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. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex-factory level. The domestic prices and margin of undercutting is shown as per the table below:

Particulars	Amount (INR / MT)
Landed Value	***
Domestic Selling Price	***
Price undercutting	(***)
Price undercutting as % of Landed Value	(***)
Price Undercutting Range %	(5)-5

72. The Authority notes that the price undercutting is negative but is also of the opinion that for a proper examination, the price undercutting should be examined in conjunction with price depression and price suppression and that price undercutting should not be examined in isolation in a situation where the Domestic Industry has been constantly forced to reduce its prices to match with the landed value of imports. If the Domestic Industry does not respond to imports by bringing down its prices, it will lose more customers and the injury would be more severe.

Price Underselling

73. The Authority has also examined the price underselling suffered by the domestic industry on account of dumped imports from the subject countries. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports. Comparison of weighted average NIP of the domestic industry with weighted average landed price of imports shows as follows:

Particulars	UOM	Amount
Non injurious price	Rs/MT	***
Landed Price	Rs/MT	***
Price Underselling	Rs/MT	***
Price Underselling	%	***
Price Underselling	% Range	25-35

74. It is seen that the landed price of the subject goods from the subject country was significantly lower than the NIP determined for the domestic industry.

Price Suppression/Depression

75. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown in the table below:

Particulars (Rs. per MT)	2012-13	2013-14	2014-15	April 2015- Dec 2015	POI (July 2015- Dec 15)
Cost to make and sell	***	***	***	***	***
Trend	100	98	101	91	87
Domestic Selling Price	***	***	***	***	***
Trend	100	96	98	75	72
Landed Value	***	***	***	***	***
Trend	100	98	89	74	73

76. It is noted that decline in the domestic selling price is much higher than the decline in the cost of sales. The domestic selling prices of domestic industry have reduced significantly to match the landed value of dumped imports from subject country. The imports were thus suppressing the prices of the domestic industry in the market.

Economic parameters of the domestic industry

77. Annexure II to the AD Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. An examination of the performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

Production, Capacity Utilization and Sales

78. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization was as follows:

Particulars	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Installed Capacity (MT)	1,833,660	2,452,140	2,599,022	2,746,936	1,372,404	2,744,809
Total production (MT)	1,475,041	1,609,279	1,503,065	1,780,457	903,013	1,806,025
Capacity Utilization	80%	66%	58%	65%	66%	66%
Domestic Sales	1,155,858	1,226,631	1,083,019	1,503,914	783,210	1,566,421

- a. The Authority notes that the domestic production of the subject goods have increased from 1,475,041 MT in 2012-13 to 1,806,025 MT during the POI (A) and the installed capacity has increased from 1,833,660 MT to 2,744,809 MT during the same period.
- b. Capacity utilization of the domestic industry has shown a considerable decline. The domestic industry has been able to achieve a best capacity utilization of 80% during 2012-13. However, this came down to 66% during the POI because of the significant increase in dumped imports from the subject country.

Profits, profitability, return on investment and cash profits

Particulars	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Profit (Rs. In crores)	***	***	***	(***)	(***)	(***)
Trend	100	63	44	(211)	(112)	(224)
Profit (Rs./MT)	***	***	***	(***)	(***)	(***)
Trend	100	59	47	(162)	(165)	(165)
Cash Profits (Rs. crores)	***	***	***	(***)	(***)	(***)
Trend	100	73	57	(148)	(79)	(158)
Cash Profit (Rs./MT)	***	***	***	(***)	(***)	(***)
Trend	100	69	61	(114)	(117)	(117)
ROCE %	***	***	***	(***)	(***)	(***)
Trend	100	73	79	(54)	(30)	(60)

79. The Authority notes the following from the above table:

- a. The Domestic Industry's profitability and return on capital employed have been drastically affected due to dumping of subject goods from subject country. It can be seen from the above table that domestic industry was earning decent returns till 2014-15.
- b. However, due to severe dumping from subject country during POI, domestic industry has not been able to recover its cost of sales leave aside earning a reasonable return on capital employed.
- c. It is therefore concluded that the dumped imports have severely affected the profitability of the domestic industry.

Market Share

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

Particulars	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Demand (MT)	29,99,108	32,34,663	36,70,852	45,00,021	23,73,394	47,46,789

Particulars	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Indexed	100	108	122	150	79	158
Market Share						
Share of Petitioners	39%	38%	30%	33%	33%	33%
Share of Supporters	21%	19%	18%	16%	15%	15%
Share of Other Producers	29%	37%	29%	30%	29%	29%
Share of Subject country	5%	4%	21%	18%	21%	21%
Share of Other countries	7%	2%	3%	2%	2%	2%

81. From above table, the Authority observes that market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. Further, the Authority notes that the market share of the imports from the subject country has increased over the injury period. This is due to the reason that imports have aggressively captured the increase in demand.
82. The domestic industry has not been able to increase the sales of the PUC commensurate with the increase in demand because of the significant volume of dumped imports coming from the subject country.

Inventories

Particulars	2012-13	2013-14	2014-15	POI (Jul 2015- Dec 15)
Average Inventory (MT)	63,650	62,871	77,271	118,979
Trend (Indexed)	100	99	121	187

83. The Authority notes that the Domestic Industry is facing significant accumulated inventories. The levels of inventories have been increasing as compared to the base year. Due to increasing imports, the market share of the Domestic Industry has come down and the increased demand has been significantly captured by imports. As a result, the Domestic Industry is unable to increase its production and sales which is leading to a situation of inventory accumulation over the injury period.

Growth

Particulars	Unit	2013- 14	2014- 15	POI(A)
Cost of Production	%	-2%	3%	-14%

Selling Price	%	-4%	2%	-27%
Profit/ Loss per unit	%	-41%	-20%	-448%
Return on Capital Employed	%	-27%	9%	-176%

84. The Authority notes that growth of the domestic industry with regard to capacity utilization, profits, return on investment, cash profits has been negative.

Ability to raise capital investments

85. 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 further investment may get adversely affected.

Level of dumping & dumping margin

86. It is noted that the imports from the subject country are entering the Indian market at dumped prices and that the margins of dumping are significant.

Factors Affecting Domestic Prices

87. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc. shows that the landed value of the imported material from the subject country is below the non-injurious price of the domestic industry, causing significant price under selling in the Indian market. Thus, the factor affecting the domestic prices is landed value of the subject goods from the subject country.

Conclusion on injury

88. It is thus seen that there has been a significant increase in the volume of dumped imports from the subject country in absolute terms. The imports have increased significantly in relation to consumption and production of the product in India. Imports have thus increased both in absolute terms and in relation to production and consumption in India. Dumped imports have had significant adverse price effect in terms of price suppression and depression. Effect of dumped imports has been to reduce the domestic prices of the subject goods. Low priced dumped imports have forced the domestic industry to fetch a market price which could not even cover its cost. The domestic industry is suffering significant price underselling. There exists significant price depression and suppression due to low priced dumped imports coming in India. The dumping margin determined by the Authority is quite significant. With regard to consequent impact of dumped imports on the domestic industry, it is noted that dumped imports from the subject country have adversely impacted the performance of the domestic industry in respect of capacity utilization, inventories, market share, profits, cash profits and return on investment. Inventories with the domestic industry have increased. The Domestic Industry's profitability and return on capital employed have been drastically affected. This is evident from the fact that the domestic industry was earning decent profits and return on capital employed till 2014-15. However, during the POI, the profits and returns have turned into losses. Thus, the Authority provisionally concludes that the domestic industry has suffered material injury.

Causal Link

89. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry. The examination of causal link between dumping and material injury to the domestic industry has been done as follows:

Imports from third countries

90. The imports from the countries other than the subject country are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry. Moreover, the prices at which goods are coming from the other countries are much higher than the prices at which goods are coming from the subject country.

Contraction in demand

91. The demand for the subject goods has shown an increasing trend. Accordingly, fall in demand cannot be the reason for injury to the domestic industry. In fact, the domestic industry has not been able to increase its sale and market share commensurate to increase in demand.

Trade restrictive practices of and competition between the foreign and domestic producers

92. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

Developments in technology

93. The technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor causing injury to the domestic injury.

Changes in pattern of consumption

94. The domestic industry is producing the type of goods that have been imported into India. Possible changes in the pattern of consumption are not a factor that could have caused injury to the domestic industry.

Export performance

95. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In fact, the exports by the domestic industry have not materially declined. In any case, the Authority has considered domestic performance only for assessing injury to domestic industry wherever possible.

Performance of the domestic industry with respect to other products

96. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

Productivity of the domestic industry

97. The Authority notes that the deterioration in productivity has not caused injury to the domestic industry.

Factors establishing causal link

98. The analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has materially deteriorated due to dumped imports from the subject country. Causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

- Imports of the subject goods have increased in absolute terms over the entire period of investigation.
- Imports of the subject goods have increased relative to production and consumption in India.
- Market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. This is due to the reason that imports have aggressively captured the increase in demand.
- The Domestic Industry has not been able to increase its production and sales commensurate with the increase in demand.
- Inventories of the Domestic Industry have been on the rise as the Domestic Industry has not been able to increase its sales despite increase in demand. Imports have been aggressively capturing the demand in India.
- There is significant price suppression and depression due to low priced dumped imports coming in to India.
- The Domestic Industry's profitability and return on capital employed have been drastically affected. This is evident from the fact that the domestic industry was earning decent profits and return on capital employed till 2014-15. However, during the POI, the profits and returns have turned into losses.

99. The above analysis indicates that the Domestic Industry is suffering material injury due to increasing dumped imports of the PUC into India. There exists a strong nexus between the increase in dumped imports of the subject goods and the material injury being suffered by the Domestic Industry.

Conclusion on Injury and Causation

100. From the above examination of injury and causal link, the Authority provisionally concludes that the domestic industry has suffered injury as a result of dumping of the subject goods from the subject country. There has been a significant increase in the volume of dumped imports from the subject country in absolute terms throughout the injury period and in relation to production and consumption in India. The dumped imports have had significant adverse effect on the prices of the domestic industry in the market. The dumping margin for the subject country has been determined and is considered significant. Dumped imports from the subject country have adversely impacted production, sales and

capacity utilization. Market share of the domestic industry has significantly declined whereas that of subject imports has significantly increased. Performance of the domestic industry has significantly deteriorated in respect of profits, cash profits and return on investments. Inventories have increased. The Authority provisionally concludes that the domestic industry has suffered material injury as a result of dumped imports from the subject country.

101. The Authority has determined the non-injurious price for the domestic industry and compared with the landed values of the subject imports of the responding exporters to determine the injury margin. The landed value to India in respect of other producers and exporters in the subject country has been determined on the basis of the best available information. The injury margins have been determined as follows:

Injury Margin

S.No	Country	Producer	Exporter	NIP	Landed Value	Injury Margin	Injury Margin %	Injury Margin Range %
1.	China PR	Minmetals Yingkou Medium Plate Co., Ltd.	Minmetals Yingkou Medium Plate Co., Ltd.	***	***	***	***	35-45
2.	China PR	All Others	All Others	***	***	***	***	60-70

102. The level of dumping margins and injury margins as determined are considered significant.

G. Indian industry's interest & other issues

103. 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. Imposition of anti-dumping measures would not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.

104. It is recognized that the imposition of anti-dumping duties might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of these product. The domestic industry submitted that imposition of proposed duty shall have insignificant cost implications for the consumer. Therefore, fair competition in the Indian market will not be reduced by the anti-dumping measures, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

H. Recommendations

105. After examining the submissions made and issues raised, and considering the facts available on record, the Authority provisionally concludes that:

- (a) The product under consideration has been exported to India from the subject country below the normal value.
- (b) The domestic industry has suffered material injury on account of subject imports from the subject country.
- (c) The injury has been caused by the dumped imports of the subject goods from the subject country.

106. The Authority notes that the investigation was initiated and it was notified to all interested parties. Adequate opportunity was given to the exporters, importers and other interested parties to provide information on the aspects of dumping, injury and causal link. Having initiated and conducted an investigation into dumping, injury and the causal link thereof in terms of the Anti-Dumping Rules and having established a positive dumping margin as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional anti-dumping duty is necessary to offset dumping and injury.

107. Having regard to the lesser duty rule, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and margin of injury so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of provisional anti-dumping duties on the imports of the subject goods, originating in or exported from the subject country, from the date of notification to be issued in this regard by the Central Government, as the difference between the landed value of the subject goods and the amount indicated in Col 8 of the duty table appended below, provided the landed value is less than the value indicated in Col 8. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

Duty Tables

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9	10
1.	7213 and 7227	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel or alloy steel, excluding (i) bars and rods containing indentations, ribs, grooves or other deformations produced during the rolling process falling under tariff item 72131090 (commonly	China PR	China PR	Minmetals Yingkou Medium Plate Co., Ltd.	Minmetals Yingkou Medium Plate Co., Ltd.	499	MT	US\$

S.No.	Heading / Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
		known as rebars or TMT bars), (ii) bars and rods of stainless steel falling under tariff heading 7221 and (iii) bars and rods of high speed steel falling under tariff heading 72271000.							
2.	- do -	- do -	China PR	China PR	Any combination other than at S. No.1		538	MT	US\$
3.	- do -	- do -	China PR	Any country other than China PR	Any	Any	538	MT	US\$
4.	- do -	- do -	Any country other than China PR	China PR	Any	Any	538	MT	US\$

I. FURTHER PROCEDURE

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

- a. The Authority invites comments on these provisional findings from all the interested parties and the same, considered relevant by the Authority, would be considered in the final findings;
- b. Exporters, importers, the applicants and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views known, within forty days from the date of the publication of these preliminary findings. Any other interested party may also make known its views within forty days from the date of publication of these findings.
- c. The Authority would conduct further verification to the extent deemed necessary.
- d. The Authority would disclose the essential facts as per the Anti-dumping Rules before announcing the final findings.

(A. K. Bhalla)
Additional Secretary & Designated Authority