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**F. No. 7/30/2021-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi**

Dated: 12th January 2022

FINAL FINDINGS

Case No. AD-MTR-11/2021

Subject: Mid-Term Review limited to change of name of producer/exporter from Korea RP regarding anti-dumping duty imposed on imports of "Aluminium and Zinc coated flat products" originating in or exported from China PR, Vietnam and Korea RP.

A. BACKGROUND OF THE CASE

1. 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 Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the "Rules") thereof:
2. Whereas having regard to the Act and Rules supra, the Designated Authority, Department of Commerce, the Ministry of Commerce and Industry, Government of India, appointed under the Rules supra (hereinafter referred to as "the Authority") recommended imposition of provisional duty vide notification no. 6/4/2019 dated 15.07.2019. The provisional duties were imposed vide Customs Notification No. 40/2019-Customs (ADD) dated 15 October 2019. Thereafter, the Authority notified its final findings vide Notification No. 6/4/2019-DGTR dated February 21, 2020 recommending definitive anti-dumping duty on the imports of Aluminium and Zinc coated flat products originating in or exported from Korea RP, China PR and Vietnam (hereinafter referred to as "the subject countries").
3. And whereas the Central Government, vide Customs Notification No. 16/2020-Customs (ADD) dated June 23, 2020 had imposed definitive anti-dumping duty on the subject goods originating in or exported from the subject countries.
4. In accordance with Section 9A (5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority notified vide initiation notification F. No. 7/30/2021-DGTR dated 13th October 2021, published in the Gazette of India, Extraordinary Part I Section I, initiating the Mid-Term Review limited to change of name of producer/exporter from Korea RP regarding anti-dumping duty imposed on imports of "Aluminium and Zinc coated flat products " originating in or exported from China PR, Vietnam and Korea RP. The review is limited only to the aspect of the name change as

claimed by M/s KG Dongbu Steel Co. Ltd., Korea RP (hereinafter referred to as “Applicant”) with regard to the Final Findings No. 6/4/2019-DGTR dated February 21, 2020 and the definitive anti-dumping duty imposed vide Customs Notification No. 16/2020-Customs (ADD) dated June 23, 2020.

B. PROCEDURE

5. In this investigation, the procedure described herein below has been followed:-
 - i. The Authority notified vide initiation notification F. No. 7/30/2021-DGTR dated 13th October 2021 published in the Gazette of India Extraordinary, initiated midterm review investigation concerning imports of the subject goods from subject countries limited to change of name of producer/exporter from Korea RP.
 - ii. The Authority forwarded a copy of initiation notification dated 13th October 2021 to the embassy of the subject countries and known domestic producers of subject goods in India (whose details were provided by the applicant) and gave them opportunity to make their views in writing within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules.
 - iii. There was no period of investigation set for the purpose of the present investigation as the scope of the investigation was restricted to the aspect of change of name of the applicant.
 - iv. The Authority provided a copy of the non-confidential version of application to the known exporters and the Embassy of subject countries in accordance with Rule 6(3) of the AD Rules. A copy of the application was also provided to other interested parties, wherever requested. The Authority did not receive any response or registration from any of the other interested parties.
 - v. The Authority has examined the information furnished by the applicant with regard to the change in circumstance for accuracy and adequacy of the information so provided.
 - vi. In accordance with Rule 6(6) of the Anti-dumping Rules, the Authority provided opportunity to all interested parties to present their views orally in the public hearing held on 20 December 2021.
 - vii. The oral hearing was attended only by the applicant. During the hearing, the applicant presented its views before the Authority, and was requested to file written submissions of the views expressed orally. Since there were no other views presented by the other interested parties there was no need for rejoinders. The arguments made in the written submissions from the applicant, to the extent considered relevant for the present investigation, have been considered in this Final Finding.
 - viii. Information provided by the applicant on ‘confidential basis’ was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted.

- ix. The Authority issued a disclosure statement under Rule 16 on 6th January, 2021. No comments other than the Applicant producer/exporter have been filed by the other interested parties pursuant to the disclosure statement. The Applicant producer/exporter has requested to confirm the disclosure statement.

C. SUBMISSIONS MADE BY THE APPLICANT PRODUCER AND EXPORTER

6. The following submissions have been made by M/s KG Dongbu Steel Co. Ltd., the applicant producer from Korea RP:
- a. It has been submitted by the Applicant that the Applicant is incorporated in the Republic of Korea, under the Korea Commercial Code.
 - b. It has also been submitted that in 2019, the applicant announced share consolidation for its existing shareholders and issuance of new shares to third party investors. For consolidation, every *** existing shares held by the financial creditors were consolidated into one consolidated share (*** for other existing shares). Accordingly, new shares were issued to creditors in exchange for cancellation of the portion of outstanding debts (***).
 - c. The applicant also issued fresh equity shares in favour of a consortium of investors, i.e., *** % equity shares in favour of KG Steel, a member of the KG Group, and *** % equity shares in favour of Cactus Private Equity. Pursuant to this allotment, KG Steel became the major shareholder of the applicant holding *** % shares. Consequently, KG Steel was allowed the right to appoint its nominee directors on the board and also to add its name in the existing company i.e. Dongbu Steel Co. Ltd. Pursuant to the decision taken in this regard at the shareholders' meeting on March 27, 2020, the name of the company was changed to KG Dongbu Steel Co. Ltd. from Dongbu Steel Co. Ltd.
 - d. Consequent to the (i) debt/equity swap and the ultimate reduction in the share capital of the creditors; and (ii) allotment of shares in favour of the third-party investors, there has not been any change in the operations of the applicant company.
 - e. The following is the list of major shareholders pre and post allotment of shares:

Prior to Allotment		Post Allotment	
Company Name	% Shareholding	Company Name	% Shareholding
Dongbu Steel Co., Ltd.		KG Dongbu Steel Co., Ltd.	
KDB Bank	***	KG Steel	***
NH Bank	***	Cactus PE	***
KEXIM Bank	***	KDB Bank	***
Hana Bank	***		
Shinhan Bank	***		

- f. Neither of the two investors, KG Steel and Cactus Private Equity nor the KG Group at large, is engaged in the same or similar business as the applicant. KG Steel is a special purpose company incorporated for purposes of investing in the applicant company and is part of the KG Group. The business registration certificate of KG Steel along with a list of companies in the KG Group attached to the application would suffice an evidence that the KG Group is not in the business of steel manufacturing. It is only now, pursuant to the acquisition of the company, that the KG Group is foraying into the steel manufacturing sector. The other investor, Cactus PE is an asset management firm.
- g. Since KG Steel is now the largest shareholder with *** % of the applicant's shares, the board of directors of the applicant company was reconstituted and now includes board members from the KG Group.
- h. However, following the (i) debt/equity swap and the ultimate reduction in the share capital of the creditors; and (ii) the allotment of shares in favour of the third-party investors, there has not been any change in the operations of the company. Therefore, the change in name was necessitated due to the acquisition of the majority equity shares of *** % by KG Steel.

D. EXAMINATION BY THE AUTHORITY

- 7. The submissions made by the interested parties are addressed herein below:
 - a. The Authority notes the change of name of the applicant from Dongbu Steel Co., Ltd. to KG Dongbu Steel Co., Ltd. is a result of the acquisition of a majority shareholding in the company by KG Steel, a special purpose company incorporated to invest in the applicant company. The Authority also notes that neither KG Steel specifically nor the KG Group at large is involved in the same or similar business as that of the applicant company.
 - b. Subsequent to the allotment of *** % shares of the company in favour of KG Steel, the name of the applicant has been changed to KG Dongbu Steel Co. Ltd. This has been reflected in the certificates of business registration issued by the District Tax Office of Korea, for the head office at Seoul, Korea and Manufacturing Units at Dangjin, Incheon and Eunseong, Korea, whereby the request by Dongbu was examined and the name of the business was changed from Dongbu Steel Co. Ltd to KG Dongbu Steel Co. Ltd.
 - c. From the public announcement filed by the applicant with the Financial Supervisory Service, Korea's integrated financial regulator, it is noted that there has only been a change of name of the applicant because of KG Steel becoming the major shareholder of the company.
 - d. The Authority further notes that, the investment made by the third parties has entitled them to seats on the board of the applicant company and the changes are limited to the management structure and alteration in the shareholding structure of the company.

E. CONCLUSIONS & RECOMMENDATIONS

8. Having considered all aspects of the case, including submissions made by M/s KG Dongbu Steel Co. Ltd., the applicant producer from Korea RP, and other interested parties, the Authority holds that the name of the producer/ exporter i.e., Dongbu Steel Co., Ltd. has been changed to M/s KG Dongbu Steel Co., Ltd. w.e.f. March 27, 2020. Accordingly, the Authority makes the following change in para 181 of the Final Findings No. 6/4/2019-DGTR dated February 21, 2020:
 - a. Against Serial No. 4, in Col. 6, the name of the Producer 'Dongbu Steel Co., Ltd.' is amended to read as 'KG Dongbu Steel Co., Ltd.'
9. Accordingly, the Customs Notification No. 16/2020-Customs (ADD) dated June 23, 2020 may also be amended by the Ministry of Finance.
10. An appeal against the orders of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.


(Anant Swarup)
Designated Authority