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Extraordinary

F. No.6/23/2018-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5- Parliament Street, New Delhi 110001

Notification
Final Findings

Dated 01st August, 2019

Subject: **Anti-dumping duty investigation concerning imports of High - Speed Steel of Non-Cobalt Grade from Brazil, China and Germany.**

1. F. No. 6/23/2018-DGTR: M/s Graphite India Limited (hereinafter also referred to as the Petitioner or Applicant) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as the Rules) for imposition of Anti-dumping duty on imports of "High Speed Steel of Non Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%", (hereinafter also referred to as the subject goods or Product Under Consideration (PUC) from Brazil, China and Germany (hereinafter also referred to as the subject countries).
2. Whereas, the Authority, on the basis of sufficient evidence submitted by the applicant, issued a Notification No.6/23/2018-DGTR dated 14th August, 2018, published in the Gazette of India, initiating the subject investigation in accordance with Rule 5 of the above Rule to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from subject countries, and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the alleged injury to the domestic industry.

A. PROCEDURE

3. The procedure described herein below has been followed by the Authority with regard to the subject investigation:

- i. The Designated Authority, under the above Rules, received a written application from the Applicant on behalf of the domestic industry, alleging dumping of " High Speed Steel of Non-Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%", (hereinafter also referred to as the subject goods or PUC) from Brazil, China and Germany.
- ii. The Authority notified the Embassy of China, Brazil and Germany in India about the receipt of the anti-dumping application before proceeding to initiate the investigations in accordance with sub-rule (5) of Rule 5 supra.
- iii. The Authority issued a public notice dated 14.08.2018 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods.
- iv. The Authority sent a copy of the initiation notification to above mentioned embassies in India, known producers/exporters from subject countries and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days of the initiation notification.
- v. The Authority sent exporter's questionnaires to elicit relevant information to the following known producers/exporters in subject countries, (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules.
 - a. M/s Heye Special Steel Co., Ltd, China
 - b. M/s Jiangsu Tiangong Tools Co. Ltd
 - c. M/s Huangshi Jirui Industry Co. Ltd
 - d. M/s Villares Metals SA
 - e. M/s Deutsche Edelstahlwerke Services GmbH
- vi. The Authority also allowed the extension of time for filing the questionnaire response till 22nd October 2018. The following producers / exporters filed a response to the Exporter's Questionnaire in the prescribed format.
 - f. Heye Special Steel Co., Ltd, China
 - g. Tiangong Development Hong Kong Company Limited
 - h. Jiangsu Tiangong Tools Company Limited
- vii. The Authority forwarded a copy of the Initiation Notification to the following known importers/users/user associations (whose names and addresses were made available to the authority) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):

- i. Addison & Co. Ltd
- j. Associate Tool Manufacturer
- k. Bharat Heavy Electricals Ltd
- l. Chaman Steel Corporation
- m. Chowgule Matrix Hobs Ltd
- n. Cummins India Limited
- o. Drilbits International Pvt. Ltd
- p. Emkay Tools
- q. Esgi Tools Private Ltd.
- r. Esskay Steels
- s. Ferrocure International
- t. Forbes & Company Limited
- u. Futuristic Alloys & Metals Pvt. Ltd.
- v. Goel Steel Company
- w. Gun & Shell Factory
- x. Imi Alloys Private Limited
- y. Indo Schottle Auto Parts Pvt. Ltd
- z. Izar
- aa. J.k. Files & Tools
- bb. Jaldhara Tools & Alloy Steels
- cc. Kadimi Tool Mfg Co. Pvt. Ltd
- dd. Kasco Special Tools Ltd
- ee. M/S Delphi-Tvs Diesel Systems Ltd
- ff. M/S. Lucas-Tvs Ltd.,
- gg. Maini Precision Products(P)Ltd
- hh. Manek Tools
- ii. Miranda Tools
- jj. Mitsubishi Hvy Ins Ind Prec Tlc Ltd
- kk. Motherson Advanced Tooling Sol.Ltd.
- ll. Om Steel Enterprises
- mm. R K Enterprises
- nn. Rifle Factory
- oo. Rohit Industries Group P Ltd
- pp. S.R.P. Tools Ltd
- qq. Saatveeka Trading Company
- rr. Sakshi Steel - N - Alloys
- ss. Steelmen Enterprises
- tt. Toolman Industries
- uu. Trident Tools Pvt. Ltd.
- vv. United Sales Enterprises
- ww. Usha International Ltd.
- xx. Zenith Birla (India) Ltd

viii. Following importers/users/user association have filed their submissions/representations in the above matter.

- yy. TGK Special Steel Pvt. Ltd.
- zz. Miranda Tools Pvt. Ltd.
- aaa. J K Files (India) Ltd.

- bbb. Addision & Co. Ltd
- ccc. Birla Precision Technologies Ltd
- ddd. Cutting Tools Manufacturers Association

- ix. The Authority made available non-confidential version of the evidence presented by the interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7).
- x. The Authority has examined the information furnished by the domestic producer to the extent possible on the basis of guidelines laid down in Annexure III to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xi. The period of investigation for the purpose of present investigation is from 1st April 2017 to 31st March 2018 (12 months). However, the injury investigation period will cover the data of previous three years, i.e. April 2014 to March 2015, April 2015 to March 2016, April 2016 to March-2017 and POI.
- xii. Further information was sought from the applicant and other interested parties to the extent deemed necessary. Verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of the investigation.
- xiii. Non-injurious price has been determined 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) so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- xiv. Transaction wise data was called from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) for determination of volume and value of imports of product concerned in India.
- xv. On site verification of data filed by M/s TKG Special Steel Pvt. Ltd. and M/s J K Files (India) Ltd. was also carried out.
- xvi. The Authority held an oral hearing on 07.02.2019 to provide an opportunity to the interested parties to present relevant information orally in accordance with Rule 6 (6). The interested parties who presented their views orally at the time of oral hearing were asked to file written submissions of the views expressed orally. The interested parties were provided opportunity to offer rejoinder submissions to the views expressed by other interested parties. The submissions made therein have been duly considered and addressed appropriately.

- xvii. Exporters, producers and other interested parties who have neither responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties and the Authority has recorded this Final Finding on the basis of facts available.
- xviii. The Authority issued a disclosure statement under Rule 16 on 16th July, 2019 and provided an opportunity to give comments to the disclosure statement till 23rd July, 2019. Comments filed have been appropriately considered. Any relevant submissions not addressed earlier have been included in the Final finding and appropriately addressed.
- xix. ‘***’ in this document represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xx. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs.65.33

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. The product under consideration as defined in the initiation notification for the purpose of present investigation is "High Speed Steel of Non-Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%".
5. High Speed Steels are high- alloy tool steels capable of maintaining the required working hardness of approx. 60-67 HRC up to working temperatures of almost 600 °C, thereby ensuring increased, machining capacity without deterioration in cutting power or edge holding. Their working characteristics are primarily due to their retention to tempering, the red hardness of the hardened and tempered matrix, and the presence of hard carbides formed by chromium, molybdenum, vanadium and tungsten in conjunction with carbon. These carbides greatly reduce tool wear, i.e., the rate of wear at the cutting edge is improved.

Submissions by the Domestic Industry

6. The submissions made by domestic industry are as follows:
- a. The product under consideration is "High Speed Steel of Non-Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%". The subject goods are characterized by the high working harness, high

wear resistance, high retention to tempering and red hardness and high toughness.

- b. The subject goods are used for making High Speed Steel Cutting Tools. The subject products are classified under Chapter Heading 72 “Iron and Steel Articles thereof” of the Customs Tariff Act. The classification at the 8-digit level is 72281010 and 72281090. However, goods are imported under other heads of 7228 also. According to the Domestic Industry, there is no difference in the subject goods produced by them and that imported from the subject countries. The subject goods produced by the domestic industry and the subject goods imported from subject countries are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, distribution and market & tariff classification of the goods.
- c. It is further submitted by the Domestic Industry that they have defined its product in the most precise and technical way by even giving the exact range of inputs used in the manufacturing of the subject goods. Further, with this precise definition, product can be easily checked by the custom officer in their laboratories. In view thereof, the allegation of product scope being vague is incorrect and based on wrong appreciation of facts.
- d. In relation to the contention of some of the interested parties that the Domestic Industry should have given a PCN wise analysis, it is submitted that the apprehension expressed by exporters / importers that the price analysis is not correct, is not supported by the factual matrix of this case. It is further submitted by the Domestic Industry that the PCNs proposed by the user industry is on the basis of prices which is an incorrect and misleading proposition and needs to be rejected out rightly. It was further submitted by the Domestic Industry that the overall average price of all the grades of the product under consideration for the Domestic Industry is the same as the price of M2, which forms an overwhelmingly predominant part of the imports and the domestic market. That being the case, the weighted average export price for all the grades taken together will almost be identical to the price of M2 grade.
- e. In relation to exclusion of certain grades, it is submitted by the Domestic Industry that they had never intended to cover those products which are neither produced by them nor substitute their product range. Domestic Industry has further submitted that despite specific instructions of the Hon’ble Designated Authority to producer / exporters to provide technical specification in the non-confidential version of the written submission, nothing has been provided in the written submission by other interested parties.
- f. In relation to the exclusion of High-Speed Steel in Coil and sheet form, Domestic Industry has submitted that the same was never included in

the scope of the product under consideration. According to the Domestic Industry they have themselves restricted the scope of the product under consideration to the specific custom heading, which deals with the bars and rods only.

- g. In relation to certain thickness, it is submitted by the Domestic Industry that they can produce thickness ranging from 4mm to 170mm. In view thereof, the Domestic Industry has submitted that it has no issue if, thickness below 4mm and above 170 mm is excluded from the scope of the product under consideration.
- h. It is further submitted by the Domestic Industry that none of the interested parties has provided any technical specification of the products which according to them should be excluded from the scope of the product under consideration in writing, despite specific instructions of the Designated Authority. In view thereof, the Domestic Industry has requested the Authority to reject the request of exclusions in the High-Speed Steel.
- i. In relation to the submissions of the interested parties relating to difference in the manufacturing process, the Domestic Industry submitted that such contentions are devoid of any merit since the production process is not a relevant factor in Anti-Dumping Law. Domestic Industry has further stated that the production process has never been considered as a determinative factor while identifying the PUC by the Authority in any of the earlier investigations. It was further submitted by the Domestic Industry that the quality of HSS produced by them is the best in the country.

Submissions made by the producers/exporters/other interested parties

- 7. The other interested parties have made the following submissions on the product under consideration.
 - a. That the Domestic Industry has not defined its product properly and kept it very vague so that those products which are not manufactured by the Domestic Industry can be included in the product scope.
 - b. Domestic Industry is not capable of producing the entire range of the product under consideration. They have also demanded exclusion of certain products which are not produced by the Domestic Industry. They have also requested for exclusion of products used to manufacture Broaches and Taps. Some interested parties have also requested the exclusion of the products manufactured through different manufacturing process.
 - c. They have also submitted that there is price variation in the product range and therefore, they have requested for PCN-wise analysis.

- d. That the subject goods imported and produced by the Domestic Industry are not like article.
- e. That the production process used by the Domestic Industry and producers in China is different and therefore, subject goods imported from China, cannot be treated as like article.

Examination by the Authority

8. The product under consideration in the present investigation as per the initiation notification is as follows-

"High Speed Steel of Non-Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%".

9. High Speed Steels are high- alloy tool steels capable of maintaining the required working hardness of approx. 60-67 HRC up to working temperatures of almost 600 °C, thereby ensuring increased, machining capacity without deterioration in cutting power or edge holding. Their working characteristics are primarily due to their retention to tempering, the red hardness of the hardened and tempered matrix, and the presence of hard carbides formed by chromium, molybdenum, vanadium and tungsten in conjunction with carbon. These carbides greatly reduce tool wear, i.e., the rate of wear at the cutting edge is improved.
10. The subject goods are used for making High Speed Steel Cutting Tools. The subject products are classified under Chapter Heading 72 "Iron and Steel Articles thereof" of the Customs Tariff Act. The classification at the 8-digit level is 72281010 and 72281090. However, goods are imported under other heads of 7228 also. The custom classification is however indicative only and is in no way binding upon the product scope and the product description prevails in situation of conflict.
11. As regards PCN-wise analysis, the Authority notes that PCN-wise analysis is an important element for computation of exporter specific dumping margin as Article 2.4 of Anti-Dumping Agreement that mandates a fair and proper comparison of the prices prevailing in the domestic markets of the exporter and its export price to India. In this case, it is noted that the request for PCN-wise analysis has been made by importers and not from the exporters whose relevant information is required for such a PCN-wise analysis. None of the cooperating exporters have made any such request or provided data in this regard.
12. The Authority further observes that mere differences of price cannot be a basis for claiming PCN-wise analysis, as it is the price itself which is the matter of investigation. Any party who seeks PCN-wise must necessarily propose a technical basis for the product differentiation to ensure proper and

fair comparison. No such information or evidence has been placed by any party. Nevertheless, the Authority observes that the overwhelming share of imports as well as domestic sales are of only one grade. i.e., M2 (about 94%). The cooperating exporters are also predominantly supplying M2 grade only (about 95%). The aforesaid validates as to why neither the Domestic Industry nor the cooperating exporters have proposed a PCN-wise analysis.

13. Therefore, in view of the aforesaid the Authority concludes to undertake weighted average to weighted average comparison of the Normal value and Export price for all cooperating exporters from the subject countries.
14. As regards the exclusion of certain thicknesses, the Authority on the basis of the data on record and as verified, had proposed to exclude thickness below 4mm and above 170mm from the scope of the product under consideration. As regards the request of the exporters to exclude the flat products, the Domestic Industry has contended in their rejoinder statement that coils and sheets were never a part of the Product under Consideration as the Chapter Headings referred to by them are for bars and rods only. That being the case, there is no need to make any specific exclusion. However, the Authority considers it appropriate to clarify the Product under Consideration description appropriately to avoid any confusion. Accordingly, the post disclosure comments received on scope of product under consideration have been appropriately considered and addressed in this final finding.
15. As regards the difference in the production process, the Authority notes that during the proceedings, it was noticed that there are three main technologies available to produce High Speed Steel namely, Conventional Ingot Casting, Electrode Slag refining (ESR) and Powder Metallurgy (PM). In Conventional Ingot Casting the electric arc furnace route (EAF) is used for melting the basic raw materials Scrap and Ferro alloys. Domestic Industry is using this technology transferred to it by Bohler, Austria. In Electro Slag Refining (ESR) process, ingots are produced by melting, are remelted for further reduction of sulphur, phosphorous and other impurities to produce ingots having very fine microstructure required for tough and stringent applications. In this process the molten droplets pass through the hot slag into the crucible and thereby get refined. After solidification, the refined ingot is processed for turning, peeling etc. In general, ESR is preferred for large sizes and the forging operation is completely avoided. However, it is a slow and costly process, which has impact for large sizes of diameters. In the case of Powder Metallurgy, the liquid metal produced in an induction furnace is atomized by bringing it into contact with hot nitrogen gas to form minute powders. This method involves change of molten metal into a spray of droplets that later solidify into powder form of very minute particle size. This process is used for high end applications in the cutting tool, and aerospace industries and in advanced research laboratories as its manufacturing cost is very high. For the sizes 4mm to 170 mm, the goods produced by the Domestic Industry and imported goods are used interchangeably. It was further noted that predominantly, imports are also in this range only. Therefore, it is noted that difference in production process is not relevant for defining the scope of the

product of under consideration. Further, in the matter of Automotive Tyre Manufacturers Association V. DA, it was held by the Hon'ble CESTAT that:

"The submissions that imported goods are manufactured through a different process and that the imported goods differ in quality also do not invalidate the findings. Process of manufacture is not a relevant factor under anti-dumping law. Quality difference is also not material. The imported goods and domestically produced goods have the same use and have been correctly held to be 'like article' by the Designated Authority. In these facts and circumstances the submissions made in these appeals have no merit. The appeals fail and are rejected."

16. The Authority has taken note of post disclosure comments on the scope of the Product Under Consideration by other interested parties and holds as under with regard to range of diameter of the bars and rods. The Authority notes that for the lower end of the range, the domestic industry has provided evidence which justifies the lower limit to 4mm. However, for the higher end, neither the Domestic Industry nor the importers have imported the subject goods of diameter between 164mm to 170mm. Also, in this band, there are no sales of domestic industry. In view thereof, the Authority restricts the product scope to diameters of Bars and Rods of HSS from diameter 4mm to 163 mm.

17. In view of the above, the product under consideration is confirmed as follows:

"Bars and Rods of Non-Cobalt Grade High Speed Steel of diameter from 4mm to 163 mm having three elements i.e., Molybdenum, Tungsten and Vanadium, with combination of Tungsten and Molybdenum between 4% - 11.5% and maximum 3.5% of Vanadium. The Carbon content should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%". The product under consideration in any other form including sheets, plates and coils are excluded.

18. With regard to like article, Rule 2(d) of the Anti-Dumping Rules provides as under:

"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;

19. After considering the information on record, the Authority holds that the product under consideration produced by the domestic industry and imported from the subject countries are comparable in terms of physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The goods produced by the domestic industry and imported from the subject countries are like articles in terms of the Rules. The two are technically and commercially substitutable. Thus, the Authority holds that the subject goods

produced by the domestic industry are like article to the product under consideration imported from subject countries within the scope and meaning of Rule 2(d) of Anti-Dumping Rules.

C. SCOPE OF DOMESTIC INDUSTRY & STANDING

Submissions by the Domestic Industry

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

- i. The petition has been filed by M/s Graphite India Limited (hereinafter also referred to as Petitioner/Applicant) for imposition of anti-dumping duty on the subject goods from subject countries. The petitioner is the major producer of the subject goods in India and therefore has clear standing to constitute domestic industry within the ambit of the Rules.
- ii. Petitioner has not imported the subject goods from any of the subject countries during the POI. Petitioner is also not related (either directly or indirectly) to any exporter or importer of product under consideration in the subject countries. Thus, the petitioner is eligible domestic industry under Rule 2(b) of the AD Rules.

Submissions made by the producers/exporters/other interested parties

21. The submissions made by the interested parties on the standing of the Domestic Industry are as follows:

- a. Applicant has not provided details of all the other producers in the country accounting for 2% of the total production.
- b. Graphite India Limited is a monopolistic producer, as they are the only producer in India supplying commercial quantities.
- c. Petitioners cannot be treated as eligible Domestic Industry as they have not certified that they are not related to any exporter or importer during the entire injury investigation period.

Examination by the Authority

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

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

23. The application has been filed by M/s Graphite India Ltd., the only domestic producer producing commercial quantities in the domestic market.
24. The production of the petitioner constitutes for more than 85% of the total Indian production. The petitioner has also certified that they are neither related to exporters or importers nor they have imported. Accordingly, the Authority holds that that the petitioner satisfied the requirement of standing under Rule 5(3) and constitutes domestic industry within the meaning of Rule 2(b).

D. ISSUES RELATING TO CONFIDENTIALITY

Submissions by the Domestic Industry

25. The submissions made by domestic industry are as follows:
- i. The petitioner has claimed only such information as confidential, the confidentiality of which has been permitted under the rules and as per consistent practice of the Authority.
 - ii. The petitioner has provided sufficient non-confidential version of the application and that none of the interested parties has been able to point out any specific instance of information which has been claimed confidential and confidentiality of which is not justified under the rules.
 - iii. Information such as volume of exports to India, gross volume of sales in domestic market, production, sales, average price for exports to India have been provided in indexed version as the information is business proprietary information.
 - iv. That the responding exporters have failed to fulfill their obligations under the Indian law by not providing the meaningful summary of the response to exporters' questionnaire. Domestic Industry has further submitted that responding exporters have kept all the volume related information confidential. Further, the responses filed by producers/exporters and importers are in violation of the specific guidelines issued by the Designated Authority with regard to the procedure to be followed for filing of non-confidential version of their respective questionnaire responses. Petitioner have also requested the Designated Authority to disregard the submissions of the interested parties and also to reject the response of exporters and deny them the individual treatment.

Submissions made by the producers/exporters/other interested parties

26. The various submissions made by the producers/exporters/importers/other interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are as follows:

- i. The petition suffers from excessive confidentiality. The petition provides absolutely no information with respect to volume related information also.
- ii. Domestic Industry has also not provided sufficient details of their costing. Further, they have kept Annexures A to L as confidential.

Examination by the Authority

27. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties through the public file containing non-confidential version of evidences submitted by various interested parties for inspection as per Rule 6(7).
28. With regard to confidentiality of information Rule 7 of Anti-Dumping Rules provides as follows:

“Confidential information”

(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

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

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

29. The WTO Agreement on Anti-Dumping provides as follows with regard to confidentiality of information-

“Article-6.5 Any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a

confidential basis by parties to an investigation shall, upon good cause shown, be treated as such by the authorities. Such information shall not be disclosed without specific permission of the party submitting it.

Article-6.5.1 The authorities shall require interested parties providing confidential information to furnish non-confidential summaries thereof. These summaries shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. In exceptional circumstances, such parties may indicate that such information is not susceptible of summary. In such exceptional circumstances, a statement of the reasons why summarization is not possible must be provided.

Article-6.5.2 If the authorities find that a request for confidentiality is not warranted and if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, the authorities may disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.

Footnote to Article 6.5.2 (footnote 18 of the WTO Agreement on Anti-Dumping) provides as follows– Members agree that requests for confidentiality should not be arbitrarily rejected.”

30. 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 was 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 / information's / submissions submitted by various interested parties in the form of public file.

E. MISCELLANEOUS ISSUES

Submissions by the Domestic Industry

31. The submissions made by the domestic industry are as follows:
- i. That the responding user associations cannot be considered as interested parties in terms of Rule 2(c) of the anti-dumping Rules. These associations can be permitted to participate as an interested party in the investigations only and only if it proves to the satisfaction of the Authority that the majority of the members are either importers or producers of subject goods. It is pertinent to note that the majority test is to be applied in the context of total membership of respective association. It is important to note that there is no evidence on record that such an exercise has been carried out by association to prove the

basic requirements for being considered as an interested party. Since none of the association has even provided the list of their members along with their respective activities, under no circumstances, responding association can be considered as an interested party.

- ii. That the contention of responding parties that imposition of anti-dumping duties will lead to a situation of monopoly of the Domestic Industry, Domestic Industry submitted that this argument is completely devoid of any merit. It has been held by the Authority time and again that the objective of anti-dumping duties is not to block any imports but only to address the situation created by dumping from specific sources. Anti-dumping duties being country specific duties, the importers are free to import the subject goods at fair prices from the subject countries as well as from other countries. Therefore, there is no question of monopoly by Domestic Industry or causing shortage as the imports can still come after the imposition of duties given that they are fairly priced. Last but not the least, a monopoly can exist only if there is a single supplier in the market which is not the case. It is also submitted that even a single producer does not create any monopoly as the goods continue to reach the market place from other suppliers around the world.
- iii. That the submissions regarding delayed supply of subject goods, Domestic Industry denies such claim of the users and their association. Further, they have failed to place on record any evidence to support their claims which also proves the falsehood in their claims. In fact, due to the presence of cheap priced imports, the consumers are shying away from buying the domestically produced products. This fact is also evident from the fact that the unfairly priced imports from subject countries are being preferred over the goods produced by the Domestic Industry.
- iv. That the fact that Domestic Industry is a multi-product company and its Annual Report reflects its overall operations and overview of company's performance and not a performance appraisal of specific grades or specific products which may be under investigation. This issue was subject matter of dispute in several other cases and it has been consistently held that no reliance can be placed on annual reports for multi-product companies. This approach is based on the sound legal premise that what is under investigation is not the company but the product under consideration. The performance of the Domestic Industry must be judged for the product under consideration alone in terms of the provisions of law.
- v. That the application filed by Domestic Industry is fully in accordance to the act and rules and also as per the prescribed format. Therefore, the submissions of the interested parties that application is not as per format needs to be rejected.

- vi. That the producers / exporters have related party in India and therefore, their responses and accounts need to be checked properly to find the actual export price. Domestic Industry has also submitted that importers are receiving discounts from exporters, which they are passing to their customers.
- vii. That the data and information filed by the exporters and importers needs to be checked from the DGCI&S data and DG System data to check the correctness of their data.

Submissions made by the producers/exporters/other interested parties

32. The submissions made by the other interested parties are as follows:

- i. That the application filed by the Domestic Industry is not in the form and manner prescribed by the Authority. Further, the Authority has not evaluated the petition properly in terms of Article 5.3 of the WTO Anti-Dumping Agreement read with Rule 5(3) of the AD Rules and therefore, the investigation needs to be terminated.
- ii. That the Domestic Industry is not able to fulfil orders for months, due to capacity constraints. This constraint in supply compels the users to import the subject goods.
- iii. Any imposition of duties will give the Domestic Industry complete monopoly and will have adverse impact on the ecosystem concerning producers of subject goods.

Examination by the Authority

33. As regards the argument of the responding parties that the petition is deficient and therefore the investigation needs to be terminated, the Authority notes that the Domestic Industry has filed petition as per the prescribed formats. The present investigation was initiated on the basis of *prima facie* evidence furnished by the Domestic Industry showing dumping, injury and causal link in accordance with the Act and Rules. The Authority has also called for additional information wherever required and verified the same.
34. As regards the arguments of the interested parties that the Authority failed to properly evaluate the validity of the application by the Domestic Industry in terms of the Rule 5(3) of the AD Rules, the Authority notes that the scope of Rule 5 at the time of initiation of an investigation has only a limited obligation to evaluate key parameters on *prima facie* basis. The Authority further notes that the final determination is required to be based on the information made available by the Domestic Industry as well as other interested parties after proper examination and verification by the Authority. Therefore, the parameters adopted as *prima facie* evidence used for the purpose of initiation recede in the background and the outcome of investigation assumes primacy.

35. As regards the issue of treating trade associations as ineligible interested parties in terms of Rule 2 (c), the Authority notes that even though there is merit in the contention of the Domestic Industry to reject the responses filed by associations, it however, holds that user associations are also important stakeholders and therefore, their submissions need to be appropriately considered in larger interest of the investigation.
36. As regards the issue of monopoly of the Domestic Industry, it is noted that while there are other producers of the subject goods as well, the objective of levying anti-dumping duties is not to block any imports but only to address the situation created by dumping from specific sources. Anti-dumping duties being producer specific duties, the importers are free to import the subject goods at fair prices from the subject countries and as well as from other countries of their choice.
37. The Authority has undertaken onsite verification of M/s TGK Special Steel Co. Ltd., related importer of M/s Jiangsu Tiangong Tools Company Limited (producer) and M/s Tiangong Development Hong Kong Company Limited (exporter). The Authority found that the data reported by M/s TGK Special Steel Co. Ltd. was not matching with their financial accounts. Also, quantities reported by M/s TGK Special Steel Co. Ltd. were found not to be matching with the DG System data. Further, they are selling the subject goods at losses. Therefore, the export price determined has been adjusted accordingly.
38. The Authority has also verified one of the users namely M/s JK Files (India) Ltd. to ascertain the veracity of their claim. However, certain discrepancies were found in their data.

F. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

Normal Value

39. Submissions by the Domestic Industry

- i. Petitioner has determined normal value in the subject countries on the basis of best information available for the purpose of the initiation.
- ii. Petitioner has relied upon import data provided by DGCI&S for determining export price. Petitioners have adjusted export price for ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at ex-factory export price.
- iii. Questionnaire response filed by producers/exporters are grossly deficient and not filed in terms of the latest trade notice.
- iv. The producers in China have not claimed MET and therefore, their normal value needs to be constructed in terms of Annexure I of the AD Rule. They have further requested that the Authority to treat "France" as the appropriate market economy third country for construction of the normal value or construct the normal value on the basis of the price actually paid or payable in India for the like product duly adjusted.
- v. Domestic Industry also requested the Authority to scrutinize the data of related importer.

40. Submissions by the Other Interested Parties

- i. The following submissions have been made by other interested parties:
 - a. Determination of normal value and dumping margin should be based on the information provided by the exporters/producers from subject countries.
 - b. Assumptions made by the Petitioners regarding normal value are not acceptable as such assumption would not be representative due to factual conditions in the subject countries.
 - c. Users also contested the use of France as surrogate subject country for China while calculating normal value.

41. Examination by the Authority

Under Section 9A(1)(c), normal value in relation to the 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 transshipped 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.

42. The Authority sent questionnaires to the known exporters from subject countries, advising them to provide information in the form and manner prescribed. Following producers / exporters have filed the prescribed questionnaire responses.

- a. Heye Special Steel Co., Ltd, China
- b. Tiangong Development Hong Kong Company Limited
- c. Jiangsu Tiangong Tools Company Limited

43. As per Paragraph 8, Annexure I to the Anti-Dumping Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and establish to the contrary. The exporter/ producer of the subject goods from 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:

- i. 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;

ii. The production cost 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;

iii. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and

iv. The exchange rate conversions are carried out at the market rate

44. The Authority observes that none of the producers / exporters have claimed market economy treatment. The Authority determined the normal value in terms of Para 7 of Annexure I. It is further noted that in post written submission the Domestic Industry suggested consideration of France as a surrogate country (third country market economy) for determination of China's normal value. However, the exporters and user industry submitted that France cannot be considered as surrogate country, as no reliable information has been provided by the Domestic Industry to interested parties on selection of France as a surrogate country. They further submitted that mere statement does not tantamount to reliable information as prescribed under Para 7. No other submissions / suggestions were received from any of the interested parties.

45. Para 7 of Annexure I of the Anti-Dumping Rules provides as under:

“In case of imports from non-market economy countries, 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 countries, 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.”

46. In view of the above, the normal value for the subject products imported from China PR into India is determined on "any other basis" by considering the best available information with regard to normated constructed cost of

production, duly adjusted to include selling, general & administrative costs of the domestic industry by adding reasonable profits. Accordingly, the normal value determined is mentioned in the dumping margin table below.

Normal value in case of producers and exporters from Brazil and Germany

47. No producer/exporter from Brazil and Germany has filed the exporters questionnaire response. Therefore, the Normal Value for all producers/exporters in Brazil and Germany is determined on the basis of best available information under rule 6 (8) i.e., on the basis of normated constructed cost of production, duly adjusted to include selling, general & administrative costs of the domestic industry by adding reasonable profits. The normal value so determined by the Authority for Brazil and Germany is mentioned in the dumping margin table below.

a. Export price in case of M/s Tiangong Development Hong Kong Company Limited and Jiangsu Tiangong Tools Company Limited

48. The Authority notes that the response filed by cooperative producers/exporters almost accounts for 90% of total imports as per DGCIS data during POI. Further sample export invoices of cooperative producers/exporters have been cross checked with the DG-system data as part of the desk study to correlate quantities and prices.
49. In the exporters questionnaire response, the Company declared that during the POI they had two channels of sales for Indian market viz; direct sales to unrelated Indian end user and indirect sales to Indian related importer through related trader. Out of the total export sales to India, ***MT (10-20 %) was sold directly to unrelated customers and *** MT (80-90%) of the quantity to related importer through related trader. Diameter below 4mm and above 170mm were excluded from the scope of the export price calculation. It is also noted that the above chain has exported ***MT (10-20%) direct to Indian unrelated customer and ***MT (80-90%) to related Indian importer through related trader. The exporter has claimed adjustment on account of inland freight, overseas freight, marine insurance, packing cost, credit cost, port charges etc. and the same have been accepted after necessary verification and appropriate correlation amongst cooperating producers/exporters. It is also noted that since the related importer is incurring losses, its loss is also appropriately adjusted while computing the export price. Accordingly, the export price determined is provided below in the dumping margin Table below.

b. Export price in case of M/s Heye Special Steel Co., Ltd, China

50. In the exporters questionnaire response, the Company declared that during the POI they directly exported *** MT, of which *** MT of the subject goods to India to unrelated importers were between 4mm to 170 mm diameter. The exporter has claimed adjustment on account of inland freight, overseas freight, marine insurance, VAT adjustment, credit cost, port charges etc. and

the same have been accepted after necessary verification. Accordingly, the export price determined is provided in the dumping margin Table below.

c. Export price in the case of producers and exporters from Brazil and Germany

51. Since there is no response from any producer/exporter from Brazil and Germany, the export prices for all the producers/exporters from these countries have been determined on the basis of information available on record. The Authority has made adjustments on account of ocean freight, overseas insurance, port expenses, inland freight, bank charges and credit cost as claimed by the petitioner and in accordance with norms observed on such adjustments as per practice in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level in case of Brazil and Germany determined is as mentioned in the dumping margin table below.

Determination of Dumping Margin

DUMPING MARGIN

52. The dumping margin for the subject goods is evaluated as under:

	Qty	Normal value	Export price	Dumping margin	Dumping margin	Dumping margin
	MT	Rs/MT	Rs/MT	Rs/MT	%	Range
Heye	***	***	***	***	***	35-45
TG Tools	***	***	***	***	***	65-75
Residual	197	***	***	***	***	75-85
Brazil	147	***	***	***	***	40-50
Germany	51	***	***	***	***	40-50

G. METHODOLOGY FOR INJURY ASSESSMENT AND EXAMINATION OF INJURY AND CAUSAL LINK

Views of the Domestic Industry

53. The following are the injury related submissions made by the domestic industry during the course of the present investigation and considered relevant by the Authority:

- i. Imports of the product under consideration from subject countries have shown increase over the years with a significant increase in POI. Imports have also shown increase in relation to production and consumption in India;
- ii. Market share of subject countries in demand has become significant in POI. Subject countries have not only taken the share of Domestic Industry but also of other countries in a short span of time. Market share of the domestic industry has decreased in the POI as compared to the base year.;
- iii. With reduction in the prices by the foreign producers, the only choice available to the Indian producer is to either realign their prices with the changes in the import prices or to lose orders and hence the market share reduced during the entire injury investigation period;
- iv. Domestic industry prices reflect the effect of the prices that are being offered by the exporters in the domestic market;
- v. The price underselling, price undercutting is positive and substantial. Further, the Domestic Industry is suffering from price depression as they are not able to increase its prices to reasonable terms.
- vi. Performance of the domestic industry has steeply deteriorated in terms of profits, infact the profitable situation of the Domestic Industry has turned into losses, return on investments and cash profits also followed the same trend.
- vii. The decline in profitability of the domestic industry was due to significant increase in the import volume at non-remunerative prices from subject countries.
- viii. The increase in selling price was lower than the increase in cost of production and thus the dumped imports are creating price suppression effect on the domestic industry.
- ix. The domestic industry has suffered material injury in connection with dumping of subject goods from the subject countries. Further, the domestic industry is threatened with continued injury, should the present condition continue.

Submissions made by the producers/exporters/importers/other interested parties

54. The following are the injury related submissions made by the producers/exporters/importers/other interested parties during the course of the present investigation and considered relevant by the Authority.
- i. The Domestic Industry is not suffering any injury, as their balance sheet is showing significant profits.
 - ii. The imports from subject countries have no negative impact on the performance of the Domestic Industry.
 - iii. That there is no price undercutting, price underselling, price suppression and depression and therefore, the claim of the Domestic Industry of any injury on account of imports from subject countries should be rejected.
 - iv. The profitability of the domestic industry has improved with respect to imports and vice-versa.
 - v. The inability of the domestic industry to meet the domestic demand has resulted in the increase in imports to fulfil the rise in consumption.
 - vi. That the Domestic Industry has claimed to be materially injured due to the dumped imports as stated in the non-confidential Petition.
 - vii. That the Domestic Industry is suffering injury on account of factors other than imports from subject countries.

Examination by the Authority

55. Article 3.1 of the WTO Agreement and Annexure-II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
56. As regards the impact of the dumped imports on the domestic industry. Para (iv) of Annexure-II of the AD Rules states as follows:

“The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the Industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of margin of dumping actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.”

57. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties during the course of the present investigation and considered relevant by the Authority.
58. For the examination of the impact of imports on the domestic industry in India, the Authority has considered such indices having a bearing on the state of the industry as production, capacity utilization, sales quantum, stock, profitability, net sales realization, the magnitude and margin of dumping etc. in accordance with Annexure II of the Rules supra.

A. Volume Effect of Dumped Imports

Import Volume and Market Share

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

Particulars	Units	2015-16	2016-17	2017-18	POI
Imports from Brazil	MT	120	107	90	147
Imports from China	MT	575	672	629	1,074
Imports from Germany	MT	29	27	54	51
Imports from Subject Countries	MT	725	806	773	1,272
Imports from other countries	MT	152	160	257	138
Total Imports	MT	876	965	1,030	1,410
Trend	Indexed	100	110	118	161
Domestic Sales-Applicant	MT	901	876	906	1022
Trend	Indexed	100	97	101	113
Other Producers Sales	MT	200	190	200	205
Trend	Indexed	100	95	100	102.5
Total Demand (MT)	MT	1,977	2,032	2,136	2,637
Trend	Indexed	100	103	108	133
Share in Total Imports					
Imports from Brazil	%	14%	11%	9%	10%
Imports from China	%	66%	70%	61%	76%
Imports from Germany	%	3%	3%	5%	4%
Imports from Subject Countries		83%	83%	75%	90%
Imports from Other Countries	%	17%	17%	25%	10%

Share in Total Demand					
Imports from Subject Countries	%	37%	40%	36%	48%
Imports from Other Countries	%	8%	8%	12%	5%
Sale of Domestic Industry	%	56%	52%	52%	47%

60. It is noted from the above table that share of subject countries in total imports and market share of the subject goods from the subject countries have increased in absolute terms in POI as compared to the previous years.

B. Price Effect of Dumped Imports on the Domestic Industry

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

a. Price Undercutting

62. 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 as below:

Year	Quantity	Import Quantity	Landed Value	Net Selling Price	Price Undercutting		
	Country	MT	Rs. / MT	Rs./ MT	Rs./ MT	%	Range
2015-16	Brazil	120	***	***	***	***	0-10
	China	575	***	***	***	***	(0)-(10)
	Germany	29	***	***	***	***	(20)-(30)
2016-17	Brazil	107	***	***	***	***	(0)-(10)
	China	672	***	***	***	***	0-10
	Germany	27	***	***	***	***	10-20
2017-18	Brazil	90	***	***	***	***	0-10
	China	629	***	***	***	***	10-20
	Germany	54	***	***	***	***	(10)-(20)
POI	Brazil	147	***	***	***	***	10-20
	China	1074	***	***	***	***	30-40
	Germany	51	***	***	***	***	10-20

63. It is noted that the landed value from subject countries declined throughout the injury investigation period. It is further noted that price undercutting is positive from all sources during the period of investigation.

b. Price Suppression and Depression

64. In order to determine whether the imports from the subject countries are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the Authority considered the changes in the costs and prices over the injury period, as detailed below:

Particulars	Unit	2014-15	2015-16	2016-17	POI
Landed Value of Imports of Subject Countries	Rs./MT	578765	488129	410080	344550
Index	Indexed	100	84	71	60
Cost of Sales	Rs./MT	***	***	***	***
Trend	Indexed	100	93	90	93
Domestic Selling Price	Rs./MT	***	***	***	***
Trend	Indexed	100	90	80	82

65. The landed value of imports from the subject countries decreased throughout the injury investigation period. It is further noted that the landed value declined more than the decline in cost of sales and selling price.

c. Price Underselling (injury margin) during POI

66. The Authority has also examined price underselling suffered by the domestic industry on account of imports from subject countries. The same is as below:

Particulars	Unit	Brazil	China	Germany	Subject Countries
Landed Value	Rs. / MT	417488	344550	410171	344550
NIP	Rs. / MT	***	***	***	***
Price Underselling	Rs. / MT	***	***	***	***
Price Underselling	%	***	***	***	***
Price Underselling	Range	30-40	60-70	30-40	55-65

67. It is noted from the above table that the domestic industry has suffered price underselling on account of imports of the subject goods from the subject countries.

C. Economic Parameters of the Domestic Industry

68. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the Anti-dumping Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.
69. The various injury parameters relating to the domestic industry are discussed herein below:
- Market share:** The details of imports, domestic sales and the market share of the domestic industry is as below:

Particulars	Units	2015-16	2016-17	2017-18	POI
Imports from Brazil	MT	120	107	90	147
Imports from China	MT	575	672	629	1,074
Imports from Germany	MT	29	27	54	51
Imports from Subject Countries	MT	725	806	773	1,272
Imports from other countries	MT	152	160	257	138
Total Imports	MT	876	965	1,030	1,410
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Trend	Indexed	100	103	108	133
Share in Total Demand					
Imports from Subject Countries	%	37%	40%	36%	48%
Imports from Other Countries	%	8%	8%	12%	5%
Sale of Domestic Industry	%	56%	52%	52%	47%

As mentioned earlier, imports of the subject goods from the subject countries have increased in the POI as compared to the previous years. The market share of domestic sales has decreased during the injury investigation period. It is also noted that the market share of Germany in total demand has remained only at a level of about 2% and that of Brazil at a level of about 5% unlike China which has significantly increased from a level of 29% to 41%.

- ii. **Profitability:** The profitable situation of the Domestic Industry resulted into losses in the POI and preceding year. The same is as follow:

Particulars	Unit	2014-15	2015-16	2016-17	POI
Cost of sales	Rs./MT	***	***	***	***
Trend	Indexed	100	93	90	93
Domestic Selling Price	Rs./MT	***	***	***	***
Trend	Indexed	100	90	80	82
Profit/Loss	Rs./MT	***	***	***	***
Trend	Indexed	100	32	-151	-174
Interest	Rs. Lacs	***	***	***	***
Trend	Indexed	100	89	110	131
PBIT	Rs. Lacs	***	***	***	***
Trend	Indexed	100	25	-176	-86
Depreciation	Rs. Lacs	***	***	***	***
Trend	Indexed	28	-35	-123	355
Cash Profit	Rs. Lacs	***	***	***	***
Trend	Indexed	100	34	-92	-26

The profitability of domestic industry has declined over the injury period with losses in POI, and 2016-17.

- iii. **Return on Investment:** The return on investment has followed the same trend as of profit as depicted below:

Particulars	Unit	2014-15	2015-16	2016-17	POI
Capital Employed	Rs. Lacs	***	***	***	***
Trend	Indexed	100	106	104	113
ROI	%	***	***	***	***
Trend	Indexed	100	24	-170	-76

iv. **Production and Capacity Utilization:**

Particulars	Unit	2014-15	2015-16	2016-17	POI
Capacity	MT	3000	3000	3000	3000
Total Production	MT	1237	1077	1109	1273
Total Production - PUC	MT	1001	897	879	1030
Capacity Utilization	%	41%	36%	37%	42%

The capacity utilisation of domestic industry has remained low though their installed capacity can meet entire demand.

- v. **Sales Volume and Value:** It is noted from the Table below, that the sales volume of the Domestic Industry has marginally increased in the POI as compared to the base year. The demand in the country has also increased. However, their sales have not increased in the proportion of the demand. It is also noted that the sales price of the Domestic Industry has decreased in the POI.

Particulars	Unit	2014-15	2015-16	2016-17	POI
Demand	MT	1,977	2,032	2,136	2,661
Sales	MT	901	876	906	1022
Sales value	Rs. Lacs	***	***	***	***
Selling price	Rs. /MT	***	***	***	***
Trend	Indexed	100	90	80	82

- vi. **Inventories:** The data relating to inventory of the subject goods is shown in the following table.

Particulars	Unit	2014-15	2015-16	2016-17	POI
Inventory	MT	***	***	***	***
Trend	Indexed	100	93	56	64

From the above, it is noted that till 2016-17 the inventory of the Domestic Industry declined. However, in the period of investigation the same has again increased.

- vii. **Employment and Wages:** It is noted that the number of the employees remained same throughout the injury investigation period. The position with regard to employment and wages is as follows:

Particulars	Unit	2014-15	2015-16	2016-17	POI
Employees	Number	***	***	***	***
Employees	Indexed	100	100	100	100
Wages	Rs.	***	***	***	***
Wages	Indexed	100	102	89	76
Wages/employee	Rs/No.	***	***	***	***
Wages/employee	Indexed	100	102	89	76

- viii. **Productivity:** It can be seen from the table below that productivity in terms of total production per employee has increased in the POI as compared to the base year. Despite increase in productivity, the performance of the Domestic Industry continued to be negative in POI. Accordingly, productivity is not a factor that can be attributed to injury.

	Unit	2014-15	2015-16	2016-17	POI
Production (MT)	Indexed	1001	897	879	1030
Employees	No.	***	***	***	***
Employees	Indexed	100	100	100	100
Production/employee	MT/No.	***	***	***	***
Production/employee	Indexed	100	90	88	103

- ix. **Magnitude of Dumping:** The analysis shows that the dumping margin determined for cooperating producers/exporter is above *de minimis* and *significant*.

- x. **Ability to raise Capital Investment:** The future investment in the sector is affected by the presence of imports from the subject countries. The negative profitability return on investment along with reduced market share indicates that the ability of the domestic industry to raise capital investments for the sector is seriously affected.
- xi. **Factors affecting domestic prices:** The examination indicates that there is a healthy growing demand in India for the subject goods. The import prices from the subject countries are directly affecting the prices of the domestic industry in the domestic market. It is also noted that the landed value of subject goods from the subject countries are below non-injurious price of the domestic industry. Further, landed value from subject countries had suppressed / depressed effect on the prices of the Domestic Industry causing financial losses to them. The imports of the product under consideration from countries other than subject countries and countries already attracting anti-dumping duty are not claimed to be injuring the domestic industry. Demand for the product is showing an increase trend and, therefore, could not have been a factor responsible for price depression and suppression faced by the domestic industry.
- xii. **Growth:** There was positive growth of the domestic industry in terms of sales and production in the POI as compared to the base year. However, financial performance of the Domestic Industry like profits, ROI remained negative. The domestic industry has contended that with increase in demand, the domestic industry had expected growth in profits, comfortable cash flow and increase in return on investments. However, the domestic industry was not able to achieve the same.

H. Post Disclosure comments

Post Disclosure comments from the Domestic Industry

70. That none of the interested parties has provided any technical data for analysis either to the Authority or to the Domestic Industry to prove their case for exclusion. Moreover, merely based on random price differences no request of PCNs-wise analysis can be entertained. It is therefore, clear that the conclusion of the Authority regarding the proposed methodology of weighted average analysis being most appropriate in the facts and circumstances of the case is established beyond any doubt. Therefore, the same should be confirmed in the final findings.
71. That since none of the interested parties provided any information in relation to Brazil and Germany, the Authority ought to have accepted the information / evidence submitted by the Domestic Industry while carrying out the injury assessment. Further, the information / evidence submitted by the Domestic Industry in relation to dumping and subsequent injury to Domestic Industry remained uncontroverted and therefore, the Domestic Industry humbly requests the Authority to kindly recommend duty on both the subject countries.

72. That the low market share cannot be a criterion for exclusion of any country so long they are above the statutory de minimis limit of 3% in terms of para (iii) of Annexure II of the Anti-Dumping Rules. It is further submitted that low market share has never been a criterion in any of the cases by the Authority as the aforesaid provision allows for cumulation subject to the conditions mentioned therein. They have also cited consideration of subject countries in recent initiation wherein 6 countries out of 15 countries never crossed share of 3% in the entire injury investigation period.
73. That the post change in the ownership of producers in Brazil, they have started aggressive marketing in India, through their commission agents in India.

Post Disclosure comments from the interested parties

74. That the German producers / exporters do not pose a threat to the Indian market. Moreover, Germany is an important and reliable ally for India in the fight against protectionism and unfair market behavior.
75. That the Indian market for High Speed Steel is of comparatively low importance. They have further submitted that Germany has very low share in Imports and demand in the Indian market.
76. That why only one company has applied for anti-dumping measures, as other companies are also facing the same situation.
77. That the Authority should have considered the revised data filed by TG Tools (producer) and TKG Special Steel Pvt. Ltd (related importer). They have requested the Authority to consider the revised data filed by them for determining injury margin and dumping margin.
78. The HSS industry is quite different from other steel segment industries. Apparently, the PUC is with a distinct character of low supply but extremely high value. The price of the raw material Vanadium used in the manufacture of HSS is very volatile. Under such circumstances, the sales policy of TKG Special Steel Co. Ltd. as a trader, may have to fluctuate its price along with market changes. This explains why the importer is being forced to sell at losses in certain transactions.
79. That the Domestic Industry does not have adequate equipment for quality testing and are using obsolete machinery and therefore, they cannot fully meet the requirement of the users either in quality or in quantity. It is further submitted that this is also one of the reasons why they are not making desired profits. It is further submitted that due to frequent break down and poor maintenance of the plant, the Domestic Industry has not been able to fully utilize the capacity. In view thereof, if anti-dumping duties are imposed, the survival of user companies will be severely weakened.

80. That the para 4 of the disclosure provides the details of the product under consideration. As per the technical brochure, the producer only produces 40% of non-cobalt grades. It is further submitted that Domestic Industry is not producing around 18 grades of Non-Cobalt High-Speed grades such as T2, M30, M33, M34, M36, M50, M52, etc. In case anti-dumping duties are recommended, the manufacturer will have to pay additional amount to import the products, which are not manufactured by the Domestic Industry.
81. That the Domestic Industry has not produced and supplied thickness below 6 mm and above 163 mm and therefore, the same should be excluded in terms of decision of Hon'ble Haryana and Punjab High Court in the case of Suncity Sheets Pvt. Ltd. vs Union of India and CR Coils case.
82. That the petitioner does not have the in-house facility for producing coil. Therefore, it should be excluded from the product scope. They further requested that the Authority should clarify 'thickness' as 'diameters' in the product scope, as thickness is used as a unit of measurement for flat & sheets while for the bars & rods the unit of measurement is diameter. They further requested necessary changes in the defined scope of the product under consideration.
83. The domestic industry has engaged in the development of new grades of HSS as per its own Annual Report. It is possible that the domestic industry would have incurred significant Research and Development (R&D) expenses in the development of these new grades. Further, it would take some time for the domestic industry to commercialize and subsequently become profitable on selling of these new grades. The decline in the domestic industry's profits, cash profits and ROCE is also to be attributed to the R&D expenses. The Authority has failed to take note of these submissions in the Disclosure Statement.
84. The domestic industry's sales revenue figures of HSS and Graphite Electrodes would show that the main focus of the domestic industry is not on PUC but on the major segment which is Graphite Electrodes. Sales revenue of the PUC constitutes less than 6% of the total sales of the company. On the other hand, sales revenue of graphite electrodes constitutes more than 90% of the total sales of the company.
85. That the losses to its related importer in India is due to the fact that the prices of raw material declined post importation of the subject goods in India. They have requested the Authority to consider this aspect in the final findings.
86. That the Domestic Industry has not suffered any injury due to imports from subject countries, as their economic parameters shows improvement. It is further reiterated that the subject goods accounts for very insignificant portion of the total revenue of the company.

87. That there is no causal link between the injury suffered by the Domestic Industry and imports from subject countries. They have further submitted that Domestic Industry is suffering because of high depreciation and finance cost, inability to develop new grades. They have also requested to examine the expenses incurred on R&D of new grades.
88. That the Domestic Industry is making huge profit in their main business segment and therefore, no protection is required for subject goods. It is also seen from their operations that their main focus is on other products and not on the subject goods. Therefore, there is no requirement for recommending anti-dumping duties on the subject goods.
89. That the disclosure statement issued by the Authority in the current investigation is incomplete, and all the “essential facts under consideration” have not been put on record.
90. That the Authority has not analyzed the import data properly. The correct analysis would show that Brazil would go below 3% of the total imports. It is further submitted that the export price and landed value calculated by the Authority also does not match with the import’s figures of importers / users.
91. That the Domestic Industry has excess capacity compared to demand and their historical capacity utilization needs to be examined in order to analyze impact of dumped imports on capacity utilization.
92. The Authority has not made any observations regarding production. It is submitted that the domestic industry’s production of the like article has increased to 1030 MT during the POI from 879 MT in 2016-17. If the domestic industry was suffering injury, the production would have declined in the POI.
93. The domestic industry’s capacity utilization has increased from 37% in 2016-17 to 42% in the POI. If the domestic industry was being impacted due to allegedly dumped imports, the domestic industry’s capacity utilization would have instead declined. Further, the domestic industry’s capacity utilization has been at such levels throughout the injury investigation period. Thus, no injury can be attributed with regard to this factor.
94. The Authority has not examined how the domestic industry has been making losses in the HSS segment when in fact it has been making significant profits in the steel segment. Such an examination should be made by the Authority considering that the revenue earned by the domestic industry for the product concerned is 94.36% of the total revenue of the steel segment during the POI. The domestic industry’s returns on investment have followed the same trend as that of profitability.
95. The authority has even not recorded the Respondents’ submissions. This is a violation of principles of natural justice. The Disclosure Statement is not legally sustainable and the Authority is therefore urged to consider these

submissions and re-examine the domestic industry's performance on account of profitability.

96. Mere increase in inventory is not an indicator of injury. Keeping in mind the decision of the Hon'ble CESTAT in *Bridgestone Tyres*, inventory must not be examined in isolation but as a proportion of sales volume. As per the Authority's data, the domestic industry's inventories have increased keeping in mind the increase in its sales. Therefore, there is no injury that the domestic industry is suffering in this regard.
97. The number of employees engaged by the domestic industry has remained the same throughout the injury investigation period. The productivity per employee has increased in the POI. This indicates that the domestic industry is not suffering any injury in this regard. If it were suffering any injury, these parameters would have declined.
98. The domestic industry's cost of sales has not declined to a further extent due to increase in interest expenses and depreciation. The Authority has not examined how depreciation costs could have increased when capacity has not increased in the injury period.
99. The increase in depreciation, interest and other related costs is commensurate with the decline in the profitability of the Domestic Industry.
100. The Respondents cite the final findings in the safeguards investigation on Cold Rolled Flat Products of Stainless Steel of 400 Series which categorically held that abnormally high depreciation and finance charges were responsible for the losses to the domestic industry as a result of which the causation analysis fails. The Authority has even failed to take note of these submissions in the Disclosure Statement.
101. That the constructed normal value and NIP needs to be recomputed as the capacity utilization of the Domestic Industry is less and this will lead to higher injury margin and dumping margin.

Examination by the Authority

102. The Authority notes that all the issues raised by the other interested parties post issue of disclosure statement are by and large reiteration of their earlier submissions which have been appropriately dealt by the Authority in the relevant sections in the disclosure statement and now in the final findings also. However, for the sake of clarity and explicit narration, the Authority reiterates its examination below on the post disclosure submissions made by the other interested parties. The authority had in the disclosure statement, captured essence and summarized various submissions appropriately rather than narrating each and every submission. It may be likely that on account of this, a submission might have not been narrated verbatim. However, the Authority has addressed all relevant submissions in this final findings.

103. With regard to the submission of capability, production and domestic sales of different types of the subject goods by the domestic industry, the Authority notes that in the disclosure statement it has been clarified that the domestic industry has the capability to produce different types of subject goods as per the requirement of the customers. Further, the Authority during the domestic verification had verified the same and holds that the domestic industry has the capability to produce and did produce the subject goods as per requirements of the customers. Further, production and sales of subject goods in commercial quantities is dependent on demand and sales orders placed. The Authority has taken this into account while limiting the scope of the product under consideration.
104. With regard to the issue of quality, it is verified from the data of Domestic Industry that they have merely 0.56% of total sales return due to quality issues during POI. Further, difference in quality could only lead to consideration of exclusion from scope of investigation if it leads to emergence of a different article not passing the test of a like article. In this case the imported subject goods and the goods produced by the domestic industry have been held as 'like article'.
105. As regards the issue of import data segregation, the Authority notes that the import data submitted by the Domestic Industry is examined and verified from DGCI&S import data and found to be in order. It is further submitted that the Authority has also examined the data filed by exporters with the DGCI&S import data and found that the import data used for this finding is in order.
106. As regards the issue of interest of user industry, the Authority notes that the purpose of anti-dumping duty is only to create a level playing field and to provide relief to domestic industry due to injurious effect of dumping. Further, it is noted that the anti-dumping duty is not envisaged to provide undue protection to the domestic industry. The Indian AD Rules further adopt the lesser duty rule for levy of Anti-dumping duty i.e., the duty is limited to lower of the Dumping or Injury margin so that the interest of other stakeholders also gets addressed and a balanced view is taken.
107. As regards the issue of low imports from Germany and Brazil, it is noted that the same is above 3% of the total imports in India and also coming at dumped and injurious prices. The Authority further notes that the comments filed by German Steel association that with the small market share imports from Germany could not be verified or cross checked, as none of the producers / exporters have participated in the investigation. The Authority has relied upon the DGCI&S import data to work out landed value and export price, after making necessary changes. The Authority therefore, holds that anti-dumping duty is warranted on imports from Germany and Brazil also.
108. As regards the request of interested parties to examine the impact of high depreciation and interest cost of the Domestic Industry, the Authority notes that this issue has been examined in detail during domestic industry's verification visit and has been appropriately taken care of by the Authority in

injury analysis. Further, non-injurious price has been computed in terms of the Annexure III. In view thereof, it is noted that the Authority has taken care that no prejudice is caused to any interested party.

109. It is noted that during onsite verification, the Authority had found errors in their submissions in the IQR filed before 7 months of verification which contained profits in Appendix-18. However, it is noted by the Authority during the course of verification that, after comparing with the financial statements for the POI, the appendices 12 to 18 were found to be reported incorrectly, as the stock adjustment of Rs. *** (opening stock in appendix-17 was Rs. *** and the closing stock was Rs. ***) was deducted from the cost instead of adding the same. Thus, the reported profit of Rs. *** in Appendix-18, corrected to a loss of Rs. ***.
110. As regard the issue of not considering revised information filed post verification by M/s TGK Special Steel Co. Ltd. (importers), it is noted that even in such revised submission filed post-verification, the importer has changed the numbers under all heads of expenses as reported earlier in Appendix 18. Such change in numbers vary between ***% to ***%.
111. As regards the contention of the interested parties on the share of revenue for the HSS segment, the Authority holds that the profitability has been evaluated for the product under consideration which is only a part of HSS category. Since overall company profit / loss has no implication on the investigation and therefore, the issue of subject goods not being major segment has no influence on the outcome of the investigation.
112. As regards the issue of injury not being suffered by the Domestic Industry, the Authority holds that the financial situation of the domestic industry deteriorated during the injury investigation period on account of dumping leading to price undercutting, adversely impacting the cash flow and ROI. The analysis of economic parameters indicates significant decline in financial performance causing material injury to the domestic industry.

I. Conclusion on Material Injury

113. An examination of the various parameters of injury along with the volume and price effects of imports reveals that material injury has been caused to the Domestic Industry during the period of investigation. There is an increase in the volume of imports of subject goods from the subject countries during the injury investigation period in absolute terms as well as in relation to the total imports, domestic production and total demand in the country. Other injury parameters also indicate that the domestic industry has suffered injury on account of dumped imports of subject goods from the subject countries. With regard to price effect, it is noted that imports of the subject goods from the subject countries is undercutting the prices of the domestic industry. Further, the domestic industry has suffered price depression. The domestic industry has also suffered price suppression on account of imports of product under consideration from subject countries as sales price of

subject goods has not increased in line with increase in cost of production of subject goods during the injury period.

J. Other Known Factors & Causal Link

114. Having examined the existence of material injury, volume and price effects of imports on the prices of the domestic industry, in terms of its price undercutting, underselling and price suppression, and depression effects, other indicative parameters listed under the Indian Anti-Dumping Rules and Agreement on Anti-dumping have been examined by the Authority to see whether any other factor, other than the alleged dumped imports could have contributed to injury to the domestic industry.

(a) Volume and prices of imports from third countries

- i. Imports of the product under consideration from each country other than the subject countries and countries above 3% of the imports are at landed values above the NIP.

(b) Contraction of demand and changes in the pattern of consumption.

- ii. There has been a constant rise in demand of the product concerned throughout the injury period.

(c) Developments in technology:

- iii. Technology for production of the product concerned has not undergone any significant change. Thus, development in technology is not a factor causing injury to the Domestic Industry.

(d) Trade restrictive practices and competition between the foreign and domestic producers

- iv. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry as the raw materials as well as the subject goods are freely importable in the country.

(e) Export performance of the domestic industry

- v. The Domestic Industry has not exported the subject goods. Therefore, only domestic performance has been considered for injury analysis.

(f) Productivity of the Domestic Industry

- vi. It is noted that the productivity of the domestic industry has been improving over the injury investigation period.

115. From the aforesaid, the Authority concludes that there is no evidence of injury being caused due to factors other than dumping.

K. FACTORS ESTABLISHING CAUSAL LINK

116. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has materially deteriorated over the injury period. The causal link between dumped imports and the injury to the domestic industry is established on the following grounds:
- a. Imports from subject countries are undercutting the prices of the domestic industry. Resultantly, the volume of imports has increased during the injury investigation period.
 - b. Market share of the dumped imports increased and consequently, market share of the domestic industry declined;
 - c. Price undercutting being caused by the dumped imports is preventing the domestic industry from increasing its prices commensurate with the increase in costs resulting in decline in the profitability of the domestic industry during the POI.
 - d. The price depression effect of the dumped imports is evidenced from the fact that there is significant decline in profitability to the domestic industry;
 - e. Deterioration in profits, return on capital employed and cash profits are directly a result of dumped imports;
 - f. The growth of the domestic industry became negative in terms of a price related economic as well as volume parameters.
117. The above grounds clearly establish existence of causal link between the dumped imports and injury to the domestic industry. Thus, the Authority concludes that the domestic industry suffered material injury due to dumped imports of the subject goods originating in or exported from the subject countries.

L. Magnitude of Injury and Injury Margin

118. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in anti-dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP of the domestic industry has been worked out and it has been considered for comparing the landed price from the subject countries for calculating injury margin. For

determining NIP, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been done with the utilities. The best utilisation of production capacity over the injury period has been considered. The production in POI has been calculated considering the best capacity utilisation and the same production has been considered for arriving per unit fixed cost. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. Average Net Fixed Assets plus Average Working Capital) for the product under consideration was allowed as pre-tax profit to arrive at the NIP as prescribed in Annexure-III and being followed. The non-injurious price so determined has been compared with the landed prices of imports from the subject countries to determine the injury margin as follows;

Particulars	Qty.	NIP	Landed Value	Injury margin	Injury margin	Injury margin
	MT	Rs/MT	Rs/MT	Rs/MT	%	Range
China						
Heye	***	***	***	***	***	25-35
TG Tools	***	***	***	***	***	35-45
Residual	197	***	***	***	***	60-70
Brazil		***	***	***	***	
All producers/exporters	147	***	***	***	***	30-40
Germany		***	***	***	***	
All producers/exporters	51	***	***	***	***	30-40

M. Conclusions

119. After examining issues raised and submissions made by the interested parties and facts made available before the Authority as recorded in this finding, the Authority concludes that:
- The product under consideration has been exported to India from subject countries below its normal value, thus resulting in dumping of the product.
 - The domestic industry has suffered material injury due to dumping of the product under consideration from the subject countries.
 - The material injury has been caused by the dumped imports from the subject countries.

N. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES.

120. 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 countries in any way, and, therefore, would not affect the availability of the products to the consumers.
121. It is recognized that the imposition of anti-dumping duties might affect the price levels of the products manufactured using the subject goods and consequently might have some influence on relative competitiveness of these products. However, 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 also prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and therefore, would not affect the availability of the product to the consumers.

O. RECOMMENDATIONS

122. The Authority notes that the investigation was initiated and all interested parties were given adequate opportunity to provide information/submissions on all aspect of the investigations. As stated in the foregoing paras the Authority has established significant dumping margin as well as material injury to the domestic industry caused by such dumped imports. The Authority holds that imposition of AD duty is required to offset dumping and consequential injury.
123. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Therefore, the Authority considers it necessary to recommend imposition of anti-dumping duty on imports of subject goods from the subject countries in the form and manner described hereunder. Accordingly, antidumping duty equal to the amount mentioned in Col 6 of the table below is recommended to be imposed on imports of subject goods originating in or exported from the subject countries for a period of five years from the date of issue of notification.

S. No	Heading*	Description of goods	Country of origin	Producer	Duty Amount in USD	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	72281010 and 72281090	<i>Bars and rods of Non-Cobalt Grade High Speed Steel of diameter from 4mm to 163mm having three elements i.e., Molybdenum, Tungsten and Vanadium, with combination of Tungsten and Molybdenum between 4% - 11.5% and maximum 3.5% of Vanadium. The Carbon content should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%".**</i>	China	Heye Special Steel Co. Ltd.	1902.34	MT
2	-do	-do	China	Jiangsu Tiangong Tools Company Limited	2275.64	MT
3	-do	-do	China	Any other producer other than serial number 1 and 2	3263.68	MT

S. No	Heading*	Description of goods	Country of origin	Producer	Duty Amount in USD	Unit
4	-do	-do	Brazil	Any	2147.22	MT
5	-do	-do	Germany	Any	2259.22	MT

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

** The product under consideration in any other form including sheets, plates and coils are excluded

P. FURTHER PROCEDURE

124. An appeal against this notification shall lie before the Customs, Excise, and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.

(Sunil Kumar)
Additional Secretary & Designated Authority