

**MINISTRY OF COMMERCE AND INDUSTRY**  
**(Department of Commerce)**  
(DIRECTORATE GENERAL OF TRADE REMEDIES)

**PRELIMINARY FINDINGS**

New Delhi, the 18th March, 2025

**Case No. SG-01/2024**

**Subject: Preliminary findings in the Safeguard Investigation concerning imports of “Non-Alloy and Alloy Steel Flat Products”**

**F. No. 22/01/2024-DGTR .—A. BACKGROUND OF THE CASE**

1. The Indian Steel Association (“ISA” or the “Applicant”), on behalf of its Members, namely, *a)* ArcelorMittal Nippon Steel India Limited, *b)* AMNS Khopoli Limited, *c)* JSW Steel Limited, *d)* JSW Steel Coated Products Limited, *e)* Bhushan Power & Steel Limited, *f)* Jindal Steel and Power Limited, and *g)* Steel Authority of India Limited (collectively referred to as “applicant companies”) filed an application before the Director General (hereinafter referred to as the “Authority”, or “DG” or “Director General”) under Section 8B of Customs Tariff Act, 1975 (hereinafter referred to as “the Act”), read with the Customs Tariff (Identification and Assessment of Safeguard Measures) Rules, 1997 (hereinafter referred to as “the Rules”) seeking imposition of Safeguard Duty on imports of “Non-Alloy and Alloy Steel Flat Products” (hereinafter referred to as “PUC” or “Product Under Consideration” or “subject goods”) into India.
2. The Applicant alleges that there is a recent, sudden, sharp and significant increase in the volume of imports, which has caused serious injury to the domestic industry in India. The Applicant further alleges that imports have taken place in such increased quantities and under such circumstances as to cause and threaten to cause serious injury to the domestic industry. The Applicant seeks imposition of safeguard duties to protect the domestic industry engaged in the production of like articles or directly competitive products from such serious injury and threat thereof being caused by the imports of PUC.
3. The Authority, vide notice dated 19<sup>th</sup> December 2024, initiated the present safeguard investigation under Rule 5(3) of the Rules after examining the accuracy and adequacy of the evidence provided in the application and satisfied itself that there is sufficient *prima facie* evidence regarding: *a)* recent, sudden, sharp and significant increase in imports, *b)* serious injury and threat of serious injury to the domestic industry, and *c)* a causal link between the increased imports and serious injury and threat thereof.

**B. PROCEDURE**

4. A brief description of the procedure adopted by the Authority is described below:
  - a. The Authority initiated the current investigation vide initiation notification No. 22/01/2024-DGTR dated 19 December 2024, published in the Gazette of India Extraordinary Part I No. 337 dated 19<sup>th</sup> December 2024 vide CG-DL-E 202122024-259547

- b. In accordance with Rules 6(2) and 6(4), copies of the initiation notification and the non-confidential version (NCV) of the application were forwarded to the embassies of the exporting countries, the known exporters, importers and users of the subject goods, and the concerned associations.
- c. The interested parties including the embassies of the exporting countries, producers, exporters, importers and users were granted 15 days' time initially to file their responses. Thereafter, the Authority considered the requests of various interested parties and granted an extension of time up to 22<sup>nd</sup> January, 2025 to file their responses.
- d. The Authority sent questionnaires to the following known producers/exporters in the exporting countries in accordance with Rule 6(4) of the Rules:
  1. Rizhao
  2. Betai Iron & steel
  3. Baotou Iron and Steel Group
  4. Jiangsu Shagang Group Company Limited
  5. Tonghua Iron Steel Group Corporation
  6. Angang Steel Company
  7. Nanjing Iron and Steel
  8. Tangshang Iron & Steel
  9. Wuhan Iron and Steel
  10. Tianjin Iron & Steel Group Co Ltd
  11. Shanghai Color Steel Co. Ltd
  12. Baosteel Group Corporation
  13. Aosen Steel
  14. Nippon Sumitomo
  15. JFE Steel Corporation
  16. Kobe
  17. Nisshin Steel Co., Ltd.
  18. POSCO
  19. Hyundai Steel Co Ltd
  20. Dongkuk Steel Mill Col Ltd.
  21. Severstal
  22. EVRAZ
  23. Magnitogorsk Iron and Steel
  24. Krakatau Steel
  25. Growth Steel

26. PT. Gunawan Dianjaya Steel, Tbk
27. ArcelorMittal, Ukraine
28. PJSC “Nikopol Ferroalloy Plant”
29. ArcelorMittal Germany Holding GmbH
30. ArcelorMittal Italia
31. Steel Coat Europe Alleur (Arcelor Mittal)
32. ThyssenKrupp Steel Europe AG
33. SSAB
34. Metal Trade Comax
35. Voestalpine AG
36. Huttenwerke Krupp Mannesmann
37. Salzgitter Group

- e. The following parties either registered their interest in the investigation and/or filed submissions in the form of product exclusion requests, questionnaire responses and preliminary comments:

S. N.	Name of Interested Party	S. N.	Name of Interested Party
1.	Embassy of Taiwan	2.	KAD & CO. (AGENCY) PVT. LTD.
3.	Embassy of Korea	4.	Shanker Mercentile Pvt Ltd. SMPL
5.	Embassy of Indonesia	6.	JayaSprings
7.	British High Commission	8.	Welspun Corp Limited
9.	Embassy of Russia	10.	Leomet Alloys
11.	High Commission of Malaysia	12.	DMC AUTOMOTIVE PRIVATE LIMITED
13.	Embassy of Saudi Arabia	14.	Daeseong India Automotice Pvt Ltd.
15.	Embassy of Japan	16.	DAECHANG SEAT AUTOMOTIVE PVT LTD
17.	Ministry of Industry and Trade of VietNam	18.	KSH Automotive private Limited
19.	Embassy of Spain	20.	Jeanuvs Pvt Ltd
21.	Embassy of Turkey	22.	Aarya Trading Pvt Ltd
23.	Embassy of UAE	24.	Fine Components and Tools Pvt Ltd.
25.	Embassy of European Union	26.	Tadpole Engineering Consultancy Pvt Ltd
27.	Embassy of Brazil	28.	Sungwoo Stamping India Pvt Ltd.
29.	Embassy of Mexico	30.	Pyung Hwa India Private Limited PHI
31.	Ministry of Commerce, Thailand	32.	Vestas Wind Technology India Pvt Ltd.
33.	Embassy of Sweden	34.	PENNAR INDUSTRIES LIMITED
35.	Aktien-Gesellschaft der Dillinger Hüttenwerke	36.	V W IMPEX
37.	Vina One Steel Manufacturing Corporation	38.	VYOMA EXIM PVT LTD
39.	Tay Nam Steel manufacturing and Trading Co., Ltd.	40.	G G STEELS
41.	Nippon Steel Trading Corporation	42.	YSI Automotive Pvt Ltd
43.	Nippon Steel Corporation	44.	SRK International

S. N.	Name of Interested Party	S. N.	Name of Interested Party
45.	JFE Steel Corporation	46.	Gestamp Automotive Channai Pvt Ltd
47.	Kobe Steel, Ltd	48.	UE PRESS TOOLS PRIVATE LIMITED
49.	Toyota Tsusho Corporation	50.	Society of Indian Automobile Manufacturers (SIAM)
51.	JFE Shoji Corporation	52.	Satoshoji-India Pvt Ltd
53.	Toyota Tsusho Corporation	54.	SKH M India Pvt.Ltd.
55.	Ministry of Trade, Industry and Energy, Republic of Korea	56.	Krishca Strapping Solutions Limited
57.	JFE Shoji India Pvt. Ltd.	58.	POS-Hyundai Steel Mfg. (I) Pvt Ltd.
59.	Nippon Steel Pipe India Private Limited	60.	TT STEEL SERVICE INDIA PRIVATE LIMITED
61.	The Rajasthan Prime Steel Processing Center Pvt. Ltd	62.	STEEL & BEARING CORPORATION
63.	Nissan Trading Co., Ltd	64.	Colorshine India Pvt Ltd
65.	Renault Nissan Automotive India Private Limited	66.	CHIRALI ENTERPRISES"
67.	Honda Trading Corporation India Pvt Ltd.	68.	Maruti Suzuki India Ltd
69.	Nippon Steel Trading Corporation	70.	1. PCA AUTOMOBILES INDIA PRIVATE LIMITED 2. GRUPO COSMOS INDIA PRIVATE LIMITED 3. PENNAR INDUSTRIES LIMITED
71.	The Japan Iron and Steel Federation	72.	NRB Bearing Ltd.
73.	GS Global Corp	74.	Karison Profiles Pvt Ltd.
75.	Hyundai Corporation	76.	Sungwoo Hi-tech AP Pvt Ltd.
77.	Hyundai Steel Company	78.	Daechang India Seat Co.Pvt.Ltd
79.	Hyundai Motor India Ltd	80.	Hwashin Automotive India Pvt Ltd.
81.	Hoa Sen Group	82.	JBM OGIHARA AUTOMOTIVE INDIA Pvt Ltd
83.	Samsung C&T Corporation	84.	Tata Motors Group
85.	Hyosung TNC Corporation	86.	Purohit Steel India Ltd
87.	JIANGYIN XINGCHENG SPECIAL STEEL WORKS CO., LTD.	88.	Global Trade Research Initiative
89.	ANGANG STEEL CO., LTD	90.	HL Mando Anand India Pvt Ltd,
91.	BENGANG STEEL PLATES CO., LTD	92.	Mahindra & Mahindra
93.	1. Chengde Chengsteel Vanadium & Titanium Cold Rolling Thin Plate Co., Ltd.”, 2. HBIS COMPANY LIMITED HANDAN BRANCH”, 3. HBIS Laoting Iron and Steel Co., Ltd.” 4. Wuyang Iron And Steel Co., Ltd.”,	94.	Mahindra Defence Systems Limited
95.	JIANGYIN XINGCHENG SPECIAL STEEL WORKS CO., LTD	96.	NLMK India Service Center Private Limited
97.	SHOUGANG QIAN'AN IRON and Shougang Jingtang United	98.	Hella India Automotive Pvt. Ltd.
99.	1. HYUNDAI STEEL COMPANY, Korea RP 2. HYUNDAI STEEL PIPE INDIA Pvt. Ltd. 3. HYUNDAI STEEL ANANTAPUR Pvt. Ltd. 4. HYUNDAI STEEL INDIA Pvt. Ltd.	100	Sansera Engineering Limited,

S. N.	Name of Interested Party	S. N.	Name of Interested Party
101.	Jindal India Pvt	102	Ashok Leyland Defence Systems Ltd
103.	Kia India Private Limited	104	Ashok Leyland Limited
105.	Man Industries India Ltd	106	IBF Automotive Pvt Ltd
107.	Ratnamani Metals & Tubes Ltd.	108	Sincerity Innovation Technology India Pvt Ltd
109.	Welspun Corp Limited	110	Talbros Automotive Components Ltd
111.	Jindal India Ltd	112	Riddhi Siddhi Special Steel Pvt Ltd
113.	Mega Pipes Private Ltd.	114	Hariom Pipe Industries Limited
115.	Ratnamani Metals & Tubes Limited	116	Velmurugan Heavy Engg.Inds.Pvt.Ltd.,
117.	Hyundai Motor India Ltd	118	Federal Mogul TPR India Limited
119.	China Iron & Steel Association	120	Polyhose Sato shoji metal works Pvt ltd
121.	Vietnam Steel Association	122	INDIA METAL ONE STEEL PLATE PROCESSING PVT. LTD
123.	Indian Pipe Manufacturers Association	124	Kirti Pressings Pvt. Ltd.
125.	Steel Users Federation of India (SUFI)	126	JBM Auto Limited
127.	LG Electronics India Pvt. Ltd.	128	FERRUM EXTREME ENGINEERING PVT. LTD.
129.	Metal One Corporation India Private Limited ("MOCIPL")	130	MACHANI RAMESH ENGINEERING PVT LTD
131.	Shivalik Bimetal Controls Limited	132	PHA India Pvt Ltd
133.	Godrej and Boyce Mfg Co Ltd	134	Katsushiro Matex India Pvt. Ltd,
135.	Kirco Steel LLP	136	Tata Steel Downstream Products Limited
137.	Metal One Corporation	138	Taehwa Enterprises (I) Pvt. Ltd.
139.	POSCO Maharashtra Steel Private Limited	140	Panasonic Life Solutions India Pvt. Ltd.
141.	POSCO India Pune Processing Center Private Limited	142	Pushpanjali Drums Private Limited
143.	POSCO India Processing Centre Private Limited	144	K M Seat Company Pvt Ltd.
145.	POSCO	146	RIKUN Manufacturing Private Limited
147.	POSCO STEELEON	148	Kumkang Machinery India Pvt Ltd
149.	Hyundai Corporation	150	Leomet Alloys
151.	Dongkuk Coated Metal CO. LTD	152	Kwangsung Brake India Pvt Ltd.,
153.	Dongkuk Steel India Private Limited	154	Komos Automotive India Pvt Ltd
155.	Sevarstal	156	Action Construction Equipment Ltd. ACE
157.	Hyosung TNC Corporation	158	L.G.BALAKRISHNAN & BROS.LTD.,
159.	NAM KIM STEEL JOINT STOCK COMPANY	160	AHMEDABAD STRIPS PW. LTD
161.	NLMK Verona S.p.A	162	Sterling & Wilson Renewables Energy Ltd
163.	NLMK Clabecq S.A	164	M & B Engineering Limited
165.	NLMK Plate Sales S.A.	166	Dali & Samir Engg. pvt. Ltd.,
167.	JFE Shoji Steel Malaysia Sdn Bhd	168	Gestamp Automotive India Pvt . Ltd.
169.	CSC Steel Sdn Bhd	170	Fiat India Automobiles Pvt Ltd
171.	Formosa Ha Tinh Steel Corporation (FHS)	172	CIE Automotive India Ltd.
173.	TVP Steel Trading Joint Stock Company	174	Emitec Technologies India Private Limited
175.	POSCO International Corporation, Korea RP	176	Gartech Equipments Pvt. Ltd

S. N.	Name of Interested Party	S. N.	Name of Interested Party
177.	KG DONGBU STEEL CO.,LTD	178	Gargs Engineers
179.	Mitsui & Co., Ltd	180	Daimler India Commercial Vehicles Pvt. Ltd.
181.	Stainless Steel Merchants' Association	182	Chasys Automotive Components Pvt. Ltd.
183.	Federation of Associations of Maharashtra	184	Tarun International Limited
185.	The Japan Iron and Steel Federation	186	Arcedges Building India LLP
187.	Automotive Component Manufacturers Association of India (ACMA)	188	Veegee Industrial Enterprises Pvt. Ltd.
189.	Indian Pipe Manufacturers Association (IPMA)	190	Maxglobal Techno Systems (P) Limited
191.	Korea Iron and Steel Association(KOSA)	192	Stitch Overseas Private Limited
193.	Federation of Kutch Industries Associations (FOKIA)	194	CSCI Steel Corporation India Pvt. Ltd.
195.	Taiwan Steel & Iron Industries Association (TSIIA)	196	SKH SHEET METALS COMPONENTS PVT. LTD
197.	METAL & STAINLESS STEEL MERCHANTS ASSOCIATION	198	WKM Automotive India Pvt. Ltd.
199.	Construction Federation of India	200	AVIZA TECHNOLOGIES,
201.	LG Electronics India Pvt. Ltd	202	J.R. & CO. complete steel service
203.	MANAKSIA STEELS LTD	204	All India Metal corp
205.	SSMS STEELS INDIA LLP	206	MI ELECTRICAL STEEL PROCESSING INDIA PVT LTD
207.	ARUN AGARWAL (Micro MSME)	208	GEDIA India Automotive Components Pvt Ltd.
209.	Blupine Energy	210	AISIN Automotive Haryana Pvt. Ltd.
211.	Turakhia International Pvt Ltd	212	Samsung India Electronics Private Limited
213.	VINOD COOKWARE INDIA PRIVATE LIMITED	214	POSCO International Corp India Pvt Ltd
215.	Isgec Heavy Engineering Limited	216	Stecol International Private Limited
217.	Isgec Hitachi Zosen Limited	218	Neemrana Steel service center India Private Limited
219.	LARSEN & TOUBRO LTD	220	Kwangjin India Autosystems Pvt Ltd
221.	CU-BUIrT ENGIruEERS PVT. LTD.	222	SL Lumax Ltd
223.	M/s. JAY BHARAT MARUTI LTD and M/s. MARUTI SUZUKI INDIA LIMITED	224	Wooyoung Automotive India Pvt. Ltd.,
225.	NTECK AUTOMOTIVE PVT. LTD.	226	Hyundai Transys Lear Automotive IND Pvt Ltd.
227.	TI Fluid Systems	228	NVH India Auto Parts Private Limited
229.	CSCI Steel Corporation India Pvt. Ltd.	230	HSI Automotives Pvt. Ltd
231.	Sharda Motor Industries Ltd	232	Uno Minda Limited
233.	Sankei Giken India Pvt Ltd	234	GRI Towers India Private Limited
235.	JBM Group	236	Senvion Wind Technologies Pvt Ltd
237.	Exedy India Limited	238	Hyosung Corporation India Ptv. Ltd
239.	Sanoh India Private Limited	240	Komatsu India Pvt Ltd



S. N.	Name of Interested Party	S. N.	Name of Interested Party
241.	SRK Steel	242	TAIIN Steel Fab & Infra Pvt.Ltd.
243.	Schaeffler India Limited	244	Toyota Boshoku device India Pvt. Ltd
245.	DAEBU Automotive seat India Pvt Ltd	246	SSAB SWEDISH STEEL INDIA PRIVATE LIMITED

- f. After initiation of investigation, the Authority obtained DGCIS data for the relevant period and considered the same in this preliminary finding. The injury and other information in respect of DI are based on the company specific data of the petitioners.
- g. The Authority conducted a preliminary verification of the data submitted by the applicant companies. It cross-checked the information provided in the application with the financial records maintained by each applicant company.
- h. Considering that the investigation period should be adequately long and sufficiently recent in time to allow reasonable conclusions to be drawn on the basis of various relevant factors such as domestic market conditions, performance of DI etc., the Authority considers that the period mentioned in the Initiation Notice to be appropriate. Accordingly, the Authority has taken 1st October 2023 to 30th September 2024 as the most recent period or the period of investigation (POI), and FY 2021-22, 2022-23, 2023-24 and the POI as injury investigation period or injury analysis period for the purposes of this investigation.
- i. The Authority made available the non-confidential version of the evidence presented by various interested parties on mutual basis in the manner prescribed through Trade Notice No. 10/2018 dated 7 September 2018. The information / submissions provided by the interested parties on a confidential basis were examined concerning the sufficiency of such confidentiality claims. On being satisfied as to the sufficiency of the confidentiality claims filed by the interested parties, the Authority has considered such information/submissions as confidential. In case of non-acceptance of confidentiality claims, the interested parties were directed to submit the non-confidential version of the same and circulate it to the other interested parties.
- j. ‘\*\*\*’ in this document represents information furnished by an interested party on a confidential basis and so considered by the Authority under Rules 7 of Rules.
- k. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
- l. The Government of Korea RP and the Government of Japan requested the Authority to hold consultations. The Authority considered their request and held consultations with the representatives of Government of Korea on 24.01.2025 and with the representatives of Government of Japan on 29.01.2025. The issues raised during the consultations have been appropriately addressed in these preliminary findings.

- m. The Authority will further examine the information submitted and arguments raised by the interested parties subsequent to preliminary findings, which will form the basis for its conclusions in the time of final findings.
- n. The exchange rate for the POI is 1 US\$=Rs. 83.09.
- o. The applicant, in its application alleged that there are critical circumstances that necessitate the imposition of provisional duties under Rule 10. The Authority has considered the grounds submitted by the applicant, response of the interested parties to the application and based on careful consideration of the material placed on record as explained in sections below issues the current preliminary findings under Rule 9.

### **C. THE PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

- 5. Under Rule 4(2) of the Rules, the Authority is required to identify the article liable for safeguard measure. In terms of paragraph 3 of the initiation notice<sup>1</sup> the article under investigation is “**Non-Alloy and Alloy Steel Flat Products**” (hereinafter referred to as “Product under consideration” or ‘PUC’) comprising of five product categories, namely, (a) Hot Rolled (“HR”) coils, sheets and plates, (b) HR Plate Mill Plates, (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium, and (e) Colour Coated coils and sheets, whether or not profiled. The PUC is classifiable under Chapter 72 of the Customs Tariff Act, 1975, under tariff heading 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The tariff headings are indicative only and not binding on the scope of the product under consideration.
- 6. In terms of paragraph 4 of the initiation notice, the following products are *excluded* from the scope of the PUC:
  - i. Cold Rolled Grain Oriented Electrical Steel (CRGO)
  - ii. Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets
  - iii. Coated – Electro Galvanized Steel
  - iv. Tinplate
  - v. Stainless steel
- 7. The applicant provided a brief indicative and non-exhaustive description of each category of the PUC, which is reproduced below:
  - a) HR coils, sheets and plates include products that are not further worked than hot-rolled and are flat products of alloy or non-alloy steel, in prime or non-prime condition having ‘as-rolled’ edge or ‘trimmed’ edge or ‘slit’ edge or ‘milled’ edge or ‘sheared’ edge or ‘laser-cut’ edge or ‘gas-cut’ edge or any other type of edges. These products may be pickled or non-pickled (with or without skin-pass), slit or non-slit, normalized or un-normalized, ultra-sonically tested or untested, oiled or non-oiled etc. These products may be ‘as-rolled’ or ‘thermo-mechanically rolled’ or ‘thermo-mechanically controlled rolled’ or ‘controlled rolled’ or ‘normalized

<sup>1</sup> Initiation Notice No. 22/01/2024-DGTR dated 19 December 2024



rolled' or 'normalized' or subject to any other similar processes. These products may have been subjected to various processing steps like pickling, oiling, rewinding, recoiling, temper rolling, heat treatment, etc. These products may be sand blasted or shot blasted or subjected to similar surface treatment processes. The HR coils, sheets and plates may be produced through the hot strip mill (HSM) route or thin slab casting route.

- b) HR Plate Mill Plates are produced through the plate mill route include products that are not further worked than hot-rolled, and are flat products of alloy or non-alloy steel, in prime or non-prime condition having 'as-rolled' edge or 'trimmed' edge or 'slit' edge or 'milled' edge or 'sheared' edge or 'laser-cut' edge or 'gas-cut' edge or any other type of edges. These products may be pickled or non-pickled (with or without skin-pass), normalized or un-normalized, ultra-sonically tested or untested etc. These products may be 'as-rolled' or 'thermo-mechanically rolled' or 'thermo-mechanically controlled rolled' or 'controlled rolled' or 'normalized rolled' or 'normalized' or subject to any other similar processes. These products may have been subjected to various processing steps like pickling, oiling, heat treatment, etc. These products may be sand blasted or shot blasted or subjected to similar surface treatment processes.

HR Coil, Sheets, Plates and Plate Mill Plates are conventionally used in automotive, oil and gas line pipes/exploration, cold rolled steel products, wind mills, ship building, pipe manufacturing, general engineering & fabrication, construction, capital goods, process equipment for cement, fertilizer, refineries, earth-moving, boilers, pressure vessels, infrastructure projects and many more end-use applications across various sectors and industries.

- c) CR coils and sheets include cold rolled / cold reduced /flat steel products of iron or non-alloy steel or other alloy steel of all widths and thicknesses. The PUC includes cold rolled / cold reduced flat steel products in coils or not in coils, including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. These products may be oiled or supplied without oil. These products may conform to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra-high strength steels, alloy steels, micro-alloyed steel and various other qualities, whether or not vacuum degassed or any other processes. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not aluminium killed / non-ageing quality and whether or not containing micro-alloying elements. These products are used in applications spread across various end-usages including but not limited to the automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate, pipe and tube manufacturing, general engineering and many more end-use applications across various sectors and industries.
- d) Metallic Coated Steel coils and sheets, whether or not profiled, include Galvanneal, Coated with Zinc, Aluminium-Zinc, or Zinc-Aluminium-Magnesium. Coated steels can be alloy or non-alloy steels, prime or non-prime quality. Coated steels can also be supplied as laminated or without lamination,

lacquered or non-lacquered, skin-passed with a variety of spangles, with coatings of different composition and weight including differential coatings on either side. Coated steels are mainly used for protection against corrosion. Coated steels are used in Roofing application, appliances, renewable energy, automotive, general engineering and many more end use applications.

- e) Colour-coated coils and sheets include coated products that undergo the colour-coating process. These products are either of alloy or non-alloy steel, whether of prime or non-prime quality, coated on one-side or both sides, either in the form of coils or plain sheets or profiled sheets including but not limited to trapezoidal, sinusoidal, corrugated or any other type of profile. These products are available in various paint qualities and a variety of paint colours, whether or not pre-coated with primer or any other suitable material. These products may either be painted on top surface of the steel sheet or on the bottom surface or on both top and bottom surfaces. This product may be supplied with or without guard film/lamination. These products offer resistance to corrosion along with barrier protection and are, therefore, used in many applications and sectors, including but not limited to construction, roofing, walling, panelling, cladding and decking, automotive, white goods and appliances, furniture, and many more end use applications.
8. The Authority notes that the PUC ‘non-alloy and alloy steel flat products’ comprises of five distinct categories. No interested party has made any comments regarding the single product category. However, several interested parties have made comments on the five categories of products individually. The Authority recognises that the distinct categories of the product are its variants in a production value chain and their holistic examination is compatible with the objective of an effective trade remedy solution for the PUC. Thus the Authority considered it appropriate to examine the product as a whole as well as each of the five categories individually to the extent considered necessary.
9. The Authority received requests from several interested parties for exclusion of certain grades from the scope of the PUC. The Authority observed that some exclusion requests were also included in the questionnaire responses filed by the interested parties. For the purposes of these preliminary findings, the Authority examined the exclusion requests from the various interested parties that were received within the prescribed timeline of on or before 22 January 2025.
10. The applicant filed its comments regarding the exclusion requests filed by various interested parties. The Authority has examined the exclusions requests received from various interested parties and the submissions of the domestic industry. In evaluating the claims and counter-claims regarding exclusion requests, the Authority considered the following legal standard to be appropriate.
11. Agreement on Safeguard does not define the term “product under consideration”. Neither does it “discipline the choice of the product under investigation, in itself.”<sup>2</sup> The Agreement on Safeguard merely states that a safeguard measure may be imposed on imports of products that “*cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products*”. (emphasis supplied).

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<sup>2</sup> Panel Report, *European Union – Safeguard Measures on Certain Steel Products*, [WT/DS595/R](#) and Add.1, adopted 31 May 2022, 7.34.

Notably, the Agreement on Safeguard acknowledges the possibility of imposing safeguard measures on imports of the article under investigation for which there are like or directly competitive products produced by the domestic industry.

12. In the anti-dumping agreement, the phrase “directly competitive products” is absent. “Like product” is defined as “*a product which is identical, i.e. alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration.*” The test of “likeness” in the AD Agreement is one that focuses on product characteristics. However, the Agreement on Safeguard covers not only “like product”, but also “directly competitive products”.
13. The Panel, in *US – Safeguard Measures on Washers*, drew a distinction between the concept of “likeness” and “direct competitiveness” and explained that the Agreement on Safeguards does not mandate that the product under consideration comprise only of “like products”, but may also include “directly competitive products”:

*“7.58. We note in this regard that Article 4.1 defines the domestic industry as producers of “like or directly competitive” products. The parties disagree on the meaning of the conjunction “or” in this phrase. In our view, it is possible that the use of the conjunction “or” in Article 4.1(c) indicates that the concept of likeness is distinct from the concept of direct competitiveness, as the United States submits. However, that term might also indicate, as Korea argues, that an investigating authority is permitted to include products (for the purpose of defining the domestic industry) that, even though they are not like imported products (because for instance they have different physical characteristics), are nevertheless directly competitive with imported products. ...”*

14. The Panel, in the same report, acknowledged that even if the imported goods are not “like” the domestically produced products, the imported products may nevertheless be subjected to safeguard measures if they are directly competitive with the domestically produced products. The Panel further went on to explain the differences between the legal standard of “likeness” and “direct competitiveness” as follows:

*“7.59. The Agreement on Safeguards does not define the term “like”. The Oxford English Dictionary defines “like” as “[o]f similar or identical shape, size, colour, character, etc., to something else; having the same or comparable characteristics or qualities as some other person or thing; similar; resembling; analogous”. The United States also refers to the Webster Dictionary definition of “like”, which is “the same or nearly the same (as in nature, appearance, or quantity)”. We also note that the Anti-Dumping Agreement and the SCM Agreement, which require investigating authorities in anti-dumping and countervailing duty investigations respectively to define the domestic industry based on producers of like products, define like product as a product (a) which is identical, i.e. alike in all respects to the PUC; or (b) in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the PUC. These definitions do not resolve the issue of whether, and if so how and to what*

*extent, competitive relations between imported and domestic products need to be considered as part of a likeness determination. However, when we interpret Article 4.1(c) in the context of Article 4 of the Agreement on Safeguards as a whole, and specifically Articles 4.2(a) and 4.2(b), the meaning of likeness in Article 4.1(c) becomes clearer.”*

15. To summarize the observations of the Panel, the analysis of “likeness” under the Anti-Dumping Agreement and the SCM Agreement focuses on the product characteristics and not on the competitive relationship between the products. On the other hand, the Agreement on Safeguards has a broader purview that includes competitive relationship between the products.
16. In *US – Safeguard Measures on Washers*, the Panel noted that there is no requirement under the Agreement on Safeguard for there to be a precise “match” between the imported and the domestically produced products, as long as the imported product is directly competitive and substitutable with the domestically produced product:

*“7.51. [...] Neither Article 4.1(c) nor any other provision of the Agreement on Safeguards (including the provisions governing the subsequent conduct of the investigation, such as Articles 4.2(b) and 4.2(c)), impose any additional requirements precluding what Korea describes as a "mismatch" between the PUC and the domestically produced good. Article 4.1(c) requires that the domestic industry be defined on the basis of producers of goods that are "like or directly competitive" with the PUC. To the extent the domestic industry is defined based on the producers of like or directly competitive products, there is no additional requirement under Article 4.1(c) for a "match" between the PUC and the domestically produced good. Indeed, accepting Korea's position would mean that the investigating authority would have to exclude a producer of like or directly competitive goods from the scope of the domestic industry because the domestic product, while like or directly competitive, is essentially not the same as (or to use Korea's words, does not "match") the goods included in the PUC. This is at odds with the text of Article 4.1(c). We consider that if Article 4.1(c) were intended to preclude investigating authorities from defining the domestic industry on the basis of goods that are like or directly competitive but not a "match", the provision would have been drafted differently.”*

17. The Authority is mindful that in examining the exclusion requests filed by various interested parties, the legal standard that must also be applied is whether the imported product is either “like” or “directly competitive” with the domestically produced product. Previously, in the Safeguard Investigation concerning *solar cells whether or not assembled in modules or panels*, the Authority noted that “common and overlapping application” of products may determine their competitive relationship. In this case, imported products that had overlapping applications with locally produced products were found to be directly competitive and were held to be covered within the scope of the PUC:

*“22. Some interested parties have submitted that DI does not possess Thin-film technology and “PERC” (Passivated Emitter Rear Cell) based technology, & Bi-facial N-type solar cells; High efficiency solar cells*

*using 5 and 6 bus bar production terminology; and Solar modules of mono crystalline technology and therefore PUC should be restricted only to the scope of production capability/ production by the DI. I have carefully examined this aspect and noted that Solar cells of various types produced by different technologies vary in terms of efficiency, price, physical characteristics, like size and weight etc. These variations though lead to trade off in price and efficiency, the final usage of the PUC is only to produce power.*

*23. The Safeguard duty rules (Custom Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997–Notification No. 35/97-NT-Customs dated 29.07.1997 (hereinafter called as Safeguard Rules) hold a domestic producer as “a producer of the like article or directly competitive article in India or a trade or business association, a majority of members of which produce or trade the like article or directly competitive article in India” and “like article” defined as “like article means an article which is identical or alike in all respects to the article under investigation.” The common and overlapping applications of PUC establishes that imported and domestically produced subject goods are directly competitive. This therefore does not warrant any exclusion from the scope of PUC as stated in initiation notification. I therefore uphold and confirm the scope of PUC as considered and mentioned in para 5.1 of the preliminary finding dated 5.01.2018.”*

18. Considering the legal standards as mentioned above, the Authority has formulated principles for their application to the investigation on hand and examined comments of the interested parties. The Authority notes that some of the importers, users and exporters have cited grounds such as lack of ability of domestic industry to manufacture certain product grades, lack of sufficient domestic production volumes, quality issues or lack of certification of the product made by domestic industry by the buyer/user as grounds for exclusion of specific product grades/types from the investigation. The Authority has examined these concerns. With reference to lack of domestic manufacturing capability, the domestic industry has responded with acceptance of exclusion of some of the products that it does not purport to cover in its application as these are not competing with the products manufactured by the domestic industry. With reference to others for which it has capability to produce, the domestic industry has furnished evidence for supply of the like or directly competing products. On the issue of lack of sufficient domestic production volumes, the Authority notes that the law does not contemplate that the safeguard measure can be imposed only when the domestic industry can fulfil entire domestic demand. The key question to be examined here would be that even if there is a demand supply gap, is the import surge resulting in decline in domestic production, rendering its existing and available capacity idle and thus causing injury to the domestic industry. With reference to the quality issues or lack of certification by the buyer/user, the Authority notes that there is no legal requirement to prove quality as per the satisfaction of the buyer/user. If such a standard is adopted, then buyer/user would be free to reject domestically produced products citing grounds related to quality leaving the domestic industry without any remedy. The Authority considers that this would undermine the objective of a trade remedy action.



19. The Authority has examined each of the exclusion requests individually in the following paragraphs. The findings contain conclusions of the Authority for the purposes of the preliminary findings alone. The Authority determines that at the stage of the Preliminary Findings, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The likeness can be established if the Domestic Industry is selling articles falling under the same Indian Standards or of the same nomenclature, and the direct competitiveness can be established based on common and overlapping end usage or on the basis of sale to the same customer/s or customers in the same industry. The Authority notes that none of the parties are precluded from offering further comments during the course of the investigation.
20. In response to the exclusion requests filed by various interested parties, the applicant domestic industry agrees, in addition to what is not covered in its application, to the request for exclusion of the following grades / categories: *Nickel Coated / Nickel Plated Cold Rolled Steel; Rubber Coated Steel; Electro Galvanised (EG) – Zinc Nickel Coated Steel; Bi-Metal Steel / Bi-Metal Sandwich Steel; Brass Coated Steel Wire (wire is part of long steel products, which are not even covered in the notice of initiation); CRUTONITE; INCONEL; Stainless Steel Items (which are not even covered in the notice of initiation); Aluminium Coated Steel; Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel; Hot Rolled Clad Steel Plate; Nickel Plated Steel / Nickel Plated Strip; Copper Plated Steel; Laminated Electro Galvanized (EGI); Cobalt Plated Steel; Silver Plated Steel; Titanium Clad Plates*. The Authority, therefore, accepts the exclusion requests for the abovementioned grades.
  - a) **Hyundai Motors India Limited (HMIL)**
21. HMIL has requested the exclusion of 196 product grades/types of steel from the scope of the PUC. The exclusion requests have been divided into three broad categories – (a) the products for which the DI does not have capability (38 grades); (b) products for which there are capacity constraints (141 grades), and (c) products for which the domestic industry is not allocating sufficient quantities to HMIL (17 grades).
22. It is noted that HMIL has identified five Indian Standards under which these 196 grades are covered – India Standard (IS) 1079, IS 18385, IS 513 Part 1, IS 513 Part 2, and IS 5986. The submission and categorization of HMIL do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles. Nonetheless, it is assumed that as an automobile manufacturer, the products for which exclusion has been sought are used in automotive applications.
23. As noted above, there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 196 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user (such as HMIL) on a standalone basis. Additionally, HMIL has stated that for certain grades, the quality of the goods supplied by the domestic industry is not satisfactory. The Authority notes that differences in the quality of the products cannot be grounds for exclusion of a product from the scope of the PUC. Furthermore, the lack of customer certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer could deny certification of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures.



24. The Authority determines that at the stage of the Preliminary Findings, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”.
25. As stated earlier, the Authority has accepted the exclusion requests for (a) Aluminium Coated Steel; (b) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel; and (c) and Nickel Coated / Nickel Plated Steel.
26. The applicant, in its submissions, has produced various invoices for products covered under IS 513, IS 1079, IS 18385 and IS 5986. Further, the applicant has provided various invoices covering wide range of HR, CR and Metallic Coated steel sold to automotive companies such as \*\*\*, etc. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion requests of HMIL pertaining to the grades other than the grades that have been accepted by the domestic industry.

**b) Hyundai Steel Corporation (HSC)**

27. The interested party has requested for the exclusion of a total of 104 product types/grades of products citing reasons of (a) capacity constraints of the domestic industry (14 grades); (b) difficulty in transportation and lead time (6 grades); (c) products not produced by the domestic industry or delay in localization of production (55 grades); (d) quality issues (26 grades); and suppliers designated by project owners.
28. HSC further contends that other jurisdictions have excluded automotive steel from the scope of the PUC in anti-dumping investigations concerning flat steel products. As stated above, unlike the Anti-Dumping Agreement, where the scope of the PUC is limited to “like articles”, the legal standard for the scope of the PUC under the safeguard law includes “directly competitive” articles. Further trade remedy investigations take into account a country’s domestic situation at a particular point in time. The findings of other jurisdictions cannot be automatically adopted. Therefore, the reliance placed by HSC on anti-dumping determinations of other jurisdictions is not tenable.
29. The Authority notes that HSC has not identified the specific Indian standard of the grades for which it has sought exclusion. The submission and categorisation of HSC do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles. The Authority notes that 87 out of the 104 types/grades of products for which exclusion has been sought have automotive applications, whereas 17 types/grades are used in other sectors.
30. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 104 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user (such as HSC) on a standalone basis.
31. HSC claims that the quality of certain grades supplied by the domestic industry is not satisfactory. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval

of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. Further, the difficulty in transportation is not a justifiable ground for seeking exclusion of a product since this neither disproves the substitutability of the product, nor the ability of the domestic industry to manufacture like or directly competitive articles.

32. Among the 87 automotive grades of steel, HSC's request covers GI/GA, Aluminium-Silica coated, High Strength and Ultra-High Strength Steel, and Ultra Deep Drawing Steel. As stated earlier, the Authority has accepted the exclusion requests for (a) Aluminium Coated Steel; (b) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel.
33. With respect to the remaining product types/grades having automotive application, the Authority notes that HSC has not provided the corresponding Indian Standard for the grades for which it seeks exclusion. The applicant has provided various invoices covering wide range of HR, CR and Metallic Coated steel sold to automotive companies such as \*\*\*, which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which HSC has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion requests filed by HSC other than the grades that have been accepted by the domestic industry.
34. With respect to the 17 grades/types which pertain to other application, it is noted that these 17 grades/types include High Strength Special Steel, High Carbon Hot-Rolled Steel, API Certified Hot Rolled Steel, Heavy Plates, etc. The Authority notes that the end usage identified by HSC for these grades/types includes pressure vessels, pipe manufacturing, windmills, shipbuilding, etc. The Authority notes that the domestic industry has filed various invoices, covering sales of several grades of High Strength, High Carbon Steel and Heavy Plates and API Certified Steel, which have common and overlapping usage with the 17 grades/types of steel for which HSC has sought an exclusion. Therefore, the Authority is unable to accept the exclusion requests filed by HSC pertaining to the grades used in non-automotive applications.

**c) The Government of Korea (GOK) and Korea Iron and Steel Association (KOSA)**

35. The Government of Korea (GOK) and Korea Iron and Steel Association (KOSA) have made identical requests for the exclusion of 52 grades/types of steel.
36. The GOK requests for the exclusion of the 52 grades/types citing (a) lack of customer approval; (b) insufficient supplies by the domestic industry; (c) quality issues. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 52 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority determines, it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The Authority notes that the differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the

domestic industry's products thereby ensuring that such products do not attract trade remedy measures. Similarly, difficulty in transportation cannot be a valid ground for seeking product exclusion because the Authority is only required to examine whether the domestic industry is engaged in manufacturing "like" or "directly competitive" articles.

37. The Authority notes that the GOK and KOSA have identified 27 types/grades that are used in automotive applications. The applicant has produced various sales invoices of steel with diverse grades supplied to the automotive industry. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application.
38. The Government of Korea and KOSA has further identified products which have usage in construction (4); home appliances (16); solar power plants (3); electrical steel (1); and moulds and tools (1). The Authority notes that the interested parties have not provided Indian standard of the grades/types used in moulds and tools. Therefore, such exclusion requests cannot be considered at this stage for lack of details which could be used to apply the legal test of like and directly competitive articles.
39. The Authority notes that with respect to the products used in home appliances, the domestic industry has provided various sales invoices, covering pre-painted galvanised steel and galvanized steel, which are used in home appliances sold to consumer electronics companies such as \*\*\*, etc. Therefore, the Authority, is unable to accept the request to exclude the 16 grades/types used in home appliances.
40. The Authority notes that 2 out of the 52 types/grades which the Government of Korea and KOSA identify are "All electrical steel products which POSCO Maharashtra clears the customs" and "All Hot-rolled coils which POSCO Maharashtra clears the customs". Due to lack of any legal basis, the Authority is unable to accept such requests for broad company-specific generic exclusions.

**d) Nippon Steel Corporation (NSC)**

41. Nippon Steel Corporation (NSC) has filed exclusion requests for 312 grades/types of products. The exclusion requests can be categorized under four broad categories: (a) products cannot be manufactured in India; (b) products manufactured in India do not meet steel-users' demand, higher technological specifications and qualities, precise delivery; (c) grades specifically designed to meet the requirements of AM/NS India's rolling and coating lines (d) the quality of the goods supplied by the domestic industry lacks customer certification.
42. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 312 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
43. The Authority also notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the

ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. Further, difficulty in delivery of product is not a justifiable ground for seeking exclusion of a product since this neither disproves the substitutability of the product, nor the ability of the domestic industry to manufacture such products.

44. As stated earlier, the Authority has accepted the exclusion requests for (a) Aluminium Coated Steel; (b) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel; and (c) and Nickel Coated / Nickel Plated Steel.
45. **Hot Rolled Coils** - NSC requested 44 grades/types for exclusion under Hot Rolled Coils, out of which 31 grades/types have usage in Automotive sector. The applicant has provided several invoices covering Hot Rolled products, which were sold to automotive companies such as \*\*\*, which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which Nippon Steel Corporation has sought an exclusion.
46. NSC has also claimed exclusion for 13 grades/types which it supplied to AMNS India for captive usage. AMNS India Ltd. has stated that they are committed to being an applicant/domestic industry and that they are fully aligned with the views of the applicant, with regard to the product scope and the exclusion requests made by various interested parties. Therefore, the Authority is unable to accept the exclusion requests of these 13 grades.
47. **Hot Rolled Plates** - NSC requested 122 grades/types for exclusion under Hot Rolled Plates having usage in building construction, Boilers, Pressure Vessels construction machinery, Flue-gas treatment equipment used with Coal-fired boilers, waste incineration plants, Manufacturing pipes used for pipeline, Penstock and Home appliances. The Authority examined several invoices provided by domestic industry which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the above.
48. **Hot Dip Galvanized & Cold Rolled Coils** - NSC have requested exclusion for 32 grades/types under Hot Dip Galvanized and 22 grades/types under Cold Rolled Coils category having usage in Automotive industry. The Authority notes that domestic industry has provided several invoices covering galvanized and cold rolled coils sold to automotive companies such as \*\*\*, etc., which have common and overlapping usage with the grades/types Nippon Steel have sought exclusion for.
49. **Coated with Zinc-Aluminium-Magnesium** - NSC have requested exclusion for 92 grades/types under Zinc-Aluminium-Magnesium coated steel category having usage in Solar power generation panel, Automobile manufacturing and Home appliances. The domestic industry has provided several invoices covering Zinc-Aluminium Magnesium sheets, which have common and overlapping usage with the products for which Nippon Steel Corporation has sought exclusion.
50. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion requests filed by Nippon Steel Corporation other than the ones accepted by the domestic industry.

**e) JFE Steel Corporation (“JFE”)**

51. **Coated Steel** - JFE had asked for the exclusion of 37 different grades of Coated Steel from the scope of the PUC. The exclusion requests have been divided into two broad categories – (a) the products / grades that the DI does not produce (13 grades), (b) The products for which the DI does not have the capacity to meet the specific requirements and also there is no customer approval (24 grades). All the grades of coated steel are stated to have an end use for the purposes of “automobile”.
52. We note that the JFE has provided various Japanese Standards under which these 37 grades are covered. No corresponding Indian Standard grade for any of the said Coated Steel s have been provided. The submission and categorisation of JFE do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.
53. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 37 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
54. Additionally, JFE has stated that for certain grades, the goods supplied by the domestic industry do not match the specific requirements. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products in order to claim lack thereof as grounds for exclusion during trade remedy measures.
55. The Authority has also examined if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the applicant has provided various invoices corresponding to some of the Japanese grades. Furthermore, the applicant has provided various invoices covering coated steel which were sold to automotive companies such as \*\*\* etc. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion the requests filed by JFE.
56. **Cold Rolled Coils** - JFE Steel Corporation had asked for the exclusion of 25 different grades of Cold Rolled Coils from the scope of the PUC. The exclusion requests have been divided into three broad categories – (a) the products / grades that the DI does not produce (2 grades), (b) the products for which DI does not have customer approval (21 grades), and (c) the products for which there is better quality and stable supply from the Japanese exporters. All the grades of cold rolled steel are stated to have an end use for the purposes of “automobile”.
57. The Authority notes that all these grades are covered under IS 513-Part 1 and IS513-Part 2. The submission and categorisation of JFE do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.



58. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 25 grades with identical specifications.
59. Additionally, JFE has stated that for certain grades, the goods supplied by the domestic industry do not match the quality supplied by Japanese exporters. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. The Authority also notes that there is no requirement under the law that the domestic industry must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Furthermore, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval to the domestic industry's products to seek exclusion during trade remedy measures.
60. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The Authority notes that the applicant has provided various invoices of steel covered under IS 513. Furthermore, the applicant has provided several invoices covering cold rolled steel to automotive companies such as \*\*\* etc. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by JFE.
61. **Hot Rolled coils** - JFE Steel Corporation had asked for the exclusion of 9 different grades of hot rolled Coils from the scope of the PUC. The exclusion requests have been divided into two broad categories – (a) the products / grades that the DI does not produce (1 grade), (b) the products for which DI does not have customer approval (8 grades). All the grades of hot rolled steel are stated to have an end use for the purposes of "automobile".
62. It is noted that all these grades are covered under IS-5986 and IS-2062. The submission and categorisation of JFE do not address whether the domestic industry is engaged in manufacturing "directly competitive" articles.
63. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 9 grades with identical specifications.
64. The Authority notes that the lack of customer approval is not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products to ensure that such products are excluded during trade remedy measures.
65. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The Authority notes that the applicant has provided various invoices of steel covered under IS 5986 and IS 2062. Furthermore, the applicant has provided invoices of hot rolled steel which were sold to automotive companies. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by JFE.



66. **Plate Mill Plates** - JFE Steel Corporation had asked for the exclusion of various grades of plate mill plates from the scope of the PUC. The exclusion requests have been divided into three broad categories – (a) the products / grades that the DI does not produce, (b) lesser quality of the products by DI, (c) capacity constraints of the DI. All the grades of plate mill plates are stated to have an end use for the purposes of “construction machine” and “pipe”.
67. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every grade with identical specifications.
68. JFE has stated that for certain grades, the goods supplied by the domestic industry do not match the quality supplied by Japanese exporters. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC.
69. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the applicant has provided various invoices evidencing the sale of various grades of hot rolled plates having common and overlapping usage with that provided by JFE. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by JFE.
70. **Clad Steel Plate:** JFE Steel Corporation had asked for the exclusion of various grades of clad steel plate from the scope of the PUC. The exclusion requests have been submitted on two grounds: (a) Indian mills cannot produce alike / identical product, and (b) Indian mills do not have approval of critical industry end users for Roll bonded Clad Plate. All the grades of clad steel plate are stated to have an end use for the purposes of oil, gas, fertilizer, petrochemical or hydroelectric.
71. As stated earlier, the Authority has accepted the exclusion requests for clad steel plates. The Authority therefore agrees for the exclusion of clad steel plates from the scope of the PUC. All the grades for which JFE has sought exclusion that fall under the category of clad steel plates are consequently excluded from the scope of the PUC.
- f) **Nippon Steel Pipe India Pvt. Ltd., Honda Trading Corporation India Pvt. Ltd., Rajasthan Prime Steel Processing Centre Pvt. Ltd., Renault Nissan Automotive India Pvt. Ltd. and JFE Shoji India Pvt. Ltd.**
72. These interested parties reiterated the exclusion requests made by JFE and Nippon Steel Corporation. Since the Authority has examined the exclusion requests filed by JFE and Nippon Steel Corporation above, there is no necessity to re-examine the same.
- g) **The Society for Indian Automobile Manufacturers (“SIAM”)**
73. The Society for Indian Automobile Manufacturers (“SIAM”) has sought exclusion of 218 grades/types having automotive applications. SIAM claims that the domestic industry does not manufacture the grades with the precise technical specifications required by its Members. The submissions of SIAM do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.

74. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each of these 218 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority has examined SIAM's request for exclusion of 218 grades/types. Among the 218 types/grades, the Authority notes that certain products, such as electrogalvanized steel, have already been excluded from the scope of the PUC in terms of paragraph 4 of the Initiation Notification. As stated earlier, the Authority has accepted the exclusion requests for Nickel Coated Steel, EG Zinc-Nickel Coated Steel, Bi Metal Sheet, Aluminium Coated Steel, Aluminium-Silicon Coated Steel, Hot Dipped Aluminium Silicon Coated Steel, etc. The specific grades for which SIAM has sought exclusion that fall under these categories are consequently excluded from the scope of the PUC.
75. With respect to the other grades, the applicant has provided invoices covering a wide range of HR, CR and Metallic Coated steel, that were sold to automotive companies such as \*\*\* etc., demonstrating sales of articles that are "directly competitive" with the imported products identified by SIAM.
76. SIAM has also specifically requested for exclusion of products based on the tensile strengths. SIAM requests for the exclusion of products ultra-high tensile steel. The applicant has provided various sales invoices of with steel with diverse tensile strength. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application other than the grades that have been accepted by the domestic industry.
77. The Authority further notes that among its request for exclusion of specific grades/types, SIAM has also made a broad and generic request for the exclusion of "Base HR (POSCO)". The Authority notes that such broad request of HR steel imported by POSCO is not only unreasonable, but also legally untenable. It is well established that the Authority does not grant company-specific product exclusions. Additionally, SIAM does not explain why the "Base HR (POSCO)" is not directly competitive with the articles manufactured by the domestic industry. Hence, the Authority is unable to accept SIAM's request for exclusion of "Base HR (POSCO)".
- h) Kia India Pvt. Ltd.**
78. The interested party has requested for the exclusion of 34 grades/types of products on the grounds that (a) the domestic industry does not manufacture the products (17); (b) the domestic industry has insufficient capacity to supply the grades in sufficient quantities (12); and (c) there are quality issues associated with the grades supplied by the domestic industry (5).
79. The Authority notes that 2 of the 34 grades/types of products, are aluminium coated and aluminium-silicon coated, which have been excluded as stated earlier. With respect to the remaining 32 grades/types of products for which Kia India Pvt. Ltd. has sought exclusion, the Authority notes that each of these 32 grades/types of products are covered in the exclusion request filed by SIAM, which the Authority has already examined above. The Authority therefore sees no reason to re-examine such exclusion requests.

i) **S R K steels, Daeseong India Automotive Private Limited, KSH Automotive Pvt Ltd, HYOSUNG TNC Corporation, PYUNG HWA India Pvt Ltd, Arun Agarwal, Daechang India seat Company Pvt Limited, Pennar Industries Limited, Construction Federation of India, Ferrum Extreme Engineering Pvt Ltd, Daebu Automotive Seat India Pvt Ltd, YSI Automotive Pvt Limited, SKH M India Private Limited, DMC Automotive Pvt Ltd, Talbros Automotive Components Ltd, HL Mando Anand India Pvt Ltd, Daechang Seat Automotive Pvt Ltd, Federal Mogul Sealings India Limited, GESTAMP Automotive Chennai Private Limited, Hariom Pipe Industries Limited, HSI Automotive Private Limited , HWASHIN Automotive India Private limited, Windar Renewable Energy Private limited, Hyundai Transys Lear Automotive India Private limited, IFB Automotive Private Limited, JBM Auto Limited, JBM Ogihara Automotive India Limited, JEANUVS Private India Limited, Jaya Springs, KM Seat Company Private Limited, KAD & Co. Pvt Limited, Karison Profiles Pvt Limited, Krishca Strapping Solutions Limited, MACHANI RAMESH ENGINEERING PVT LTD, NVH India Auto Parts Private Limited, PHA India Pvt Ltd, Purohit Steel India LTD, Pushpanjali Drums Private Limited, Severstal, Bundy India Limited, KWANG Sung Brake India Pvt Ltd, PHA India Pvt Ltd, RIKUN MANUFACTURING PRIVATE LIMITED, SRK STEELS, Fine Components and Tools Pvt Ltd, Komos Automotive India Pvt Ltd, UE PRESS TOOLS PRIVATE LIMITED, Sincerity Innovation Technology India Private Limited, Sungwoo Stamping India Pvt Limited, Tadpole Engineering Consultancy Pvt Ltd, Velmurugan Heavy Engg. Inds. Pvt. Ltd., Wooyoung Automotive india Pvt. Ltd, Kumkang Machinery India Pvt. Ltd., VW Impex, Federation of Associations of Maharashtra (FAM), Federation of Kutch Industries, TAIN Steel Fab and Infra Pvt Ltd, KSH India, PCA AUTOMOBILES INDIA PRIVATE LIMITED, POS-Hyundai Steel MFG Pvt Ltd**

80. The Authority notes that these interested parties have filed exclusion requests without specifying the specific grades/types of products for which it seeks exclusion. Several of these interested parties have sought for a broad exclusion of “alloy steel and ultra high-tension steel” citing that imports are necessary because of “import policy conditions”, “good relations” with foreign producers, and the “difficulty” in purchasing such products from Indian Producers. These interested parties have neither substantiated their exclusion requests with valid and justifiable grounds, nor have they provided the specific grades/types of steel for which they seek exclusion. The Authority is unable to consider such broad and generic exclusion requests. Notwithstanding this, the applicant has provided various invoices of with steel with diverse tensile strength. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application.

j) **Indian Pipes Manufacturers Association (IPMA), Man Industries India Limited, Mega Pipes Pvt. Ltd., Maharashtra Seamless Limited, Ratnamani Metals & Tubes Limited and Welspun Corp Ltd. and Jindal India Limited**

81. These interested parties have requested for exclusion of various API Grades. These interested parties have conceded that the domestic industry manufactures API Grades. The domestic industry has provided various invoices, covering API Certified Steel. The domestic industry has also provided invoices for the sales of API grade steel to several companies, including \*\*\*.

82. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Given that the domestic industry has supplied API Grade Steel to pipe manufacturers, the Authority is unable to accept the exclusion requests filed by these companies for the purposes of the preliminary findings.

**k) POSCO, Korea RP**

83. The interested party has requested for the exclusion of a total of 111 types / grades of products citing reasons of: (a) quality concerns, (b) products not produced by the domestic industry, (c) vendor certification, (d) capacity constraints of the domestic industry.

84. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 111 types / grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

85. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of vendor certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned vendor would have the ability to deny certification of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

86. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The interested party has sought the broad exclusion of Hot Rolled Non-Oriented Electrical Steel (HRNO) and Cold Rolled Full Hard (CRFH) citing quality issues affecting its production of Cold Rolled Non-Oriented Electrical Steel. The Authority notes that this is not a valid ground of exclusion as already discussed above. The interested party has also not provided any precise specification of the product for which it seeks exclusion. Furthermore, the applicant has provided invoices evidencing sale of HR for industrial application and CRFH. The Authority therefore for the purpose of preliminary findings is unable to accept the exclusion request.

87. The interested party has sought the broad exclusion of HR Substrates of Carbon Steel (or Automotive Steel) citing issues relating to quality and vendor approval. The Authority notes that these are not valid grounds of exclusion as already discussed above. The interested party has also not provided any specification of the product for which it seeks exclusion. Furthermore, the applicant has provided several invoices evidencing its sales of to the automotive industry. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request of the interested party.

88. The interested party has sought the exclusion of more than 57 grades of POSCO Magnesium Aluminium Alloy Coating Product. The interested party has also sought the exclusion citing quality concerns, vendor certification, and certain differences in physical and chemical properties. The Authority notes that these are not valid grounds

- of exclusion as already discussed above. The Authority notes that the applicant has produced invoices demonstrating its sales of Zinc-Aluminium-Magnesium coated products, and also demonstrated supplies to solar power developers or equipment producers. The Authority notes that the interested party has failed to establish that different thicknesses or the different chemical and physical properties of the concerned product are not directly competitive products and do not have common and overlapping end usage with the domestic like article. The Authority therefore for the purpose of preliminary findings is unable to accept the exclusion request of the interested party.
89. The interested party has sought exclusion of more than 18 grades of “Super High Carbon and Alloy High Carbon Steel” citing issues relating to quality and the domestic industry’s inability to provide the same. The Authority notes that quality issue are not valid grounds of exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 18 types / grades with identical specifications. The domestic industry has provided several invoices demonstrating sale of steel with high carbon content, as also invoices, which are supplied to automotive, engineering and machinery manufacturers, such as \*\*\*. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request of the interested party.
90. The interested party has sought exclusion of more than 11 grades of “Hot-rolled and Plate products under American Petroleum Institute (‘API’)” citing issues relating to quality and the domestic industry’s inability to provide the complete range of API products. The Authority notes that quality issues are not valid grounds of exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 11 types / grades with identical specifications. The Authority further notes that the applicant has provided various invoices evidencing sales of the API grades as provided by the interested party. Therefore, the Authority, for the purpose of the preliminary findings, is unable to accept the exclusion request of the interested party.
91. The interested party, under the broad category of Automotive Steel, has sought the exclusion of (A) Galvanised or Galvannealed steel for Automotive use citing issues of supply constraints, the Authority notes that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis, (B) more than 2 grades of Ultra-High Strength Steel citing the applicant’s inability to manufacture the said product, the Authority notes that the applicant has provided invoices demonstrating sales of products to automobile companies with diverse tensile strengths, (C) more than 4 grades of PHT (Post Heat Treatment) Steel Grades citing the applicant’s inability to manufacture the said product, the Authority notes that the applicant has provided invoices demonstrating sales of PHT Steel grades, (D) more than 6 grades of Advanced High Strength Steel citing that the applicant is not able to produce all grades, the Authority notes that there is no requirement under law for the applicant to prove that it manufactures each and every grade, (E) more than 9 grades of Automotive Steel for Exposed parts including Bake Hardening Steel citing issues relating to vendor approval, the Authority notes that vendor approval is not a ground for exclusion, and (F) “Mild Steel for A-Class unexposed parts with complex shape & Pickled and Oiled steel for Automotive Chassis parts” citing issues relating to vendor approval, the Authority notes that vendor approval is not a ground for exclusion.



**l) POSCO Maharashtra Steel Pvt. Ltd**

92. The interested party has requested for the exclusion of a total of 52 proprietary types / grades of products, specifically for itself, citing reasons of: (a) quality concerns, (b) vendor certification.
93. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 52 types / grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
94. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of vendor certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned vendor would have the ability to deny certification of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.
95. The interested party has sought the exclusion of 17 proprietary grades of Cold Rolled Full Hard (CRFH) and Hot Rolled Non-Oriented Electrical Steel (HRNO) citing quality issues. The Authority notes that quality issues are not grounds of exclusion. The Authority further notes that proprietary names are company specific and cannot be used by other producers. The Authority notes that the applicant has provided invoices demonstrating its sales of CRFH. Therefore, the Authority, for the purpose of the preliminary findings, is unable to accept the exclusion request of the interested party.
96. The interested party has sought the exclusion of 35 proprietary grades of "Substrates of Carbon Steel (or Automotive Steel) for POSCO MH" citing quality issues and lack of vendor approval. The Authority notes that these are not valid grounds for exclusion. The Authority further notes that proprietary names are company specific and cannot be used by other producers. The Authority notes that company-specific product exclusions cannot be granted. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request of the interested party.
97. The Authority determines that at the stage of the Preliminary Findings, it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The Authority notes that the domestic industry has supplied various invoices evidencing its supplies to the automotive companies such as \*\*\* etc.

**m) POSCO SteeleON, Korea RO**

98. The interested party has requested for the exclusion of a total of 4 types / grades of products namely: (1) Aluminized Steel (Brand Name: ALCOSTA), (2) Colour Coated Electro-Galvanised Steel, (3) Coated Zinc-Aluminium-Magnesium (Zn-Al-Mg) Alloy Steel (Brand Name: Macosta), (4) Zinc-Aluminium (Zn-Al) Alloy steel (Brand Name: ALZASTA).
99. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every type / grade with identical specifications.



100. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of vendor certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned vendor would have the ability to deny certification of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.
101. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The interested party has sought the exclusion of Aluminized Steel (Brand Name: ALCOSTA). As stated earlier, the Authority has accepted the exclusion requests for Aluminized Steel.
102. The Authority understands that Metallic Coated Electrogalvanized Steel would be covered within the exclusion in the notice of initiation, namely, "*Coated – electro galvanized steel*". The Authority also understands the colour coated electro galvanized steel is nothing, but colour coated steel. Accordingly, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by POSCO with respect to colour coated electrogalvanized steel.
103. The interested party has sought the exclusion of 'Coated Zinc-Aluminium-Magnesium (Zn-Al-Mg) Alloy Steel (Brand Name: Macosta)' citing, (a) differences in quality between its products and the applicant's product, (b) specialized application and vendor certification, and (c) lack of domestic alternatives. The Authority notes that quality differences and vendor certifications are not valid grounds of exclusion as discussed above. The Authority notes that the law does not require the applicant to prove the manufacture of the grades with identical specifications. The Authority further notes that the applicant has provided invoices demonstrating its sales of Coated Zinc-Aluminium-Magnesium (Zn-Al-Mg) Alloy Steel. The Authority therefore is unable to accept the exclusion requests of the interested party.
104. The interested party has sought the exclusion of 'Zinc-Aluminium (Zn-Al) Alloy Steel (Brand Name: ALZASTA)' citing, (a) differences in quality between its products and the applicant's product, (b) premium pricing of its product. The Authority notes that these are not valid grounds of exclusion. The Authority notes that the applicant has provided invoices demonstrating its sales of Zinc-Aluminium Alloy Steel. The Authority therefore is unable to accept the exclusion request of the interested party.

**n) AMNS India Limited and AMNS Khopoli**

105. AMNS India and AMNS Khopoli requested for the exclusion of certain grades imported from Nippon Steel Corporation. The Authority has already examined the exclusion request filed by Nippon Steel Corporation above.

**o) LG Electronics India Ltd.**

106. LG Electronics India Ltd. has requested for the exclusion of 4 grades/types used in refrigerators, washing machines and other appliances. LG states that the domestic industry does not manufacture such grades/types and that the domestic industry does not have commercial sales and commercial supplies of the relevant grades. LG further submits that the applicants are unable to meet the quality standards and the quantity requirements of the customers. LG has further requested that the authority replace the

word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.

107. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures.
108. As stated earlier, the Authority has accepted the exclusion requests for Laminated EGI sheets in the scope of the PUC. With respect to the other grades/types, the domestic industry has provided various invoices covering pre-painted galvanized steel and pre-painted galvanized steel, which are used in home appliances. Additionally, the invoices provided by the applicant indicate sales to consumer electronic companies such as \*\*\* etc. Therefore, no grounds exist for the exclusion of the said articles from the scope of the PUC. LG has also requested that the Authority clarify that the exemption of “*Coated-Electro Galvanized Steel*” covers “*All types of EGI including coated/laminated/printed/painted EGI*”. The applicant has agreed for the exclusion of laminated EGI from the scope of the PUC. The Authority understands that Metallic Coated Electro Galvanized Steel would be covered within the exclusion in the notice of initiation, namely, “*Coated – electro galvanized steel*”. However, the Authority is unable to accept the exclusion request filed by LG with respect to printed/painted electro galvanized steel.

**p) Godrej & Boyce Mfg. Co. Ltd.**

109. Godrej has requested for the exclusion of 8 grades/types of products that are used in home appliances (3) and pressure equipment divisions (5). Godrej has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.
110. With respect to the 3 grades/types of products used in home appliances, Godrej has submitted that such products are not manufactured by the domestic industry. Godrej claims that the applicant companies have admitted that they are unable meet the technical specifications required by Godrej.
111. With respect to the 5 grades/types used in pressure equipment devices, Godrej admits that the domestic industry manufactures and supplies the said grades/types of products, however, it contends that the technical specifications of the products supplied by the

domestic industry do not meet the users' requirements. Godrej argues that on account of the differences in technical specifications, the 8 grades/types are not "like" articles to the domestically produced articles.

112. The Authority notes that unlike the anti-dumping agreement where the scope of the PUC is limited to "like articles", the legal standard for the scope of the PUC under the safeguard law includes "directly competitive" articles.
113. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each these 8 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user (such as Godrej) on a standalone basis. Furthermore, the quality concerns are also not a valid ground for seeking exclusion of a product.
114. The domestic industry has provided various invoices covering pre-painted galvanized steel and galvanized steel, which are used in home appliances. Additionally, the invoices provided by the applicant indicate sales of such products to consumer electronic companies such as \*\*\* etc. Therefore, no grounds exist for the exclusion of the 8 grades/types identified by Godrej from the scope of the PUC. Godrej has also requested that the Authority clarify that the exemption of "*Coated-Electro Galvanized Steel*" covers "*All types of EGI including laminated vinyl-coated*". The Authority understands that Metallic Coated Electro Galvanized Steel would be covered within the exclusion in the notice of initiation, namely, "*Coated – electro galvanized steel*". However, in view of insufficient details, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by Godrej with respect to laminated vinyl coated electro galvanized steel.

**q) Panasonic Life Solutions India Pvt. Ltd.**

115. Panasonic has requested for the exclusion of Pre-coated Vinyl coated sheets which are used in refrigerator doors. The Authority has already considered and evaluated similar exclusion requests of LG and Godrej & Boyce above. The Authority thus is not re-examining the same exclusion request made by Panasonic.

**r) SSAB Swedish Steel India Pvt. Ltd.**

116. SSAB has requested for the exclusion of 51 proprietary grades/types of steel having application in transportation, mining, cement, construction equipment. SSAB states that the proprietary grades/types imported by them "outperform" the equivalent grade produced by the domestic industry and "offers additional value".
117. At the outset, the Authority notes that the 51 grades/types for which SSAB has sought exclusion are proprietary name of a grade/type produced by a company. Proprietary names are company specific and cannot be used by other producers. The Authority notes that company-specific product exclusions cannot be granted. Additionally, SSAB does not dispute that the domestic industry produces equivalent grades of steel.
118. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must

be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. The Authority notes that the domestic industry has filed various invoices covering a wide range of High Strength, High Carbon Steel and Heavy Plates, which is directly competitive with the 51 grades/types for which SSAB has sought exclusion. Therefore, the Authority, for the purpose of preliminary findings, is unable to accept the exclusion requests of SSAB.

**s) Ashok Leyland Defence Systems Ltd.**

119. Ashok Leyland Defence has requested for exclusion of 26 grades/types. The Authority notes that each of these 26 grades/types of products are covered in the exclusion request filed by SSAB, which the Authority has examined above. The Authority therefore sees no reason to re-examine such exclusion requests.

**t) Tay Nam Steel manufacturing and Trading Co., Ltd.**

120. The interested party has requested for the exclusion of GI, GL, PPGI, PPGL. The interested party has provided no further information regarding the precise grades/types of products for which it seeks exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has filed various invoices covering colour coated and metallic coated, GI, GL and PPGI steel. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by Tay Nam Steel.

**u) Kobe Steel Limited**

121. The interested party has requested for the exclusion of 8 grades of Cold Rolled Coils. Kobe Steel Limited relies on past anti-dumping investigations of the Authority to argue that specific grades that are not manufactured by the domestic industry must be excluded from the scope of the PUC. As stated above, unlike the anti-dumping agreement where the scope of the PUC is limited to "like articles", the legal standard for the scope of the PUC under the safeguard law includes "directly competitive" articles. Therefore, the reliance placed by Kobe on past anti-dumping determinations is not tenable.
122. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The applicant has submitted various sales invoices of steel with diverse tensile strength. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application.

**v) Metal One Corporation India Pvt. Ltd. and Metal One Corporation**

123. The interested parties have requested for the exclusion of 12 grades/types of steel. The interested parties submit that the domestic industry does not product the 12 grades/types of steel or like articles. As stated above, the Authority has accepted the exclusion of Aluminium Coated Steel, Aluminium Silicon Coated, Hot Dipped Aluminised Silicon Coated Steel, Nickel Coated Steel, Copper Plated Steel, Titanium Clad Plates, Bimetals, etc. from the scope of the PUC. The grades of steel identified by Metal One Corporation that fall under these categories are consequently excluded from the scope of the PUC. Metal One has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.
124. The interested parties have requested for the exclusion of medium to high tensile hot rolled and cold rolled steel coils, hot rolled steel plates, hot rolled steel plates (high tensile), hot rolled abrasion resistant steel plates, ZAM and galvanized steel coils on the grounds that the domestic producers are unable to produce the required specifications, problems with quality and lack of necessary customer approvals. The interested parties further submit that the grades of steel are customized as per the user requirements, which the domestic industry is unable to provide.
125. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the interested party has not demonstrated that the products supplied by the domestic industry do not have common and overlapping end usage and are not directly competitive.
126. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures.
127. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. With respect to Metal One Corporation’s request for exclusion of steel with certain tensile strength, the applicant has provided various invoices of with steel with diverse tensile strength. The Authority further notes that the domestic industry has also provided invoices demonstrating sales of various grades of hot rolled steel plate, hot rolled steel abrasion resistant steel plates, ZAM (Zinc-Aluminium-Magnesium) and Galvanized Steel Coil. Therefore, the Authority is unable to accept the claim of Metal One Corporation for the exclusion of cold rolled steel coil, hot rolled steel coil, hot rolled steel plate, hot rolled steel plates (high tensile), hot rolled steel abrasion resistant steel plates, ZAM (Zinc-Aluminium-Magnesium) and Galvanized Steel Coil. The Authority further notes that the



interested party has sought clarification with regard to Ekokote (Tin-Zinc Coated Steel). However, the interested party has neither provided technical specification of the product nor the end usage. In the absence of such information, the Authority is unable to determine whether such product is like or directly competitive with the domestically produced product therefore the Authority is unable to confirm whether Ekokote falls outside the scope of the PUC. Metal One Corporation has also requested that the Authority remove the word “coated” from the exemption to “*Coated-Electro Galvanized Steel*”. The Authority understands that Metallic Coated Electrogalvanized Steel would be covered within the exclusion in the notice of initiation, namely, “*Coated – electro galvanized steel*”. However, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by Metal One Corporation in this regard.

**w) Shivalik Bimetals Controls Limited**

128. The Shivalik Bimetals has requested for the exclusion of 10 grades/types. Shivalik Bimetals claims that the domestic industry does not manufacture these 10 grades/types and that the equivalent grades produced by the domestic industry “are of inferior quality and less-cost effective”. Shivalik Bimetals has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.
129. The Authority notes that Shivalik Bimetals’ in its submissions has admitted that the domestic industry is engaged in manufacturing equivalent grades, albeit of lower quality and differing in certain physical and chemical properties. It is further relevant to note that the interested party has contended that the manufacturers who have the capability to manufacture cannot produce it economically due to low volumes. The Authority notes that, the claim by the interested party that the domestic industry cannot produce the grades for which exclusion has been sought economically at low volumes suggests customer preference for imports due to their cheap prices and loss of potential sales by the domestic industry. As stated above there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. The domestic industry has produced various invoices covering special alloys. Therefore, the Authority is unable to accept the submissions of Shivalik at the stage of preliminary findings.

**x) Manaksia Steels Limited**

130. Manaksia Steels has requested for the exclusion Hot Rolled Steel Coils in widths of 1250 mm and below thicknesses of 2 mm. Manaksia claims that the domestic industry does not manufacture coils with thickness less than 2mm and width below 1250 mm. However, Manaksia has admitted while the domestic industry does have the capacity to manufacture coils with thicknesses below 2mm and width below 1250 mm, it does not do so due to favouring economies of scale. Manaksia has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific

and therefore agrees with the request for change from 'include' to 'namely'. Where specific claims have been made that the domestic industry does not manufacture particular grades/types of steel, the Authority has evaluated such claims based on the legal standard applicable to safeguard investigations.

131. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Furthermore, it is by Makasia's own admission that while the domestic industry has the capability as well as capacity to manufacture and supply steel with thicknesses below 2mm and width below 1250 mm it does not do so out of commercial considerations. Therefore, the possibility of lack of sales due to the domestic industry not being able to fetch a reasonable price for the equivalent grade as a consequence of surge of imports and serious injury on account of it cannot be ruled out.
132. The domestic industry has produced a wide variety of invoices covering different thicknesses and widths of HR steel. Therefore, the Authority is unable to accept the exclusion of steel with thicknesses below 2mm and width below 1250 mm at this stage.

**y) Tata Motors**

133. Tata Motors has requested for the exclusion of 6 grades/types of steel. Tata Motors submits that the grades are not manufactured in India, the domestic industry is unable to consistently supply sufficient quantities of the grades and the grades imported from Japan are of superior quality.
134. Among these grades, as stated earlier, the request for exclusion of Aluminium Coated Steel, Aluminium Silicon Coated and Hot Dipped Aluminised Silicon Coated Steel has been accepted. The grades of steel that fall under this category are consequently excluded from the scope of the PUC. The Authority further notes that stainless steel has already been excluded from the scope of the PUC in terms of paragraph 4 of the initiation notification.
135. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority further notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.
136. With respect to the remaining product types/grades having automotive application, the Authority notes that Tata Motors has not provided the corresponding Indian Standard for the grades for which it seeks exclusion. The applicant has provided several invoices covering a wide range of HR, CR and Metallic Coated sold to automotive companies such as \*\*\* etc., which demonstrates that the domestic industry has supplied articles

that have common and overlapping usage with the products for which Tata Motors has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by Tata Motors.

**z) ACMA, NRB Bearing, Sharda Motors Industries Limited, National Engineering Industries Ltd, AISIN Automobiles**

137. The interested parties have requested exclusion for 35 grades/types having usage in Automotive industry citing quality issues and capacity constraints. For some grades, interested parties have not provided relevant Indian standard. The Authority further notes that exclusion request for certain grades of rubber coated steel identified by these interested parties has been accepted as stated earlier.
138. The Authority notes that this interested party has conceded that they procure some of the grades from domestic producers. It has however been claimed that, claim that the quality and quantity of the grades produced by the domestic producers is not up to the requirement. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Similarly, there is no requirement under the law that the domestic industry must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
139. The Authority notes that the applicant has provided several invoices covering a wide range of HR, CR and Metallic Coated sold to automotive companies such as \*\*\* etc, which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which interested parties have sought an exclusion. These products are therefore directly competitive. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by interested parties.

**aa) Maruti Suzuki India Ltd.**

140. Maruti Suzuki has requested for the exclusion of 22 grades/types of steel. Maruti contends that the grades should be excluded since (a) they are not manufactured in India (11); (b) the domestic industry lack sufficient capacity to meet the requirements of the downstream industry (6) and the grades are only recently being developed in India (5).
141. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
142. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. The Authority further notes that the domestic industry has provided various invoices demonstrating the sales steel to Maruti Suzuki.

143. The applicant has provided several invoices covering a wide range of HR, CR and Metallic Coated sold to automotive companies such as \*\*\* etc., which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which Maruti Suzuki has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests.

**bb) Jay Bharat Maruti Limited**

144. Jay Bharat Maruti Limited (“JBM”) has sought for the exclusion of 6 grades/types of steel from the scope of the PUC. JBM states that the said grades are not produced in India. Exclusion of 4 out of the 6 grades for which JBM has sought exclusion, which fall under the category of Aluminium Coated Steel and Nickel Coated Steel has already been accepted.

145. With respect to the two other grades, the domestic industry has provided several invoices covering HRPO Coils that are directly competitive with the grades for which JBM has sought exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Given that the domestic industry has produced invoices covering various grades of HRPO Coils that have common and overlapping usage with the grades for which the JBM has sought exclusion, the Authority, for the purpose of preliminary findings is unable to accept the exclusion requests filed by JBM.

**cc) Katsushiro Matex India Pvt. Ltd.**

146. Katsushiro has requested for the exclusion of 4 grades/types of steel supplied by JFE Corporation on the grounds that the needed sizes are not available locally, the local suppliers cannot meet the technical specifications and the minimum order quantity of the domestic producers are higher than the foreign suppliers’.

147. The Authority notes that Katsushiro has sought exclusion for the 4 grades/types of steel supplied by JFE Corporation. Since the Authority has already addressed the exclusion request of JFE Corporation above, there is no necessity to re-examine such exclusion requests.

**dd) CSCI Corporation India Pvt. Ltd.**

148. CSCI has requested for the exclusion of Cold Rolled Full Hardened Electrical Strips conforming to IS 18316 of 2023, which falls under the definition of Silicon Electrical Steel Strips from the scope of the PUC.

149. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided various invoices covering sales of Cold Rolled Full Hardened Steel. Therefore, the Authority is unable to accept the exclusion request filed by CSCI.

**ee) CU Built Engineers Pvt. Ltd., Vestas Wind Technology India Pvt. Ltd. and Senvion Wind Technology Private Limited**

150. The interested parties have requested for exclusion of steel plates for wind turbines and prime steel for wind turbine towers. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the applicant has provided various invoices demonstrating sale of Hot Rolled Plates, for a wide variety of application, including wind turbines. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by these interested parties.

**ff) Aktien-Gesellschaft der Dillinger Hüttenwerke from Germany**

151. Dillinger has requested exclusion for 76 grades of Hot Rolled Plate Mill Plates that fall under nine subcategories, namely, High-strength line pipe plate, Sour service pressure vessel plate, High-strength low alloy pressure vessel plate, High-strength thermomechanically-rolled pressure vessel plate, Pressure vessel plate for high temperature application, Pressure vessel plate for low temperature application (cryogenic), Abrasion-resistant steel plate, High-strength fine grained structural steel plate, Offshore fine-grained structural steel plate, Line pipe plate. Dillinger submits that the plates for which they seek exclusion are used to manufacture line pipe for the production of oil and gas pipelines, high-strength fine-grained structural steel, in the construction of demanding structures such as bridges, in the manufacture of heavy machinery such as earth-moving and mining equipment and pressure vessel steel, in the manufacture of equipment for oil and gas, chemical or pharmaceutical industries, such as reactors, heat exchangers, boilers or pressurized tanks, often sour-gas resistant' from the scope of investigation.
152. Dillinger submits that the domestic industry does not produce the specific grades of steel for which they have sought exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided various invoices covering Hot Rolled Plate Mill Plates and API Certified Steel that are used in varied applications such as construction, heavy machinery, pressure vessels, etc., which are directly competitive with the 76 grades/types for which Dillinger has sought exclusion. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by Aktien-Gesellschaft der Dillinger Hüttenwerke.

**gg) Isgec Hitachi Zosen Ltd.**

153. Interested Party has requested exclusion for 9 grades of Alloy and Non-alloy Steel Plates and Clad plate covering various grades on the grounds that the grade is not manufactured in India and the Indian producers are unable to meet the specifications laid out by Engineering companies and overseas licensors.



154. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority further notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of approval from overseas licensors or engineering companies is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned person would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

155. The domestic industry has provided various invoices covering a wide range of Hot Rolled Plates that was sold to engineering companies such as \*\*\* etc. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion request filed by Isgec Hitachi.

**hh) Ashok Leyland Limited**

156. The interested party has requested for exclusion of 4 grades/types falling under the category of Aluminium-Silicon Coated, wear resistant steel and Cold Rolled Galva annealed steel on the grounds that these grades are not produced in India or the domestic industry does not have the capacity to meet the demand in India.

157. As stated earlier the exclusion of aluminium-silica coated steel from the scope of the PUC has been accepted. For the remaining grades, the Authority is of the view that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the domestic industry has provided various invoices covering wear-resistant steel and galvanized steel sold to several parties, including Ashok Leyland, that have common and overlapping end usage with the grades for which Ashok Leyland has sought exclusion. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request of the interested party.

**ii) Daimler India Commercial Vehicles Private limited**

158. Interested party has requested exclusion for Aluminized steel or Aluminium coated steel. This has been accepted as mentioned in earlier paragraphs.

**jj) Exedy India limited**

159. The interested party has requested exclusion of C70-High Carbon Cold Rolled Steel and SCM435-High Carbon Cold Rolled Steel having usage in Automotive sector due to technology not being available with domestic producers.

160. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the domestic industry has provided invoices for the sales of articles that are directly competitive with the C70 and SCM435 grades

for which Exedy has sought exclusion. It may be stated that the domestic industry supplies products that have overlapping usage with the products imported for automotive application. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request of the interested party.

**kk) KG Dongbu Steel, AVIZA Technologies, JR and Company, Maxglobal Techno systems, NEWCORE GLOBAL PVT LTD, Prestomac Finishers, TAIIN Steel Fab and Infra Pvt Ltd and M&B Engineering**

161. Interested parties have requested exclusion of 2 grades/types of pre painted and 3 grades/types galvanized steel that are covered under the standards IS 15965, IS 14246, IS 15961 and IS 513, on the ground that the domestic industry lacks capacity to supply the grades in sufficient quantities.
162. The Authority notes that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that these interested parties have conceded that the domestic producer are able to produce the 5 grades/types of steel for which they have sought exclusion. The concern of the interested party is that the domestic producers are not able to supply sufficient quantities of the grades/types. The Authority notes that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority determines that at the stage of the Preliminary Findings, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”.
163. The domestic industry has provided various invoices of steel covered under IS 513 and IS 15961. Additionally, the domestic industry has provided various invoices demonstrating sales of pre-painted galvanized sheets and galvanized sheets that fall under IS 15965 and IS 14246, that are either like or directly competitive articles to the 5 grades/types identified by the interested parties. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by KG Dongbu Steel.

**ll) Dongkuk CM, Korea and Dongkuk Steel India Pvt Ltd**

164. The interested parties have sought clarification whether exclusion of ‘Coated - Electro Galvanised steel’ also extends to both ‘metallic coated electro-galvanised steel’ and ‘colour coated electro-galvanised steel’.
165. The Authority understands that Metallic Coated Electrogalvanized Steel would be covered within the exclusion in the notice of initiation, namely, “*Coated – electro galvanized steel*”. The Authority also understands the colour coated electro galvanized steel is nothing but colour coated steel. Accordingly, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by Dongkuk with respect to colour coated electrogalvanized steel.

**mm) Metal and Stainless-Steel Merchants Association**

166. The interested party has requested exclusion of Copper-plated steel, Cobalt-plated steel, Silver-plated steel, Armor-wear-resistant steel, Die steel, Aluminized Steel, Nickel-plated steel, Plastic mould steel and power tool steel.

167. As stated above, the exclusion of copper plated, cobalt plated, silver plated, aluminium coated and nickel coated steel from the scope of the PUC has been agreed. With respect to the remaining grades/types, the interested party has not specified the precise grade or the end use of the grade of steel for which it has sought exclusion. The interested party has also not provided the grounds for which it seeks exclusion of the said grades. The Authority is unable to consider such an unsubstantiated request.

**nn) NLMK Clabecq and NLMK India Service Center Private Limited**

168. The interested parties have sought exclusion of proprietary grades of high-yield and abrasion-resistant steel plates imported from Italy on the grounds that the plates are priced higher than the plates supplied by the domestic industry.

169. The Authority notes that the grades/types for which the interested parties have sought exclusion are proprietary name of a grade/type produced by a company. Proprietary names are company specific and cannot be used by other producers. The Authority notes that company-specific product exclusions cannot be granted. Additionally, the interested parties have neither provided the corresponding Indian Standard, nor the specific usage based on which the Authority can evaluate the exclusion request.

170. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

171. The domestic industry has produced various invoices covering abrasion-resistant and high-yield plate mill plates, that are directly competitive with the grades for which NLMK has sought exclusion. Therefore, no grounds exist to consider NLMK's exclusion request.

**oo) Stitch Overseas Private Limited**

172. Stitch has requested exclusion for Galvalume Sheets/Coil of Standard specification - ASTM A 792 DS/DQ | YS250 | IS 15961:2012 citing concerns related to customer approval and quality. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

173. The domestic industry has provided several invoices of sales of Galvalume sheets under IS 15961. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion request filed by Stitch Overseas.

**pp) Hella India Automotive Pvt Limited**

174. The interested party has requested exclusion of 'Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium Magnesium' having usage in HORN products in Automotive sector.

The party requests this exclusion as domestic industry faces technical constraints in achieving the required properties.

175. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. The Authority determines that at the stage of the Preliminary Findings, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”.
176. The Authority notes that domestic industry has provided several invoices for sales of Zinc-Aluminum-Magnesium Coated that have common and overlapping usage with the products for which interested party has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by Hella India Automotive Pvt Limited.

**qq) Polyhose Sato-Shoji Metal Works Private Limited**

177. The interested party has requested exclusion of Wear Resistant Steel being imported from JFE Steel Corporation, Japan citing quality, supply and customer certification concerns. Given that the Authority has already evaluated the exclusion request of JFE above, there is no necessity to re-examine the same request filed by Polyhose Sato.

**rr) NTECK Automative Pvt Ltd**

178. NTECK Automative Pvt Ltd has requested exclusion for S35C grade with sheet thickness 5.90 mm and 6.00 mm, without providing any reasons for its request. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The applicant has provided invoices demonstrating sales of articles that are directly competitive with the S35C grade for which NTECK has sought exclusion. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion request filed by NTECK.

**ss) Toyota Boshoku Device India Private Limited**

179. Interested party requested exclusion of 3 grade/types of high tensile steel stating that the domestic producers are unable to produce steel with the specific tolerances. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. The domestic industry has provided multiple invoices demonstrating sales of coils with varying tensile strength. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by Toyota pertaining to grades used in automotive application.

**tt) Riddhi Siddhi Special Steel Pvt Ltd.**

180. The interested party has requested exclusion for tool and die steel covered under IS 3748, which is used in sectors like die manufacturing, aerospace, engineering, automotive, defence etc. on ground of limited production and supply capability of Indian producers.
181. The interested party has not precisely identified the precise grades for which it seeks exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided several invoices covering wear-resistant steel that have overlapping applications with the steel for which Riddhi Siddhi has sought an exclusion. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by Riddhi Siddhi Special Steel Pvt Ltd.

**uu) Sansera Engineering Private Limited**

182. The interested party has requested 8 grades/types of PUC citing unavailability of proprietary grade in India and customer mandated source having usage in specialized forging and machining components. The Authority notes that the grades for which Sansera has sought exclusion falls under the HS 7228, which is already out of the scope of the investigation. Therefore, there is no requirement to consider Sansera's exclusion request.

**vv) Schaffler India Limited**

183. The interested party has requested exclusion of 4 grades/types of PUC having usage in Automotive industry citing quality and supply concerns. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
184. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
185. The Authority notes that the domestic industry has provided several invoices demonstrating the supply of grades that have overlapping application with the 4 grades/types for which Schaeffler has sought an exclusion. Additionally, the domestic industry has provided several invoices pertaining sales to automotive sector. It may be stated that the domestic industry supplies products that have overlapping usage with the products imported for automotive application. Therefore, the Authority is unable to accept the exclusion request of the interested party.



**ww) Tarun International Limited**

186. The interested party has requested exclusion for 7 grades/types of High Carbon Hot Rolled Coils citing quality and supply concerns. The Authority is of the view that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
187. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.
188. The Authority notes that the domestic industry has provided several invoices pertaining to sales to different sectors. It may be stated that the domestic industry supplies products that have overlapping usage with the grades for which exclusion has been sought. Therefore, the Authority is unable to accept the exclusion request of the interested party.

**xx) TT Steel Services India Pvt. Ltd.**

189. TT Steel Services India Pvt. Ltd. requested for the exclusion of “Cold Rolled high tensile steel, Hot Rolled high tensile & Hot Dip Galvanised Steel”. TT Steel has not provided the precise specification of the product for which it seeks exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that specific product characteristics are customer driven and articles of varying tensile strength are directly competitive with each other. The applicant has produced various invoices of steel with diverse tensile strength. Further, the domestic industry has provided several invoices for galvanised steel. Therefore, the Authority for the purpose of preliminary findings is unable to accept the exclusion requests filed by HSC pertaining to grades used in automotive application.

**yy) TATA Steel Downstream Products Ltd**

190. TATA Steel Downstream Products Ltd. requested exclusion for Hot Rolled Steel Plates (heat treated abrasion resistant steel plates) of grades 1E1839 and 1E4187. The Authority notes that interested party did not provide any specific grade, product identification, technical specifications or ground from exclusion. Therefore, the Authority is unable to evaluate the exclusion request of Tata Steel Downstream Products Ltd.

**zz) Tube Investments of India Ltd (TII).**

191. Tube Investments of India Ltd. has requested exclusion for 146+/- 0.5 mm X 9 +/- 0.35 mm thickness steel sheets of grade JSH590RN-P. The Authority notes that interested party has not provided any technical specifications or grounds for exclusion. The Authority notes that there is no requirement under the law for the Authority to examine

or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided invoices demonstrating of sales to Tubes Investment India Ltd. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion request filed by TII.

**aaa) Velmurugan Heavy Engg. Inds. Pvt. Ltd.**

192. Velmurugan Heavy Engg. Inds. Pvt. Ltd. has requested exclusion for HR Plate Steel (S355J2, NL, Z25, etc.). The Authority notes that interested party has not provided any technical specifications or grounds for exclusion. The Authority has examined the invoices provided by the domestic industry on a sample basis and is satisfied that the domestic industry has supplied products that are like or directly competitive with the said grades.

193. Interested party have also made requests for exclusion of products from the scope of the PUC citing reasons of lack of quality in the domestically produced goods and the lack of customer certification. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority further notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of customer certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny certification of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. The domestic industry has produced several invoices covering a wide range of HR Plates that are directly competitive with the grades for which Velmurugan has sought exclusion. Therefore, the Authority, for the purpose of preliminary findings is unable to accept the exclusion request filed by Velmurugan.

**bbb) All India Metal**

194. All India metal has requested for the exclusion of Aluminium Coated and Aluminium Silicon coated steel. The exclusion of these grades of steel has been accepted.

**ccc) Mahindra Defence Systems Limited**

195. Mahindra Defence has sought exclusion of grades of steel supplied by SSAB. Since the Authority has evaluated the exclusion request filed by SSAB above, there is no necessity to re-examine the same request filed by Mahindra Defence Systems.

**Conclusion**

196. In view of the above observations, the Authority determines the scope of the PUC is as follows:

*The product under consideration for the present investigation is “Non-Alloy and Alloy Steel Flat Products”, (“PUC”), namely (a) Hot Rolled*

*(“HR”) coils, sheets and plates, (b) HR Plate Mill Plates (“PMP”), (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium (“Coated”), and (e) Colour Coated coils and sheets, whether or not profiled (“CC”). The PUC is classifiable under Chapter 72 of the Customs Tariff Act, 1975, under tariff heading 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The tariff headings are indicative only and not binding on the scope of the product under consideration.*

*The following products are excluded from the scope of the PUC:*

- a) Cold Rolled Grain Oriented Electrical Steel (CRGO)*
- b) Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets*
- c) Coated - Electro Galvanized Steel*
- d) Tinplate*
- e) Stainless steel*
- f) Nickel Coated / Nickel Plated Cold Rolled Steel;*
- g) Rubber Coated Steel;*
- h) Electro Galvanised (EG) – Zinc Nickel Coated Steel;*
- i) Bi-Metal Steel / Bi-Metal Sandwich Steel;*
- j) Brass Coated Steel Wire (wire is part of long steel products, which are not even covered in the notice of initiation);*
- k) CRUTONITE;*
- l) INCONEL;*
- m) Stainless Steel Items (which are not even covered in the notice of initiation);*
- n) Aluminium Coated Steel;*
- o) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel;*
- p) Hot Rolled Clad Steel Plate;*
- q) Nickel Plated Steel / Nickel Plated Strip;*
- r) Copper Plated Steel;*
- s) Laminated Electro Galvanized (EGI);*
- t) Cobalt Plated Steel;*
- u) Silver Plated Steel;*
- v) Titanium Clad Plates;*

197. There are no known differences between the imported goods and the goods produced by the applicant companies. The imported goods and the goods produced by the applicant companies are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and

tariff classifications. The goods produced by the domestic industry are also technically and commercially substitutable with the imported products. The Authority holds that the products manufactured by the applicant companies and the imported products are “like or directly competitive articles”.

198. The Authority clarifies that the scope of the PUC defined in the earlier paragraph is for the purpose of these preliminary findings. Interested parties may file comments on the scope of the PUC as defined in the preliminary findings. The Authority will consider the submissions filed by the interested parties regarding the scope of the PUC in its final findings. Should any other product be excluded from the scope of the PUC in the final findings, the Authority notes that Rule 15 of the Safeguard Rules entitles importers to a refund on the provisional duty imposed and collected on such articles.

#### **D. DOMESTIC INDUSTRY AND STANDING**

199. Clause (b) of sub-section (11) of Section 8B of the Customs Tariff Act, 1975 defines Domestic Industry (hereinafter also referred to as the "DI"), as follows:

*(b) “Domestic industry” means the producers -*

- i. as a whole of the like article or a directly competitive article in India; or*
- ii. whose collective output of the like article or a directly competitive article in India constitutes a major share of the total production of the said article in India.’*

200. The petition has been filed by ISA on behalf of seven domestic producers, namely a) AMNS Khopoli Limited; b) ArcelorMittal Nippon Steel India Limited; c) Jindal Steel and Power Limited; d) JSW Steel Coated Products Limited; e) JSW Steel Limited; f) Bhushan Steel & Power Limited; and g) Steel Authority of India Limited. In addition, there are several other producers in India producing all the five categories of the PUC or one or more of the five categories of the PUC. Petitioners presented the Annual Statistics published by the Joint Plant Committee (JPC) of the Ministry of Steel, Government of India for information relating to (a) total number of units in India with State-wise break-down that are involved in the production of various categories of PUC, (b) total annual production and (c) total demand in India. The Authority observes that the JPC data does not provide data for HR Coils and sheets, and HR Plate Mill Plates separately. It provides information for four groups namely (a) HR Flat products that include both HR Coils and Sheets, and HR Plate Mill Plates, (b) CR Coils and Sheets, (c) Metallic Coated Steel, and (d) Colour Coated Steel. Therefore, information has been grouped into four categories for determining the standing of the domestic industry, and for considering total demand and market share. For the purposes of the preliminary findings, the Authority considers the data reasonable and reliable.
201. Based on the JPC Annual Statistics, the seven petitioner companies collectively account for \*\*\*% of total production in the case of HR Flat products, \*\*\*% in the case of CR Coils and Sheets, \*\*\*% in the case of Metallic coated steel, and \*\*\*% in the case of Colour coated steel as may be seen from the tables below.

**Hot Rolled Flat Products**

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	109	117	115
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	102	113	117
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	106	116	116
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	103	102	100

**CR coils and sheets**

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	104	111	114
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	87	106	103
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	95	109	109
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	110	102	106

**Metallic Coated Steel**

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	105	116	119
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	101	128	119
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	104	119	119
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	101	97	100



**Colour Coated Steel**

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	108	117	113
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	92	133	148
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	105	121	121
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	103	97	94

**PUC as a whole**

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
					1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100%	93%	86%	87%
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100%	103%	89%	88%
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100%	97%	87%	87%
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100%	95%	98%	98%

202. One of the applicant companies, namely AMNS India Ltd. had imported \*\*\* MT of the PUC, constituting \*\*\*% of their total production of the PUC during the POI. The Authority notes that the imported volumes have been captively used and that the entity continues to be a major domestic producer of the PUC.
203. For the PUC as a whole, the seven petitioner companies collectively account for \*\*\*% of the total production in India during the POI. Accordingly, the Authority holds that the petition has been filed by or on behalf of the domestic industry within the meaning of Section 8B (11) (b) (ii) of the Act.

### **E. CONFIDENTIALITY**

204. The domestic industry has provided some information in its application on confidential basis and has requested that it be treated as confidential. The domestic industry has also provided a non-confidential version (NCV) of its application, as required under the Rules. Further, the domestic industry has submitted reasons justifying their claim of confidentiality of this information.
205. The information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the confidentiality claims have been accepted, wherever warranted and such information has been considered confidential and not disclosed to other interested parties.

### **F. INCREASE IN IMPORTS**

206. Rule 2 (c) of the Rules state that ‘increased quantity’ includes increase in imports whether in absolute terms or relative to domestic production. The use of the word ‘or’ indicates that increase either in absolute terms or relative to domestic production is sufficient under the rules. Still, the Authority has examined the increase in imports both in absolute terms and relative to domestic production. In addition, increase in imports relative demand in India has also been examined. The analysis of volume of imports of the PUC into India is performed for the PUC as a whole, and for each of the five product categories thereof individually. Wherever necessary, the Authority made appropriate adjustments to the import data to account for the products/grades that have been excluded for the purposes of the preliminary findings.

### **Absolute Terms**

207. First, analysis was carried out for the POI (Oct- 23 to Sep-24, and the three preceding FYs 2021-22, 2022-23 and 2023-24. In this analysis, first six months of the POI i.e. from Oct-23 to Mar-24 overlapped the FY 2023-24. Despite the overlap, the analysis helps understand the increase in imports during the most recent 12 months for which data is available. Secondly, data for the POI was compared to the corresponding 12 months of the previous years i.e. on an Oct – Sep basis. Thirdly, data for the last six months of the POI i.e. April 24 to Oct-24 was compared to the corresponding six months of the previous years.

### **Comparison I - POI data with the 3 preceding FYs**

208. When data for the POI is compared to the three preceding FYs, imports of the PUC as a whole increased from 2.293 million MT (MMT) during 2021-22 to 6.612 MMT during the POI. The cumulative increase was 4.319 MMT or by 188%. On category-by-category comparison, imports of HR Coils and sheets increased by 2.978 MMT (299%) during POI as compared to FY 2021-22, HR Plate Mill Plates by 0.590 MMT (195%), CR Coils and sheets by 0.068 MMT (15%), Metallic coated steel by 0.422 MMT (111%), and Colour coated steel by 0.262 MMT (185%) as shown in the table below.

(Volume in '000s of MTs)

Product	2021-22	2022-23	2023-24	POI
<b>Actual</b>				
HR Coils and Sheets	995	1,926	3,081	3,973
HR Plate Mill Plates	302	312	619	892
CR Coils and Sheets	473	578	515	541
Metallic Coated Steel	381	518	762	803
Colour Coated Steel	142	190	366	404
<b>Total</b>	<b>2,293</b>	<b>3,524</b>	<b>5,344</b>	<b>6,612</b>
<b>Trend</b>				
HR Coils and Sheets	100	194	310	399
HR Plate Mill Plates	100	103	205	295
CR Coils and Sheets	100	122	109	115
Metallic Coated Steel	100	136	200	211
Colour Coated Steel	100	134	259	285
<b>Total</b>	<b>100</b>	<b>154</b>	<b>233</b>	<b>288</b>

209. Further, imports of HR Coils and sheets, HR Plate Mill Plates, Metallic Coated Steel and Colour Coated Steel increased year after year. In the case of CR Coils and sheets increased from 0.473 MMT during FY 2021-22 to 0.578 MMT during FY 2022-23. It declined to 0.515 MMT during FY 2023-24 but increased again to 0.541 MMT during the POI. Despite a decline during 2023-24, imports of CR Coils and sheets increased by 0.068 MMT during POI as compared to the base year 2021-22.

210. On a year-to-year comparison, import volumes during 2022-23 increased by 1.231 MMT over 2021-22, during 2023-24 increased by 1.820 MMT over 2022-23 and imports during the POI increased by 1.521 MMT over 2023-24 as shown in the table below.

(Volume in '000s of MTs)

Product	2021-22	Increase during 2022-23	Increase during 2023-24	Increase during POI
HR Coils and Sheets	-	930	1,156	892
HR Plate Mill Plates	-	10	307	272
CR Coils and Sheets	-	106	-63	278
Metallic Coated Steel	-	137	244	41
Colour Coated Steel	-	48	176	38
<b>Total</b>	-	<b>1,231</b>	<b>1,820</b>	<b>1,521</b>

211. On a year-to-year comparison, CR coils and sheets declined marginally by 0.063 MMT during 2023-24 over 2022-23 but increased significantly during the POI over 2023-24. Imports of all the other four categories of PUC increased significantly year after year.

### Comparison II – 12 months of Oct-Sep basis

212. When import data is compared on 12 months period of Oct-Sep basis, imports of the PUC as a whole increased by 4.043 MMT or by 157% during Oct-23 to Sep-24 compared to the base year. Of the five categories of PUC, four categories (except CR Coils and sheets) recorded a consistent increase year-after-year. Import of CR coils and sheets declined marginally by 0.010 MMT during the POI as compared to the previous 12 months period. Despite such a decline, imports of CR coils and sheets during the latest 12 months period were 0.081 MMT (18%) higher compared to the base period as shown in the table below:

(Volume in '000s of MTs)

Product	Oct-20 to Sep-21	Oct-21 to Sep 22	Oct-22 to Sep-23	Oct-23 to Sep- 24
<b>Actual</b>				
HR Coils and Sheets	1,167	1,158	2,309	3,973
HR Plate Mill Plates	375	316	397	892
CR Coils and Sheets	460	502	551	541
Metallic Coated Steel	369	427	608	803
Colour Coated Steel	198	163	255	404
<b>Total</b>	<b>2,570</b>	<b>2,566</b>	<b>4,119</b>	<b>6,612</b>
<b>Trend</b>				
HR Coils and Sheets	100	99	198	340
HR Plate Mill Plates	100	84	106	238
CR Coils and Sheets	100	109	120	118
Metallic Coated Steel	100	116	165	218
Colour Coated Steel	100	82	129	204
<b>Total</b>	<b>100</b>	<b>100</b>	<b>160</b>	<b>257</b>

### Comparison III – Last six months of POI compared corresponding preceding periods

213. When import volume during the last six months of the POI was compared to the corresponding six months of the previous years, imports of PUC as a whole increased from 1.116 MMT during Apr-Sep 2021 to 3.253 MMT during Apr-Sep 2024 recording an increase of 2.137 MMT (191%) during the injury analysis period. Each of the five categories of the PUC also recorded significant increase during in import volumes.
214. The increase in imports during the last six months of the POI (Apr-Sep 2024) compared to the corresponding six months of the immediately preceding year (Apr-Sep2023) was 113%. The increase was 24% during the first six months of FY 2022 over FY 2021 and 54% during FY 2023 over FY 2022. Thus, the increase in imports was sharp during the last six months.

### Relative terms

215. For this purpose, both demand and production (net of captive consumption) as per JPC's Annual Statistics were considered.

216. PUC as a whole: The volume of Imports relative to production increased from \*\*\*% during FY 2021-22 to \*\*\*% during the POI, an increase of \*\*\*%. During the same period, imports relative to demand in India increased from \*\*\*% to \*\*\*% as shown in the table below.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	2,293	3,524	5,344	6,612
	Trend	100	154	233	288
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	122	132	133
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	115	129	139
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	108	119	117
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	134	180	208
... Production	%	***	***	***	***
	Trend	100	142	196	247
Market Share of DI	%	***	***	***	***
	Trend	100	106	102	95

217. HR Flat products: The volume of imports relative to production increased from \*\*\*% during FY 2021-22 to \*\*\*% during POI. During the same period, imports relative to demand increased from \*\*\*% to \*\*\*%.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	1,297	2,238	3,701	4,864
	Trend	100	172	285	375
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	122	134	132
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	129	147	154
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	110	121	118
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	134	194	244
... Production	%	***	***	***	***
	Trend	100	157	236	318
Market Share of DI	%	***	***	***	***
	Trend	100	94	91	85

218. CR Coils and sheets: The imports relative to production increased from \*\*\*% during FY 2021-22 to \*\*\*% during the POI. During the same period, imports relative to demand increased from \*\*\*% to \*\*\*%



Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	473	578	515	541
	Trend	100	122	109	115
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	116	126	127
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	85	90	104
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	100	110	111
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	143	120	110
... Production	%	***	***	***	***
	Trend	100	122	99	104
Market Share of DI	%	***	***	***	***
	Trend	100	135	139	122

219. Metallic Coated Steel: Imports relative to production increased from \*\*\*% during FY 2021-22 to \*\*\*% during the POI. During the same period, imports relative to demand increased from \*\*\*% to \*\*\*%.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	381	518	762	803
	Trend	100	136	200	211
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	130	141	156
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	113	132	146
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	105	116	119
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	121	152	144
... Production	%	***	***	***	***
	Trend	100	129	173	177
Market Share of DI	%	***	***	***	***
	Trend	100	115	107	107

220. Colour Coated Steel: The volume of imports relative to production increased from \*\*\*% during FY 2021-22 to \*\*\*% during the POI. During the same period, volume of imports relative to demand increased from \*\*\*% to \*\*\*% as shown in the table below.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	142	190	366	404
	Trend	100	134	259	285
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	117	118	117
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	113	127	127
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	108	117	113
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	118	204	225
... Production	%	***	***	***	***
	Trend	100	124	220	252
Market Share of DI	%	***	***	***	***
	Trend	100	103	93	92

221. The above analysis indicates that the volume of imports increased both in absolute terms, and relative to production and demand. The increase in import volumes by 4.319 MMT or by 188% during the injury analysis period is considered to be significant, sudden and sharp. An increase of 1.521 MMT during the POI compared to the immediately preceding FY indicates that it was recent, sudden and sharp. Comparison of imports of the PUC across different time buckets (which are adequately long and recent) in absolute numbers or relative imports (as a share of demand and production) unequivocally show a surge of imports. In view of the above, the Authority holds that the increase in the volume of imports of the PUC as a whole, and the five categories of PUC individually, has been recent, sudden, sharp and significant.

## **G. UNFORESEEN DEVELOPMENTS AND EFFECT OF OBLIGATIONS**

222. The Act and the Rules do not refer to the term “unforeseen developments”. However, the Agreement on Safeguards read with Article XIX:1(a) of the General Agreement on Tariffs and Trade (GATT) 1994 is interpreted by Appellate Body<sup>3</sup> to mean that an investigating authority is to assess ‘if as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic producers in that territory of like or directly competitive products’. The Appellate Body has explained that the ordinary meaning of the phrase ‘as a result of unforeseen developments’ requires that developments which led to a product being imported in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic producers must have been

<sup>3</sup> Appellate Body Report, Argentina – Safeguard Measures on Imports of Footwear (EC) paras. 78-98 <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/DS/121ABR.pdf&Open=True> ; Appellate Body Report, Korea – Definitive Safeguard Measures on Imports of Certain Dairy Products, WT/DS/98 <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/DS/98ABR.pdf&Open=True> paras. 76-92.

“unexpected<sup>4</sup>. Further, the Panel and Appellate Body in *US-Steel Safeguards* and *Korea-Dairy* have observed that unforeseen developments are developments that were not foreseen or expected at the time a Member incurred an obligation under GATT<sup>5</sup>. It has also been held that the term ‘Unforeseen developments’ denotes not a separate “condition” for the imposition of safeguard measures, but a certain set of circumstances to be demonstrated as a matter of fact<sup>6</sup>. The Panel in *US-Steel Safeguards* has also observed that *Article XIX does not preclude consideration of the confluence of multiple developments as “unforeseen developments”.....; that the confluence of developments can form the basis of “unforeseen developments” for the purposes of Article XIX of GATT 1994. It is for each Member to demonstrate that a confluence of circumstances that it considers were unforeseen at the time it concluded its tariff negotiations resulted in increased imports causing serious injury*<sup>7</sup>. Panels and Appellate Body have consistently held that there must be a logical connection between unforeseen developments and the increase in imports. The Appellate Body has observed that ‘*Investigating authorities must demonstrate the existence of unforeseen development as a matter of fact and a logical connection between the developments and the increase in imports causing injury to the domestic producers*’<sup>8</sup>.

223. In light of the above understanding, the Authority examines whether the facts on record in this case to determine whether the imports have surged as a result of unforeseen developments within the meaning of Article XIX:1(a) of the GATT 1947. The facts on record and their evaluation by the Authority is as follows:
224. The domestic industry has claimed that the volume of imports increased as a result of certain unforeseen developments, namely, (a) multiple trade protection measures against steel products by various WTO Member countries, (b) excess capacity and slowing demand in China, Japan, Korea and ASEAN countries, and (c) changes in ASEAN steel sector. It is necessary to determine whether the said developments are unforeseen and whether the increase in imports is attributable to these unforeseen developments.

**a. Multiple trade protection measures**

225. The current wave of trade protection measures against steel products was started by the United States, under Section 232 of the US Trade Expansion Act 1962 concluded that steel articles were being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States, and imposed a 25% additional duty on all imports of steel products (Chapter 72 and 73) with effect from 23 March 2018. Though certain relaxations were given to certain countries, the 25% additional duty continues to be in force even today. In addition to the above, the United States has also introduced Section 301 tariffs on various goods originating from China including Chinese Steel at 25% from August 1, 2024.
226. In response to the imposition of Section 232 measures by USA on 23 March 2018, several countries imposed protective measures, some of which are listed below:

<sup>4</sup> Appellate Body Report, *Argentina – Footwear (EC)* para 91, 96, Appellate Body Report, *Korea – Dairy* para. 84, 89.

<sup>5</sup> Appellate Body Report, *Korea – Dairy*, WT/DS98, para 89 and Panel Report, *US-Steel Safeguard*, para 10.41

<sup>6</sup> Appellate Body Report, *Argentina – Footwear (EC)* para. 92, Appellate Body Report, *Korea – Dairy*, para. 85

<sup>7</sup> Panel Report, *US-Steel Safeguard* para. 10.99

<sup>8</sup> Appellate Body Report, *Korea-Dairy*, paras. 81-82

- i On 15 May 2018, GCC imposed safeguard measures in the form of a specific rate of duty on products falling under HSN Heading 7210. The measure expired on 14 May 2021.
- ii On 18 July 2018, EU imposed safeguard measures in the form of TRQ with over the quota tariff of 25% on all products falling under HSN headings 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The measure still continues.
- iii On 31 Dec 2018, Morocco imposed Safeguard measures on in the form of a TRQ with an over the quota tariff of 16% on products falling under HSN headings 7209, 7210, 7211, 7212, 7225, and 7226. The measures expired recently on 31 Dec 2024. On 19 June 2020, Morocco imposed safeguard duty of 25% (no quota) on certain steel products. The measure still continues.
- iv GCC imposed a safeguard measure under HSN heading 7210 on 15 May 2018 which expired on 14 May 2021.
- v The Board of Eurasian Economic Commission imposed a safeguard measure in form of quota under HSN headings 7208, 7211, 7225, 7226 on 1 December 2019, which was in force for a year.
- vi Canada imposed a safeguard measure under HSN heading 7306, 7305, 7304, 7227, 7226, 7225, 7223, 7214, 7213, 7212, 7210, 7211, 7208, 7208, 7210, 7211, 7212, 7213, 7214, 7223, 7225, 7226, 7227, 7304, 7305, 7306, 7305, 7208, 7210, 7211, 7212, 7213, 7214, 7223, 7225, 7226, 7227, 7304, 7305, 7306, 7210, 7208, 7306, 7304, 7227, 7226, 7225, 7223, 7214, 7213, 7212, 7211 in form of tariff rate quota on May 13, 2019. The measure expired in May 2021.
- vii UK imposed safeguard measure in form of tariff rate quota under the HSN headings 720853, 720853, 720852, 720852, 720840, 720839, 720838, 720837, 720836, 720827, 720826, 720825, 722691, 720810, 720854, 721113, 721114, 721119, 721260, 722519, 722530, 722530, 722530, 722540, 722540, 722619, 722691, 722691, 720854, 720810, 720825, 720826, 720827, 720836, 720837, 720838, 720839, 720840, 720852, 720852, 720853, 720853, 722691, 721113, 721114, 721119, 721260, 722519, 722530, 722530, 722530, 722540, 722540, 722619, 722691, 722691. The measure still continues.

227. In addition to the safeguard measures, several WTO Members imposed Antidumping or countervailing duties on imports of steel products into their territories. According to an OECD Report, 129 trade remedy measures were adopted by countries such as the

EU, Canada, the UK and others against steel products. The trend of trade protection measures displays a progressively growing tendency on the part of WTO Members to initiate trade remedy measures against steel in response to influx of imports. An average of 77 steel-related investigations were initiated between 2011-2013, which increased to 117 during 2015-16<sup>9</sup>; and 129 between 2019-23. Furthermore, in the period January to September 2024, as many as 67 new anti-dumping investigations have been initiated globally, which represents the highest number of trade remedy actions observed since the excess capacity crisis of 2015-16<sup>10</sup>. Over 70% of the number of investigations against steel products between 2019-23<sup>11</sup> were targeted against steel flat products.

228. The Authority holds that the surges witnessed in trade remedy actions during 2019 - 2024 in major global markets despite the high number of trade protection measures on steel existing prior to 2019 are unforeseen and that the unprecedented number of such measures is by itself unforeseen.

**b. Excess capacity and slowing demand**

229. According to an OECD report on ‘latest developments in steelmaking capacity’<sup>12</sup>, global steelmaking capacity posted four consecutive years of growth in the period 2019-2022. In 2022 alone, global steelmaking capacity increased by 32.1 MMT to 2459.1 MMT, the highest global capacity figure in history. The increases seen in global capacity in 2022 was larger than the capacity levels of some large steel-producing economies (for example Vietnam, with a capacity of 26 MMT in 2022).
230. Further, there is a gap between global capacity and crude steel production indicating significant excess capacity globally. The excess capacity surged to 627.7 MMT in 2022 from 512.6 MMT in 2021. Excess steelmaking capacity data relates to crude steelmaking capacity. The producers must convert crude steel into saleable steel, which would then be converted into longs or flat steel products. While the share of excess capacity specific to longs or flats may not be equal, excess crude steelmaking capacity is representative of the unutilised significant assets adding to fixed costs and seriously affecting the steel producers around the globe. Such an increase in excess capacity poses grave risks for the long-term health and viability of the steel industry.
231. The steel consumption in Japan is significantly less compared to its steel capacity and the Japanese steel industry is highly export oriented. Crude steel capacity and consumption of steel in Japan are as follows:

Particulars	2021	2022	2023
Crude Steel Capacity	122.4	122.4	117.8
Crude Steel Consumption	63.6	60.8	58.7
Excess Capacity Compared to Consumption	58.8	61.6	59.1

<sup>9</sup> Commission Implementing Regulation (EU) 2023/104, L 12/14, Para. 14

<sup>10</sup> OECD, 96th Session of the Steel Committee: Statement by the Chair

<sup>11</sup> OECD, Steel Trade and Trade Policy Developments (Jan. – Jun. 2023)

<sup>12</sup> OECD Report dated 18 January 2024



Excess Capacity as a percentage of consumption	92%	101%	101%
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(Source: World Steel Association)

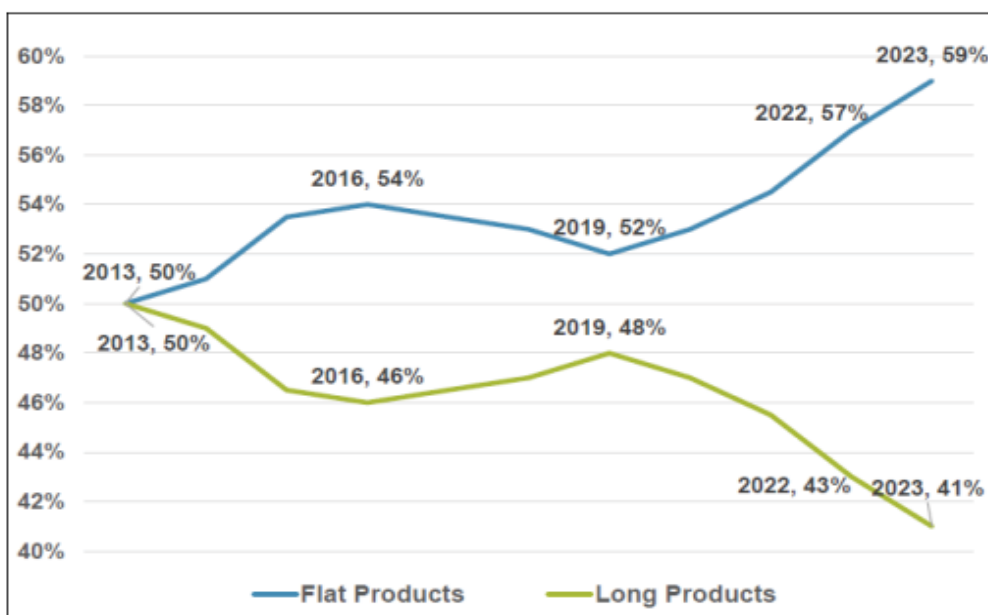
232. Similarly, steel capacity in South Korea is significantly higher than its steel consumption, and the South Korean steel industry is highly export oriented as shown below:

Particulars	2021	2022	2023
Crude Steel Capacity	81.6	81.6	81.6
Crude Steel Consumption	58.4	53.4	54.6
Excess Capacity Compared to Consumption	23.2	28.2	27
Excess Capacity as a percentage of consumption	40%	53%	49%

(Source: World Steel Association)

- c. In 2020, China introduced the “Three Red Lines” policy to control the excessive borrowing of property developers. This policy set strict limits on debt ratios, which many developers failed to meet, leading to restricted borrowing and financial strain, including defaults on debt repayments.<sup>13</sup> As a result, the real estate sector witnessed a significant decline in demand resulting in stalling or disruption of numerous construction projects. Consequently, China’s real-estate investments have slid down 2021 onwards and declined by 10.2% during January to July 2024. This led to a decline in the domestic steel consumption of long products in China. China’s steel industry tried multiple strategies to mitigate the fall in domestic steel demand from the construction sector. For one, mills shifted production from longs to flats. As may be seen from the graph below, flat products production share increased from 50% to 59%, while long products went down correspondingly.

<sup>13</sup> UBS, “China’s Three Red Lines: Opportunities in China real estate”, <https://www.ubs.com/global/en/assetmanagement/insights/thematic-viewpoints/apac-and-emerging/articles/china-three-red-lines.html>

**Chart 14: Share of Flat & Long Products in Total Production**

Source: WSA, Estimated Contributions

233. One of the additional reasons for the recalibration has also been the exportability of flat products as opposed to long products, to overseas markets. This led to an increase in exports of flat products from China PR.
234. The Authority holds the above developments taking into account the volume of excess capacity as unforeseen. Similarly, the significant shift in the volume of production from long products to flat products that occurred in China is also unforeseen.

**d. Changes in ASEAN region Steel sector**

235. In 2019, it was reported that almost half of the existing overseas capacity from Chinese Mills were located in ASEAN and that various Chinese mills are setting up capacities in the ASEAN region.<sup>14</sup> ASEAN region is expected to significantly increase crude steel production capacity. The ongoing excess capacity itself is at a risk of significant escalation. The increase in overcapacity is also directly responsible for the increase in imports of steel flat products into India, since overcapacity prompts producers to offload excess capacity through exports in third-country markets.
236. Despite declining steel demand, and a weak outlook, capacity expansion continues at a robust pace. For instance, Vietnam, a net steel export destination for Indian steel industry in the past, is now a net steel exporter to India. New capacities being added in ASEAN countries such as Vietnam, Cambodia, Singapore, Indonesia, Thailand, Malaysia, Philippines are mainland Chinese investments.
237. The Authority has carefully perused the above changes in the Steel sector. It notes that the changes in the ASEAN steel sector considering the extent of such changes appear to be unforeseen. At the time of undertaking obligations under the GATT, India could

<sup>14</sup> [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.iseas.edu.sg/wp-content/uploads/2020/03/ISEAS\\_Perspective\\_2020\\_50.pdf](https://www.iseas.edu.sg/wp-content/uploads/2020/03/ISEAS_Perspective_2020_50.pdf).

not have expected that in China, a policy such as the 'Three Red Lines' would affect the construction sector and lead to a fall in the domestic consumption of steel long products, such that the production of flat products would rise. Neither could India have foreseen that favorable export market conditions could arise for steel flat products in overseas markets, and that the capacity of steel production could increase at a pace as to substantially exceed the level of internal consumption, thus leading to excess capacities despite weakening demand. Nor could India expect that this would, in turn, lead to vehement trade protection measures in light of the overall steel industry situation. Furthermore, India could also not have expected at the time of negotiating concessions that China's excess capacities and exports would spill over to countries in the ASEAN, along with Korea and Japan - which would also develop massive excess capacities over their consumption levels, and become heavily export-oriented. All the afore mentioned developments and circumstances account for more than a mere change in capacity, production or changes in market positioning. The Authority thus is of the view that the cumulative effect of the confluence of the developments narrated above was clearly unforeseen.

e. Logical connection between the unforeseen developments and increase imports

238. The domestic industry claims that (a) the surge in imports of the article under investigation follows the imposition of trade protection measures and the other developments mentioned above; and (b) the increase in imports can be attributed to the confluence of several unforeseen developments such as multiple trade protection measures against steel, excess capacity and slowing demand in China, Japan, Korea and ASEAN, and changes in ASEAN steel sector. This confluence of simultaneous protectionism and export orientation has led to the flooding of the Indian market - the only growing, large steel consuming market that has not imposed any protective measures.
239. The Authority finds that imports of the product concerned (falling under HSN Tariff Headings 7208, 7209, 7210, 7211, 7212, 7225 and 7226) into the USA declined by 2.183 MMT in 2023 compared to 2021 as may be seen in the table below:

(Quantity in MTs)

County	CY 2021	CY 2022	CY 2023	Cumulative decline in imports into USA	Increase in imports into India between 2021-2023
China	140,886	209,118	92,010	(48,876)	801,595
Japan	463,837	438,808	351,232	(112,605)	443,030
Korea, RP	1,361,971	1,259,274	1,152,649	(209,322)	394,752
Viet Nam	679,022	660,413	249,938	(429,084)	847,437
Others	8,131,981	8,102,976	7,062,825	(1,069,156)	35,619
<b>Total</b>	<b>1,334,940</b>	<b>11,151,458</b>	<b>9,151,127</b>	<b>(2,183,813)</b>	<b>2,522,433</b>

(source: Trade map database)

240. During the corresponding period, imports of the product concerned into India has recorded a significant increase. For instance, Imports from Japan into USA declined by 112,605 MT during the period 2021-2023 whereas imports from Japan to India increased by 443,030 MT. It appears that the decline in imports from Japan to USA appears to be a significant cause of increase in imports into India from Japan. Similarly, decline in imports into USA from China, Korea, Viet Nam, also appears to have contributed to the increase in imports into India from such countries.
241. As a cumulative effect of the developments mentioned above, imports of PUC from China PR increased by more than 5 times as shown in the table below:

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	55	137	573	790	735
HR Plate Mill Plates	31	85	293	416	385
CR Coils and Sheets	24	21	24	50	26
Metallic Coated Steel	44	34	89	72	28
Colour Coated Steel	74	93	244	288	214
<b>Total</b>	<b>228</b>	<b>370</b>	<b>1,223</b>	<b>1,616</b>	<b>1,388</b>

242. Similarly, imports from Japan recorded a significant surge as shown in the table below:

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	73	306	593	1,121	1,048
HR Plate Mill Plates	56	59	22	66	10
CR Coils and Sheets	76	92	113	112	36
Metallic Coated Steel	116	94	130	134	18
Colour Coated Steel	7	7	7	9	2
<b>Total</b>	<b>328</b>	<b>558</b>	<b>865</b>	<b>1,442</b>	<b>1,114</b>

243. Imports from Korea RP also increased significantly as shown though there was a marginal decline in the imports of CR Coils and sheets.

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	866	1052	1295	1353	487
HR Plate Mill Plates	116	104	234	340	224
CR Coils and Sheets	366	441	344	345	-21
Metallic Coated Steel	198	284	385	432	234
Colour Coated Steel	49	59	71	70	21
<b>Total</b>	<b>1,595</b>	<b>1,940</b>	<b>2,329</b>	<b>2,539</b>	<b>945</b>

244. The Authority is of the view that there exists sufficient temporal connection between unforeseen developments and the surge in imports.
245. The Authority also notes that on 10 February 2025, the USA has announced that it would apply 25% additional duty on steel products with effect from 12 March 2025 uniformly on all imports into the USA from all sources by revoking relaxations and exemptions granted, if any, to various countries. The domestic industry has claimed that consequent to the withdrawal of relaxations and exemptions, more imports are expected to bounce off from those countries and India has become more vulnerable to increased imports. However, it may be difficult to visualize the impact of this development at this stage.

#### **H. EFFECT OF OBLIGATIONS UNDER GATT**

246. In terms of Article XIX:1 (a) of GATT 1947 the increase in imports shall be ‘of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions’. Some guidance may be taken from the Panel or Appellate Body reports on interpreting this text. Firstly, the Appellate Body in Korea-Dairy opined: “it must be demonstrated, as a matter of fact, that the importing Member has incurred obligations under the GATT 1994, including tariff concessions”.<sup>15</sup> Secondly, in the report of the Panel in India – Certain Measures On Imports Of Iron And Steel Products<sup>16</sup>, it has been observed as follows:

*“7.87. A WTO Member imposing a safeguard measure must demonstrate the existence of unforeseen developments and the effect of GATT 1994 obligations through reasoned and adequate explanations contained in its published report. These explanations must*

<sup>15</sup> Appellate Body Report, *Korea – Dairy*, para. 84; Appellate Body Report, *Argentina – Footwear (EC)*, para. 91.

<sup>16</sup> Panel Report, *India – Certain Measures On Imports Of Iron And Steel Products*, para 7.87, 7.89.



*show that the identified unforeseen developments have resulted in increased imports causing or threatening to cause serious injury to the relevant domestic industry, and that one or more obligations under the GATT 1994 limit the importing Member's ability to prevent or offset the effect resulting from such increased imports.*

*7.89. With respect to the effect of a GATT 1994 obligation, the competent authority's published report must demonstrate that a WTO Member imposing a safeguard measure is subject to an obligation (or obligations) under the GATT 1994 and explain how that obligation constrains its ability to react to the import surge causing injury to its domestic industry.”*

247. As a matter of fact, India has granted tariff concessions pursuant to Article II of GATT 1947. In its schedule of concessions, India has bound the customs duty at 40% for the product under investigation. In so far as the question relating to how the obligations constrain India's ability to react to the import surge causing injury to its domestic industry, the following are relevant:
- i. India is a developing country with legitimate development policy objectives. With these objectives, India's National Steel Policy announced in 2017 aspires to achieve 300 MT of steelmaking capacity by 2030. This would translate into additional investment of Rs. 10 lakh Crore by 2030- 31. The policy seeks to increase consumption of steel and major segments are infrastructure, automobiles and housing. New Steel Policy seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 60 Kg.
  - ii. The above stated legitimate developmental policy objectives cannot be achieved if increased imports cause serious injury to the domestic steel industry. Several obligations undertaken by India under GATT 1947 and other WTO Agreements have constrained India's ability to react to import surge. The following Articles under GATT 1947 may be cited as examples:
    - i Article I casts an obligation to grant most favoured nation treatment to every WTO Member restricting India's ability to apply differential rates of customs duty on the imports from a WTO Member if import volume from that country has significantly increased causing serious injury.
    - ii Article XI casts an obligation prohibiting the use of quotas, import or export licenses, or other measures that restrict the quantity of imports or exports and ensures that trade flows remain as unrestricted as possible.
    - iii Article XVI and the SCM Agreement cast obligations to not maintain subsidies that are inconsistent with the principles enumerated therein.
248. The Authority notes the following with reference to these obligations. First, the obligations mentioned above have increased the access to India's steel market for the exporters from other WTO Members. Second, in situations where unforeseen circumstances or a confluence of such factors lead to a surge in imports into the domestic market, these obligations severally as well as collectively limit India's ability to take specific and targeted measures against other members of the WTO responsible for the increased imports.
249. Safeguard measures are intended to address such situations. Safeguard measures are fair-trade measures, unlike Anti-Dumping or Countervailing Measures. They are taken

only for the purpose of supporting the domestic industry in times of increased, unfavourable and unforeseen imports that cause or threaten to cause permanent damage to the domestic industry from which it becomes highly difficult or even impossible to recover.

250. In these instances, obligations within the WTO framework are suspended to protect domestic industries which could prove to be highly competitive and efficient in the future with the help of some interim interventions, and ultimately benefit global trade by preserving industries that can compete at the global level.
251. While it is noted that the applied tariff on the product under consideration is significantly less than the bound rate, the Authority holds that safeguard measure provides an appropriate tool as an interim mechanism with concomitant discipline to address the situation under investigation which a general purpose duty enhancement might not be able to achieve as effectively.
252. In view of the above, the Authority holds that as a result of unforeseen developments and of the effects of obligations incurred under GATT 1947, including tariff concessions, the product under consideration is being imported into India in increased quantities

#### **I. SERIOUS INJURY AND/OR THREAT OF SERIOUS INJURY**

253. Paragraph 1 of Annexure to the Safeguard Rules states that in the investigation to determine whether increased imports have caused or are threatening to cause serious injury to a domestic industry, the Director General shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, in particular, the rate and amount of the increase in imports of the article concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in the level of sales, production, productivity, capacity utilization, profits and losses, and employment. Accordingly, the injury parameters specified in the rules are examined hereinbelow.

##### **i Rate and amount of increase in imports in absolute and relative terms:**

254. As already stated, (a) there was a significant increase in the volume of imports in absolute and relative terms, (b) volume of imports increased at a significantly high rate in absolute and percentage terms, and (c) the increase in import volume was recent, sudden, sharp and significant.

##### **ii Share of Domestic market taken by increased imports**

255. As already stated, changes in the market share of imports are tabulated below:

<b>Product</b>	<b>UOM</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>POI</b>
HR Steel Flat Products	%	***	***	***	***
	Trend	100	134	194	244
CR Coils and Sheets	%	***	***	***	***

	Trend	100	143	120	110
Metallic Coated Steel	%	***	***	***	***
	Trend	100	121	152	144
Colour Coated Steel	%	***	***	***	***
	Trend	100	118	204	225
<b>For the PUC as a whole</b>	%	***	***	***	***
	<b>Trend</b>	<b>100</b>	<b>134</b>	<b>180</b>	<b>208</b>

256. The imports took away \*\*\*% of the share of domestic industry for the PUC as a whole during the injury analysis period as shown in the table above. Market share of imports increased by \*\*\*% for HR Steel flat products, by \*\*\*% for CR coils and sheets, \*\*\*% for Metallic Coated Steel and \*\*\*% for colour coated steel during the same period.

### iii Changes in level of sales

257. The sales volumes of the domestic industry for the product as a whole increased by \*\*\*% during injury analysis period. It increased by \*\*\*% during 2022-23, a further \*\*\*% during 2023-24 and \*\*\*% during the POI as may be seen from the table below.

'000s of MT

Particulars	2021-22	2022-23	2023-24	POI
HR Coils and Sheets	***	***	***	***
HR Plate Mill Plates	***	***	***	***
CR Coils and Sheets	***	***	***	***
Metallic Coated Steel	***	***	***	***
Colour Coated Steel	***	***	***	***
<b>PUC as whole</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
Trend				
HR Coils and Sheets	100	127	142	140
HR Plate Mill Plates	100	106	107	105
CR Coils and Sheets	100	116	126	127
Metallic Coated Steel	100	130	141	156
Colour Coated Steel	100	117	118	117
PUC as whole	100	122	132	133

258. In so far as the five categories are concerned, sales of HR Coils and sheets increased by \*\*\*%, HR Plate Mill Plates by \*\*\*%, CR coils and sheets by \*\*\*%, Metallic Coated by \*\*\*% and colour coated by \*\*\*% during the POI compared to the base year. However, there was a decline of \*\*\*% in HR Coils and Sheets, \*\*\*% in HR Plate Mill Plates, \*\*\*% in Colour Coated Steel during the POI compared to 2023-24 .

### iv Changes in capacity, production and capacity utilisation

259. PUC as a whole: The capacity of the domestic industry for the PUC as a whole increased from \*\*\* MMT during FY 2021-22 to \*\*\* MMT during the POI, recording an increase

of \*\*\*MMT. During the same period, production increased by \*\*\* MMT, and capacity utilization came down by \*\*\*%. While production increased during the two financial years preceding the POI, production declined during the POI. The production was \*\*\*MMT during 2023-24, and it declined to \*\*\*MMT during the POI. The unutilized capacity, which was \*\*\*MMT during FY 2021-22 increased to \*\*\*MMT during the POI. The unutilized capacity as at the end of the POI for the product as a whole is more than sufficient to cover the entire import volume of \*\*\*MMT during the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	114	118	117
Production (PUC+NPUC)	'000 MT	***	***	***	***
	Trend	100	107	116	115
Capacity Utilisation	%	***	***	***	***
	Trend	100	94	98	98
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	152	130	127

260. HR Coils and sheets: The capacity increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI, recording an increase of \*\*\*MMT during the period. Production increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI. While production increased during the two financial years preceding the POI over the corresponding previous years, production declined during the POI. The capacity utilization increased by \*\*\*% and the unutilized capacity declined by \*\*\*MMT during the period. However, the unutilized capacity of \*\*\*MMT is sufficient to meet more than \*\*\*% of imports of HR coils and sheets. It is also noted that actual production included both PUC and non-PUC as the plants would produce both PUC and non-PUC. However, non-PUC accounted for less than \*\*\*% of the total production and was insignificant.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	115	117	113
Production (PUC+NPUC)	'000 MT	***	***	***	***
	Trend	100	110	119	117
Capacity Utilisation	%	***	***	***	***
	Trend	100	96	102	103
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	149	102	89

261. HR Plate Mill Plates: There was no increase in the capacity of the domestic industry for producing HR Plate Mill Plates during the injury analysis period. Production increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during POI. Production increased every year compared to the corresponding previous year during the injury analysis period. The capacity utilization increased by \*\*\*% during the injury analysis period. The unutilized capacity of \*\*\*MMT was significantly higher than the import of \*\*\*MMT during the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	100	100	100
Production	'000 MT	***	***	***	***
	Trend	100	103	106	103
Capacity Utilisation	%	***	***	***	***
	Trend	100	103	106	103
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	85	75	88

262. CR Coils and Sheets: Capacity increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI, recording an increase of \*\*\*MMT. As against such an increase in capacity, production increased by \*\*\*MMT only during the said period. Production increased every year compared to the corresponding previous year during the injury analysis period. The unutilized capacity was \*\*\*MMT against total import of \*\*\*MMT during the POI. The unutilized capacity was more than \*\*\* times the import volume, indicating significant underutilization of capacity.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	119	127	127
Production	'000 MT	***	***	***	***
	Trend	100	104	111	114
Capacity Utilisation	%	***	***	***	***
	Trend	100	87	88	90
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	183	190	179

263. Metallic Coated Steel: Capacity increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI. During the same period, while actual production increased from \*\*\*MMT to \*\*\*MMT, capacity utilization declined by \*\*\*%. Production increased every year compared to the corresponding previous year during the injury analysis period. The unutilized capacity of \*\*\*MMT was more than twice the volume of imports during the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	116	120	126
Production	'000 MT	***	***	***	***
	Trend	100	105	116	119
Capacity Utilisation	%	***	***	***	***
	Trend	100	91	96	95
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	166	142	157

264. Colour Coated Steel: Capacity increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI. During the same period, production increased from \*\*\*MMT to



\*\*\*MMT, and the capacity utilization declined steeply from \*\*\*% to \*\*\*%. Production increased every year compared to the corresponding previous year during the injury analysis period. The unutilized capacity of \*\*\* MMT was \*\*\* times that of imports during the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	120	132	135
Production	'000 MT	***	***	***	***
	Trend	100	109	117	113
Capacity Utilisation	%	***	***	***	***
	Trend	100	90	89	84
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	172	198	231

v **Gross Production, captive consumption and production net of captive consumption**

265. The gross production of the domestic industry increased during the injury analysis period as shown in the table below:

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
HR coils, sheets and plates	'000 MT	***	***	***	***
	Trend	100	110	119	117
HR Plate Mill Plates	'000 MT	***	***	***	***
	Trend	100	103	106	103
CR coils and sheets	'000 MT	***	***	***	***
	Trend	100	104	111	114
Metallic Coated Steel	'000 MT	***	***	***	***
	Trend	100	105	116	119
Colour Coated Steel	'000 MT	***	***	***	***
	Trend	100	109	117	113
<b>Total</b>	<b>'000 MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Trend</b>	<b>100</b>	<b>107</b>	<b>116</b>	<b>115</b>

266. The captive consumption by the domestic industry was as follows:

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
HR coils, sheets and plates	'000 MT	***	***	***	***
	Trend	100	104	105	106
HR Plate Mill Plates	'000 MT	***	***	***	***
	Trend	100	128	118	89
CR coils and sheets	'000 MT	***	***	***	***
	Trend	100	106	112	116
Metallic Coated Steel	'000 MT	***	***	***	***

	Trend	100	104	109	106
Colour Coated Steel	'000 MT	***	***	***	***
	Trend	100	120	65	41
<b>Total</b>	<b>'000 MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Trend</b>	<b>100</b>	<b>105</b>	<b>108</b>	<b>109</b>

267. Production net of captive consumption is as follows:

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
HR coils, sheets and plates	'000 MT	***	***	***	***
	Trend	100	112	126	122
HR Plate Mill Plates	'000 MT	***	***	***	***
	Trend	100	103	105	103
CR coils and sheets	'000 MT	***	***	***	***
	Trend	100	100	110	111
Metallic Coated Steel	'000 MT	***	***	***	***
	Trend	100	106	120	127
Colour Coated Steel	'000 MT	***	***	***	***
	Trend	100	108	118	114
<b>Total</b>	<b>'000 MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Trend</b>	<b>100</b>	<b>108</b>	<b>119</b>	<b>118</b>

268. For the PUC as a whole and for the five product categories individually, gross production increased during the injury analysis period, but the unutilized capacity also increased significantly, indicating the vulnerability of the domestic industry to increasing import volumes. The production net of captive consumption increased during 2022-23 and 2023-24 but declined by \*\*\* MMT during the POI.

#### vi Productivity

269. For the PUC as a whole: Due to a decline in the production volume of HR Coils and sheets during the POI as compared to FY 2023-24, productivity per day recorded a decline during the same period, though productivity per day per employee remained constant. Productivity per employee increased during the injury analysis period indicating that productivity was not a cause of injury to the domestic industry.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	107	116	115
Productivity per employee	MT	***	***	***	***
	Trend	100	97	107	108
Productivity per day per employee	MT	***	***	***	***
	Trend	100	100	100	100

270. HR Coils and sheets: Similar to the PUC as a whole, production of HR Coils and sheets declined during the POI as compared to 2022-23 and consequently led to a decline in

volume of production per day and production per employee during the POI. However, the productivity per day per employee did not suffer. It increased during 2023-24 and remained at the increased level during the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	110	119	117
Productivity per employee	MT	***	***	***	***
	Trend	100	101	113	112
Productivity per day per employee	MT	***	***	***	***
	Trend	100	100	113	113

271. HR Plate Mill Plates: Productivity per day increased during 2022-23 and 2023-24 compared to the corresponding previous years. However, as the production during POI declined compared to 2023-24, productivity per day also declined during POI. Productivity per employee marginally declined in 2022-23 but increased significantly during 2023-24, and during the POI. Productivity per day per employee remained constant throughout the injury analysis period.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	103	106	103
Productivity per employee	MT	***	***	***	***
	Trend	100	99	113	116
Productivity per day per employee	MT	***	***	***	***
	Trend	100	100	100	100

272. CR Coils and sheets: Productivity per day increased every year and the POI during the injury analysis period. Productivity per employee declined in 2022-23 compared to 2021-22 but increased thereafter. Productivity per day per employee was \*\*\*MT during 2021-22 but remained at \*\*\*MT thereafter.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	104	111	114
Productivity per employee	MT	***	***	***	***
	Trend	100	82	86	87
Productivity per day per employee	MT	***	***	***	***
	Trend	100	87	87	87

273. Metallic Coated Steel Productivity per day increased every year during the entire injury analysis period. Productivity per employee declined during 2022-23 compared to 2021-22, but increased thereafter. Productivity per day per employee remained at \*\*\*MT during the injury analysis period except during 2022-23 when it was \*\*\*MT.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	105	116	119
Productivity per employee	MT	***	***	***	***
	Trend	100	90	95	100
Productivity per day per employee	MT	***	***	***	***
	Trend	100	90	100	100

274. Colour Coated Steel: Productivity per day increased during 2022-23 and 2023-24 compared to the corresponding previous years. However, it declined during the POI due to the decline in the volume of production. While productivity per employee increased through the injury period, productivity per day per employee remained at \*\*\*MT during the first two years and at \*\*\*MT during 2023-24 and the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	108	117	113
Productivity per employee	MT	***	***	***	***
	Trend	100	108	124	125
Productivity per day per employee	MT	***	***	***	***
	Trend	100	108	124	125

275. The Authority considers that changes in productivity per day is reflective of the changes in the volume of production. As the volume of production declined during the POI as compared to the FY 2023-24, productivity per day also declined. There is no significant change in the productivity per employee or productivity per day per employee. Thus, the Authority holds that decline in productivity did not cause any serious injury to the domestic industry.

#### vii Changes in inventory levels

276. PUC as a whole: Average inventory of the PUC as a whole almost doubled as it increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI. The trend was similar in terms of number of days of production as well as sales.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	133	180	203
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	125	163	188
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	123	146	169

277. HR Coils and sheets: Average inventory of HR Coils and sheets increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI. During the same period,

average inventory as number of days production increased from \*\*\*days to \*\*\*days, and as number of days of sales, it increased from \*\*\*days to \*\*\*days.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	134	182	195
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	122	152	167
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	120	145	162

278. HR Plate Mill Plates: Average inventory increased to \*\*\*times during the POI compared to 2021-22. In terms of no. of days of production, it increased by \*\*\* days, and in terms of no. of days of sales, it increased by \*\*\* days.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	122	198	262
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	118	188	255
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	121	196	268

279. CR Coils and sheets: Average inventory of CR Coils and sheets increased from \*\*\*MMT during 2021-22 to \*\*\*MMT during the POI. During the same period, both in terms of no. of days of production and sales, it recorded a significant increase.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	135	160	158
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	130	144	139
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	135	143	142

280. Metallic Coated Steel: Average inventory increased from \*\*\*MMT during 2021-22 to \*\*\* MMT during the POI. In terms of no. of days of production, it increased by \*\*\*days and in terms of no. of days of sales, it increased by \*\*\* days.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	135	174	204
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	128	150	171



Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	130	145	161

281. Colour Coated Steel: Average inventory increased from \*\*\* MMT during 2021-22 to \*\*\* MMT during the POI. In terms of no. of days of production, it increased from \*\*\* days to \*\*\*days, and in terms of no. of days of sales, it increased from \*\*\*days to \*\*\*days during the injury analysis period.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	141	192	238
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	130	164	210
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	136	164	213

282. Average inventory of the PUC as a whole and each of the five categories thereof have increased significantly during the injury analysis period.

#### viii Changes in Profits and losses

283. For PUC as a whole: The Profit Before Tax (“PBT”) declined from Rs. \*\*\* crores during 2021-22 to Rs. \*\*\* crores during 2022-23, recording a year-on-year decline of \*\*%. It increased during 2023-24 but declined again during the POI. PBT during the POI was only \*\*% of the PBT achieved during the base year 2021-22. PBIT and cash profit also follow a similar trend. PBT per MT, PBIT per MT and cash profit per MT declined by \*\*%, \*\*% and \*\*% respectively during the POI compared to the base year 2021-22.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	7	35	24
PBIT	Trend Actual	100	25	50	41
Cash Profit	Trend Actual	100	20	47	38

Particulars	Units	2021-22	2022-23	2023-24	POI
Profit Before Tax	Trend PMT	100	6	27	18
PBIT	Trend PMT	100	21	38	31
Cash Profit	Trend PMT	100	16	35	29

284. HR Coils and sheets: PBT on HR coils and sheets declined from Rs. \*\*\*crores during 2021-22 to Rs. \*\*\* crores during the POI, recording a decline of \*\*\*%. PBT declined during 2022-23 by \*\*\*% compared to 2021-22. It increased during 2023-24, but declined again during the POI. The trend in cash profits was also similar. PBT per MT reduced from Rs. \*\*\* during 2021-22 to Rs. \*\*\* during the POI, a decline of \*\*\*%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	11	38	22
PBIT	Trend Actual	100	29	54	42
Cash Profit	Trend Actual	100	25	50	37
Profit Before Tax	Trend PMT	100	9	26	16
PBIT	Trend PMT	100	23	38	30
Cash Profit	Trend PMT	100	20	35	27

285. HR Plate Mill Plates: PBT declined from Rs. \*\*\* crores during 2021-22 to Rs. \*\*\* during the POI, a decline of \*\*\*%. During the same period, PBIT declined by \*\*\*% and cash profits by \*\*\*%. PBT per MT, PBIT per MT and cash profit per MT also showed a similar trend. PBIT per MT declined from Rs. \*\*\* PMT during 2021-22 to Rs. \*\*\* PMT during the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***

Particulars	Units	2021-22	2022-23	2023-24	POI
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	25	53	53
PBIT	Trend Actual	100	37	61	59
Cash Profit	Trend Actual	100	37	62	63
Profit Before Tax	Trend PMT	100	24	50	51
PBIT	Trend PMT	100	35	57	56
Cash Profit	Trend PMT	100	35	58	60

286. CR Coils and sheets: PBT declined from Rs. \*\*\* crores during 2021-22 to Rs. \*\*\* crores during the POI recording a steep decline of \*\*\*%. During the same period, PBIT declined by \*\*\*% and cash profits by \*\*\*%. PBT per MT, PBIT per MT and cash profit per MT also showed a similar trend. PBIT per MT declined from Rs. \*\*\* PMT during 2021-22 to a paltry Rs. \*\*\*PMT during the POI, showing a decline of \*\*\*%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	0	15	9
PBIT	Trend Actual	100	17	30	26
Cash Profit	Trend Actual	100	12	28	22
Profit Before Tax	Trend PMT	100	0	12	7
PBIT	Trend PMT	100	14	24	20
Cash Profit	Trend PMT	100	11	22	17

287. Metallic Coated Steel: PBT was Rs. \*\*\* crores during 2021-22. It turned into a loss of Rs. \*\*\* crores during 2022-23. PBT improved to slightly above the breakeven level by reaching a profit of Rs. \*\*\* crores during 2023-24 but turned again into a loss of Rs. \*\*\* crores during the POI. On a per MT basis, PBT declined from a profit of Rs. \*\*\* PMT during 2021-22 to a loss of Rs. \*\*\* during the POI, showing a decline of \*\*\*%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	(***)	***	(***)
PBIT	Rs. In crores	***	(***)	***	***
Cash Profit	Rs. In crores	***	(***)	***	***
Profit Before Tax	Rs. PMT	***	(***)	***	(***)
PBIT	Rs. PMT	***	(***)	***	***
Cash Profit	Rs. PMT	***	(***)	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	(54)	3	(2)
PBIT	Trend Actual	100	(19)	24	22
Cash Profit	Trend Actual	100	(40)	14	11
Profit Before Tax	Trend PMT	100	(41)	2	(1)
PBIT	Trend PMT	100	(15)	17	14
Cash Profit	Trend PMT	100	(31)	10	7

288. Colour Coated Steel: PBT declined from Rs.\*\*\* crores during 2021-22 to Rs. \*\*\* crores during the POI recording a steep decline of \*\*%. During the same period, PBIT declined by \*\*% and cash profits by \*\*%. PBT per MT, PBIT per MT and cash profit per MT also showed a similar trend. PBIT per MT declined from Rs. \*\*\* PMT during 2021-22 to Rs. \*\*\* PMT during the POI, showing a decline of \*\*%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	8	49	34
PBIT	Trend Actual	100	32	61	47
Cash Profit	Trend Actual	100	15	54	43
Profit Before Tax	Trend PMT	100	7	41	29
PBIT	Trend PMT	100	27	52	40
Cash Profit	Trend PMT	100	13	46	37

289. The profitability of the domestic industry declined during 2022-23 compared to 2021-22. It increased marginally during 2023-24 but declined again during the POI.

Compared to the base year, profitability during the POI stands eroded significantly. This shows that the financial position of the domestic industry is highly fragile and vulnerable.

#### ix Changes in employment

290. From a level of \*\*\*employees during 2021-22, the number of employees increased to \*\*\*during 2022-23. The industry suffered significant losses during 2022-23. As one of the measures to reduce costs, the number of employees was reduced to \*\*\*in 2023-24 and further to \*\*\*during the POI. However, the number of employees during the POI was \*\*\*% higher compared to 2021-22.

Particulars	2021-22	2022-23	2023-24	POI
<b>Actual</b>				
HR Coils and Sheets	***	***	***	***
HR Plate Mill Plates	***	***	***	***
CR Coils and Sheets	***	***	***	***
Metallic Coated Steel	***	***	***	***
Colour Coated Steel	***	***	***	***
<b>PUC as whole</b>	***	***	***	***
<b>Trend</b>				
HR Coils and Sheets	100	109	106	105
HR Plate Mill Plates	100	104	93	89
CR Coils and Sheets	100	127	129	131
Metallic Coated Steel	100	117	121	119
Colour Coated Steel	100	100	95	91
<b>PUC as whole</b>	100	111	108	106

#### x Conclusions on serious injury

291. The factual position examined above regarding injury parameters relating to may be summarized as follows:
- Imports have increased significantly in absolute terms, in relation to domestic production, and in relation to demand for the PUC in India.
  - The imports have increased as a result of unforeseen circumstances and as the effect of obligations incurred under GATT 1947.
  - The increase in imports was recent, sudden, sharp and significant.
  - Market share of imports have increased from \*\*\*% during 2021-22 to \*\*\*% during the POI. During the same period, market share of the domestic industry declined by \*\*\*%.
  - Sales volumes of the domestic industry for the PUC increased by \*\*\*% during injury analysis period. While it increased by \*\*\*% during 2022-23, a further \*\*\*% during 2023-24, and \*\*\*% during the POI, which is the most recent period.

- vi. Capacity and actual production increased significantly during the injury analysis period. However, volume of production declined by \*\*\* MMT \*\*\*% during POI as compared to 2023-24.
- vii. Unutilized capacity of the domestic industry increased to \*\*\* MMT during the POI, which accounted for \*\*\*% of the capacity.
- viii. Productivity per day and productivity per employee increased during the injury analysis period. Productivity per day per employee remained unaffected.
- ix. Average inventory levels increased significantly both in absolute terms, and in terms of number of days of production or sales.
- x. Profitability of the domestic industry declined significantly. PBT in absolute terms declined by \*\*\*% during POI compared to the base year 2021-22. PBT per MT declined by \*\*\*% during the same period. Consequential decline in PBIT and Cash Profits was also observed.
- xi. The profitability of the domestic industry declined during 2022-23 compared to 2021-22. It increased marginally during 2023-24 but declined again during the POI. Compared to the base year, profitability during the POI stands eroded significantly. This shows that the financial position of the domestic industry is highly fragile and vulnerable.
- xii. No. of employees increased by \*\*\*% during 2022-23 over 2021-22 and reached \*\*\*. As the domestic industry suffered significant losses during 2022-23, as one of the measures to reduce costs, the number of employees was reduced to \*\*\* in 2023-24 and further to \*\*\* during the POI. However, the number of employees during the POI was \*\*\*% higher compared to the base year 2021-22.

**J. CAUSAL LINK BETWEEN INCREASED IMPORT AND SERIOUS INJURY OR THREAT OF SERIOUS INJURY:**

292. The WTO Panel on *Korea-Dairy*<sup>15</sup> set forth the basic approach for determining “causation”, as follows:

*“In performing its causal link assessment, it is our view that the national authority needs to analyse and determine whether developments in the industry, considered by the national authority to demonstrate serious injury, have been caused by the increased imports. In its causation assessment, the national authority is obliged to evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry. In addition, if the national authority has identified factors other than increased imports which have caused injury to the Domestic Industry, it shall ensure that any injury caused by such factors is not considered to have been caused by the increased imports. To establish a causal link, Korea has to demonstrate that the injury to its Domestic Industry results from increased imports. In other words, Korea has to demonstrate that the imports of SMPP cause injury to the Domestic Industry producing milk powder and raw milk. In addition, having analyzed the situation of the Domestic Industry, the Korean authority has the obligation not to attribute to the increased imports any injury caused by other factors.”*



293. While the import volume increased, import prices declined during the injury analysis period. A significant volume of imports undercut the prices of the domestic industry as noted below.
294. HR Coils and Sheets: During the POI, the weighted average price of all imports of HR coils and sheets was Rs. \*\*\*PMT. Compared to the domestic selling price of Rs. \*\*\*PMT, price undercutting on an overall basis was \*\*\*%.
295. The weighted average import prices of imports declined from Rs. \*\*\*PMT during 2021-22 to Rs. \*\*\*PMT during the POI. The domestic selling prices declined from Rs. \*\*\*PMT to Rs. \*\*\*PMT during the same period. The volume of imports that undercut the prices of the domestic industry was just \*\*\*% during 2021-22. It increased to \*\*\*%, \*\*\*% and \*\*\*% during the subsequent periods. During the POI, of the total imports of \*\*\*MMT, over \*\*\*% of the imports \*\*\* MMT undercut the prices of the domestic industry. The undercutting percentage was \*\*\*% during the POI.

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	000' MT	995	1,926	3,081	3,973
Undercutting imports volume	000' MT	***	***	***	***
	Trend	100	285	595	809
Undercutting volume %	%	***	***	***	***
	Trend	100	149	192	203
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	253	548	721
Import Price of Undercutting volume	INR/M T	***	***	***	***
	Trend	100	89	92	89
Domestic Selling Price	INR/M T	***	***	***	***
	Trend	100	92	87	84
Price Undercutting	INR/M T	***	***	***	***
	Trend	100	110	54	48
Price Undercutting %	%	***	***	***	***
	Trend	100	120	60	53

296. HR Plate Mill Plates: On all imports taken together, there was no price undercutting. However, of the total imports volume of \*\*\*MMT during the POI, more than \*\*\*% i.e. \*\*\*MMT of HR Plate Mill Plates undercut the prices of the domestic industry by \*\*\*% as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	'000 MT	302	312	619	892
Undercutting imports volume	'000 MT	***	***	***	***
	Trend	100	62	671	682
Undercutting volume %	%	***	***	***	***
	Trend	100	60	327	227
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	59	663	669
Import Price of Undercutting volume	INR/M T	***	***	***	***
	Trend	100	94	99	99
Domestic Selling Price	INR/M T	***	***	***	***
	Trend	100	101	98	94
Price Undercutting	INR/M T	***	***	***	***
	Trend	100	161	89	52
Price Undercutting %	%	***	***	***	***
	Trend	100	175	92	50

297. CR Coils and sheets: On all imports taken together, there was no price undercutting. Of the total imports of \*\*\* MMT during POI, \*\*\* MMT (accounting for \*\*\* % undercut the prices of the domestic industry by \*\*\*% as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	'000 MT	473	578	515	541
Undercutting imports volume	'000 MT	***	***	***	***
	Trend	100	39	62	77
Undercutting volume %	%	***	***	***	***
	Trend	100	32	56	66
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	36	54	66
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	92	86	86
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	93	86	84
Price Undercutting	INR/MT	***	***	***	***

	Trend	100	101	82	75
Price Undercutting %	%	***	***	***	***
	Trend	100	106	94	88

298. Metallic Coated Steel: On all imports taken together, there was no price undercutting. Of the total imports of \*\*\*MMT during POI, \*\*\* MMT (accounting for \*\*\*% undercut the prices of the domestic industry by \*\*\*% as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	'000 MT	381	518	762	803
Undercutting imports volume	'000 MT	***	***	***	***
	Trend	100	69	170	143
Undercutting volume %	%	***	***	***	***
	Trend	100	50	84	67
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	62	154	126
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	89	91	88
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	89	86	82
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	89	62	55
Price Undercutting %	%	***	***	***	***
	Trend	100	100	68	64

299. Colour Coated Steel: On all imports taken together, there was no price undercutting. Of the total imports of 0.404 MMT during POI, \*\*\*MMT (accounting for \*\*\*%) undercut the prices of the domestic industry by \*\*\*% as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	'000 MT	142	190	366	404
Undercutting imports volume	'000 MT	***	***	***	***
	Trend	100	157	400	439
Undercutting volume %	%	***	***	***	***
	Trend	100	116	155	153
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	151	368	390

Particulars	UOM	2021-22	2022-23	2023-24	POI
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	97	93	89
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	94	90	87
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	87	85	80
Price Undercutting %	%	***	***	***	***
	Trend	100	90	90	90

300. For the PUC as a whole, total volume of imports and the undercutting volume thereof are tabulated below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	MMT	2,293	3,524	5,344	6,612
Undercutting imports volume	MMT	***	***	***	***
	Trend	100	146	335	414
Undercutting volume %	%	***	***	***	***
	Trend	100	95	143	143

301. The import volumes undercutting the domestic selling prices accounted for \*\*\*% of total imports during 2021-22 and 2022-23. It increased significantly to \*\*\*% during 2023-24 and the POI. In response to the entry of a large volume of imports undercutting the domestic selling prices, the domestic industry had to reduce its prices significantly to remain in the market and to prevent further increase in imports at undercutting prices.

a. Price Depression:

302. The Domestic Selling Price (“DSP”) for HR Coils and sheets was depressed by \*\*\*% during the POI compared to 2021-22. During the same period, DSP of HR Plate Mill Plates was depressed by \*\*\*%, CR Coils and sheets by \*\*\*%, Metallic Coated Steel by \*\*\*% and Colour Coated steel by \*\*\*%. DSP was lower on a year-on-year basis for each of the five categories every year during the injury analysis period except one instance when the DSP of HR Plate Mills Plate increased by just \*\*\*% during 2022-23 over 2021-22. Thus, price depression was significant and was present throughout the injury analysis period.

(INR per MT)

Particulars	2021-22	2022-23	2023-24	POI
<b>Actual</b>				
HR Coils and Sheets	***	***	***	***
HR Plate Mill Plates	***	***	***	***
CR Coils and Sheets	***	***	***	***
Metallic Coated Steel	***	***	***	***

Particulars	2021-22	2022-23	2023-24	POI
Colour Coated Steel	***	***	***	***
<b>Trend</b>				
HR Coils and Sheets	100	92	87	84
HR Plate Mill Plates	100	101	98	94
CR Coils and Sheets	100	93	86	84
Metallic Coated Steel	100	89	86	82
Colour Coated Steel	100	94	90	87

b. Price Suppression:

303. HR Coils and sheets: For the injury analysis period, domestic selling prices declined by Rs. \*\*\* PMT and the cost of sales increased by Rs. \*\*\* PMT leading to a cumulative price suppression of Rs. \*\*\* PMT as shown in the table below.

Particulars	UOM	FY 2021-22	FY 2022-23	FY 2023-24	POI	Cumulative Change
Domestic Selling Price	INR/M T	***	***	***	***	
	Trend	100	92	87	84	
Increase/(Decrease) in Price	INR/M T		(***)	(***)	(***)	(***)
	Trend		100	55	41	
Cost of Sales	INR/M T	***	***	***	***	
	Trend	100	117	106	104	
Increase/(Decrease) in Cost of Sales	INR/M T		***	(***)	(***)	***
	Trend		100	-67	-7	
Price Suppression	INR/M T		***	(***)	***	***
	Trend		100	-19	12	

304. HR Plate Mill Plates: During the injury analysis period, domestic selling prices declined by Rs. \*\*\*PMT and the cost of sales increased by Rs. \*\*\*PMT leading to a cumulative price suppression of Rs. \*\*\*PMT as shown in the table below.

Particulars	UOM	FY 2021-22	FY 2022-23	FY 2023-24	POI	Cumulative Change
Domestic Selling Price	INR/M T	***	***	***	***	
	Trend	100	101	98	94	
Increase/(Decrease) in Price	INR/M T		***	(***)	(***)	(***)
	Trend		100	-213	-312	

Cost of Sales	INR/M T	***	***	***	***	
	Trend	100	120	110	104	
Increase/(Decrease) in Cost of Sales	INR/M T		***	(***)	(***)	***
	Trend		100	-51	-29	
Price Suppression	INR/M T		***	(***)	(***)	***
	Trend		100	-34	-1	

305. CR Coils and Sheets: During the injury analysis period, domestic selling prices declined by Rs. \*\*\*PMT and the cost of sales increased by Rs. \*\*\*PMT leading to a cumulative price suppression of Rs. \*\*\*PMT as shown in the table below.

Particulars	UOM	FY 2021-22	FY 2022-23	FY 2023-24	POI	Cumulative Change
Domestic Selling Price	INR/M T	***	***	***	***	(***)
	Trend	100	93	86	84	
Increase/(Decrease) in Price	INR/M T		(***)	(***)	(***)	
	Trend		100	111	24	
Cost of Sales	INR/M T	***	***	***	***	***
	Trend	100	118	105	104	
Increase/(Decrease) in Cost of Sales	INR/M T		***	(***)	(***)	***
	Trend		100	-72	-4	
***Price Suppression	INR/M T		***	(***)	***	***
	Trend		100	-12	5	

306. Metallic Coated Steel: During the injury analysis period, domestic selling prices declined by Rs. \*\*\*PMT and the cost of sales declined by Rs. \*\*\*PMT leading to a cumulative price suppression of Rs. \*\*\* PMT as shown in the table below.

Particulars	UOM	FY 2021-22	FY 2022- 23	FY 2023- 24	POI	Cumulat ive Change
Domestic Selling Price	INR/M T	***	***	***	***	(***)
	Trend	100	89	86	82	
Increase/(Decrease) in Price	INR/M T		(***)	(***)	(***)	
	Trend		100	31	32	
Cost of Sales	INR/M T	***	***	***	***	(***)
	Trend	100	111	100	96	



Particulars	UOM	FY 2021-22	FY 2022-23	FY 2023-24	POI	Cumulative Change
(***)Increase/(Decrease) in Cost of Sales	INR/M T		***	(***)	(***)	-2,889
	Trend		100	-104	-34	
Price Suppression	INR/M T		***	(***)	***	***
	Trend		100	-31	2	

307. Colour Coated Steel: During the injury analysis period, domestic selling prices declined by Rs. \*\*\*PMT and the cost of sales declined by Rs. \*\*\* PMT leading to a cumulative price suppression of Rs. \*\*\* PMT as shown in the table below.

Particulars	UOM	FY 2021-22	FY 2022-23	FY 2023-24	POI	Cumulative Change
Domestic Selling Price	INR/M T	***	***	***	***	(***)
	Trend	100	94	90	87	
Increase/(Decrease) in Price	INR/M T		(***)	(***)	(***)	
	Trend		100	58	63	
Cost of Sales	INR/M T	***	***	***	***	(***)
	Trend	100	105	97	94	
Increase/(Decrease) in Cost of Sales	INR/M T		***	(***)	(***)	(***)
	Trend		100	-158	-51	
Price Suppression	INR/M T		***	(***)	***	***
	Trend		100	-37	13	

308. As noted above, there is a significant price depression and price suppression caused by increased imports. The fact that significant volume of imports were undercutting the domestic selling prices establish the causal link between the increased imports and the price depression and price suppression. As a consequence, the profitability of the domestic industry has been severely affected, as noted above. If this trend continues, the domestic industry is likely to suffer significant losses in the near future.

309. The following factors are also relevant in regard to determining the cause and effect relationship of increased imports and the serious injury during the POI and the threat of serious injury in the future, to the DI:

- a) Imports have increased significantly in absolute terms, in relation to domestic production, and in relation to demand for the PUC in India.
- b) The increase in imports was recent, sudden, sharp and significant.
- c) Market share of imports have increased from \*\*\*% during 2021-22 to \*\*\*% during

- the POI. During the same period, market share of the domestic industry declined by \*\*\*%.
- d) Capacity and actual production increased significantly during the injury analysis period. However, volume of production declined by \*\*\* MMT \*\*\*% during POI.
  - e) Unutilized capacity of the domestic industry increased to \*\*\* MMT during the POI, which accounted for \*\*\*% of the capacity.
  - f) Average inventory levels increased significantly both in absolute terms, and in terms of number of days of production or sales.
  - g) Profitability of the domestic industry declined significantly. PBT in absolute terms declined by \*\*\*% during POI compared to the base year 2021-22. PBT per MT declined by \*\*\*% during the same period. Consequential decline in PBIT and Cash Profits was also observed.
  - h) The profitability of the domestic industry declined during 2022-23 compared to 2021-22. It increased marginally during 2023-24 but declined again during the POI. Compared to the base year, profitability during the POI stands eroded significantly. This shows that precarious financial position of the domestic industry.
  - i) No. of employees increased by \*\*\*% during 2022-23 over 2021-22 and reached \*\*\*. As the domestic industry suffered significant losses during 2022-23, as one of the measures to reduce costs, the number of employees was reduced to \*\*\* in 2023-24 and further to \*\*\* during the POI.
310. To sum up, a comprehensive evaluation of parameters enumerated above demonstrates that serious injury is being caused to the DI and is likely to continue in future by the significantly increased and continually increasing imports of the PUC. It is also relevant to note that while arriving at this conclusion, all relevant factors of an objective and quantifiable nature having a bearing on determining the causation of serious injury to the DI have been evaluated.

#### **K. NON-ATTRIBUTION ANALYSIS**

311. As per Annexure to the Rules, the Authority is required to determine whether increased imports were a cause of the serious injury or threat of serious injury to the domestic industry. Therefore, for the purpose of non-attribution assessment, all relevant factors of an objective and quantifiable nature having a bearing on the situation of the domestic industry were examined. In addition, it was examined whether factors other than increased imports were a cause of injury to the domestic industry. While there are no laid down "other factors" that are required to be evaluated, it was examined whether factors such as changes in technology, regulatory restrictions and contraction in demand, were principal cause of injury to the domestic industry.

#### **Change In Technology**

312. The Authority notes that there are no significant changes in technology. Therefore, the injury to the domestic industry is not attributable to Changes in Technology.

**Regulatory Restrictions**

313. The Authority notes that there are no regulatory restrictions. Therefore, the injury to the domestic industry is not attributable to regulatory restrictions.

**Contraction In Demand**

314. As seen above, the demand for the product under consideration as a whole is increasing. Therefore, the injury to the domestic industry is not attributable to contraction in demand.

**Pattern Of Consumption**

315. There have been no changes in the patterns of consumption. Therefore, injury to the domestic industry is not attributable to changes in the pattern of consumption.

**Conditions Of Competition And Trade Restrictive Practices**

316. The investigation has not shown that conditions of competition or trade restrictive practices have changed. Therefore, injury to the domestic industry is not attributable to conditions of competition and trade restrictive practices.

**Export performance of the domestic industry.**

317. The injury analysis is limited only to domestic performance and for the product under consideration. Therefore, injury to the domestic industry is not attributable to the export performance of the domestic industry.

**L. THREAT OF SERIOUS INJURY**

318. The Domestic Industry has claimed that in addition to suffering serious injury, the recent, sudden, sharp and significant increase in imports pose a threat to serious injury. Authority has examined the following aspects with reference to threat of injury:-

**Excess Capacity**

319. As examined above, as per the OECD report on 'latest developments in steelmaking capacity'<sup>17</sup>, global steelmaking capacity increased by 32.1 MMT to 2459.1 MMT in the year 2022, which is the highest global capacity figure in history. Additionally, there is a significant gap between global capacity and crude steel production. The idle capacity surged to 627.7 MMT in 2022 from 512.6 MMT in 2021. Additionally, the Authority has also examined and noted above that the steel making capacities in large steel producing economies such as Japan and South Korea have increased significantly in the recent period. The percentage of capacity that exceeds the consumption in the case of South Korea and Japan was 101% and 49% respectively in the year 2023. The global excess steelmaking capacity poses a threat of serious injury to the domestic industry.

**Trade Remedy Actions Globally**

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<sup>17</sup> OECD Report dated 18 January 2024

320. As examined above, subsequent to the imposition of 25% additional duty on steel products by the United States under Section 232 of the US Trade Expansion Act, 1962, several countries have imposed trade remedy measures on various steel products. Countries such as the GCC, the EU, Morocco, Canada and the UK had imposed safeguard measures on steel products. Additionally, several WTO Members imposed Antidumping or countervailing duties on imports of steel products into their territories. According to an OECD Report, 129 trade remedy measures were adopted by countries such as the EU, Canada, the UK and others against steel products. The Authority also notes that on 10 February 2025, the USA has announced that it would apply 25% additional duty on steel products with effect from 12 March 2025 uniformly on all imports into the USA from all sources by revoking relaxations and exemptions granted, if any, to various countries. The domestic industry has claimed that consequent to these measures, more imports are expected to bounce off from those countries and India has become more vulnerable to increased imports. The Authority notes that the wave of trade remedy and other protective measures taken against steel products by various countries pose a threat to serious injury to the domestic industry.

### **Export Orientation Of Key Producers**

321. As examined above, large steel producing economies such as Japan, South Korea and China have high steel producing capacities, that far exceed their domestic consumption. On account of the excess capacities, the possibility of steel producers in these economies turning to export markets cannot be ruled out, which may pose a threat to serious injury to the domestic industry.

### **Increase in import intensity and lowering of prices**

322. As highlighted in the data analysis done in previous paragraphs of these findings, there is an increase in intensity of the imports, both in terms of quantum as well as their price suppression and depression impact. These trends when extrapolated hold an imminent and near term serious threat of injury to the domestic industry.

### **M. CRITICAL CIRCUMSTANCES:**

323. The domestic industry has prayed for immediate imposition of provisional safeguard measures stating that critical circumstances exist due to a significant deterioration of their economic health as demonstrated by their injury parameters and increasing imports.
324. Rule 9 of the said Rules authorizes the Authority to proceed expeditiously with the conduct of the investigation and in critical circumstances, record a preliminary finding regarding “serious injury” or ‘threat of serious injury’. In terms of Rule 2(b) of the said Rules, the “critical circumstances mean circumstances in which there is clear evidence that imports have taken place in such increased quantities and under such circumstances as to cause or threaten to cause serious injury to the DI and delay in imposition of provisional Safeguard Duty would cause irreparable damage to the Domestic Industry.
325. As stated herein above, imports have taken place in such increased quantities and under such circumstances as to have already caused and further threatening to cause serious

injury to the Domestic Industry. The existence of critical circumstances are evaluated herein below.

326. The volume of imports of the PUC have risen significantly during the POI compared to the same period in the previous years. Furthermore, the volume of imports which undercut the prices of the domestic industry have also risen significantly owing to the significant increase in imports as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	MMT	2,293	3,524	5,344	6,612
Undercutting imports volume	MMT	***	***	***	***
	Trend	100	146	335	414
Undercutting volume %	%	***	***	***	***
	Trend	100	95	143	143

327. As a result of the increasing volume of imports of the PUC which undercut the Domestic Industry, it suffered from price depression as it had to lower prices to maintain sales.

Particulars	2021-22	2022-23	2023-24	POI
<b>Trend</b>				
HR Coils and Sheets	100	92	87	84
HR Plate Mill Plates	100	101	98	94
CR Coils and Sheets	100	93	86	84
Metallic Coated Steel	100	89	86	82
Colour Coated Steel	100	94	90	87

328. Notwithstanding the fact that the domestic industry lowered its prices, imports continued to gain market share throughout the injury period while that of the domestic industry declined.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	134	180	208
... Production	%	***	***	***	***
	Trend	100	142	196	247
Market Share of DI	%	***	***	***	***
	Trend	100	106	102	95

329. On account of increasing and unabated imports of the PUC, the net sales realization of the DI declined sharply. Consequently, the domestic industry's profitability has declined significantly due to the significant price pressure from increased imports which have gained considerable market share.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Trend</b>					
Profit Before Tax	Indexed	100	6	27	18
Profit Before Interest and Tax	Indexed	100	21	38	31
Cash Profit	Indexed	100	16	35	29

330. Therefore, it is clear that any delay in imposition of provisional Safeguard measures would cause further damage to the Domestic Industry which may be irreparable, both in relation to potential closure of capacities as well as decommissioning of future planned investments to increase capacity. Accordingly, it is observed that critical circumstances very much exist warranting the immediate imposition of Safeguard measures.

#### **N. PUBLIC INTEREST**

331. India is a developing country with development policy objectives to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand.
332. A vibrant Steel industry has historically been the foundation of a nation's rapid Industrial Development. On account of rapid industrial development, from a small capacity of 22 MT in FY 1991-92 prior to deregulation, India had become the 3rd largest steel producer in the world with a production of 90 MT and a capacity of 122 MT in FY 2015-16. By 2017, the Indian steel industry contributed approximately 2% to the country's GDP and employed about 5 lakh people directly and about 20 lakh people indirectly.
333. As such, India's National Steel Policy ("NSP") was announced in 2017 in an effort to steer the industry to achieve its full potential, enhance steel production with focus on high-end value-added steel while being globally competitive in major segments like infrastructure, automobiles and housing. The NSP aspires to achieve 300 MT of steelmaking capacity by 2030 which would translate into additional investment of Rs. 10 lakh Crore by 2030-31. The NSP seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from the level of around 60 Kg.
334. Particularly, the NSP notes that global prices of steel began to decline post 2011, marking the beginning of a downturn in the global steel industry triggered by a slowdown in global demand and over capacities in a number of countries including China. This led to significant structural asymmetry between demand and supply, affecting a large number of Indian companies and leading to surge in imports resulting in weak pricing conditions, low profitability, lower capacity utilization and even closure of capacities in some cases.
335. Therefore, India's NSP states that the industry has to be given appropriate policy support to ensure that production of steel matches the anticipated pace of growth in consumption.



336. In the light of the above, when imports increase significantly causing and threatening to cause serious injury to the domestic steel producers, it would in public interest to put in place trade remedy measures in accordance with the law, to protect the domestic producers from injurious imports. In fact, the above stated policy objectives cannot be achieved if increased imports cause serious injury to the domestic steel industry and appropriate steps are not taken to arrest the surge.
337. Section 8B has been enacted in the public interest for the protection of domestic producers, suffering serious injury due to a surge in imports. The law envisages giving protection to such producers, so that they can adjust their business to deal effectively with the imports. This is a temporary measure for a limited period. Unless provisional duties are imposed to safeguard the interests of the domestic industry, they would continue to face injury which may become difficult to recover from as determined above while examining critical circumstances. On the other hand, users would be able to continue importing the PUC subject to payment of provisional safeguard duty and it is also liable to be refunded if at the conclusion of the present investigation, it is finally determined that definitive safeguard duty is not warranted.
338. Considering the above, it is concluded that imposition of provisional safeguard duty would be in public interest at this stage.

#### **O. CONCLUSION AND RECOMMENDATION:**

339. In view of the findings above, the Authority preliminarily concludes that
- I.* There is a recent, sudden, sharp and significant increase in imports of PUC into India, causing and threaten to cause serious injury to the domestic industry/producers of PUC.
  - II.* There exist critical circumstances, where any delay in application for provisional Safeguard measures would cause damage which it would be difficult to repair.
  - III.* There is a necessity for immediate application of provisional Safeguard measures.

#### **P. PROVISIONAL DUTY RATE AND PERIOD:**

340. In view of the above conclusion, the Authority considered the appropriate measure to be imposed provisionally. In this regard, the Authority notes that the objective is to protect the Indian domestic industry for the product under consideration against the surge of imports. As stated earlier, trade diversion due to the protective measures imposed by the United States has been a major cause of the surge in imports. To counter the effect of trade diversion from USA into the EU countries, the EU imposed a 25% safeguard duty in 2018 itself. Though EU introduced a TRQ, the above quota imports are subjected to 25% safeguard duty. It may be noted that above the quota tariff level has not been liberalised by EU even after six years of imposition. Apart from EU, Canada, UK (after BREXIT) and Morocco also imposed duties of 25%. Mexico increased the customs tariff by 25% to 50%. Several other countries like South Africa,

Turkey, Viet Nam, GCC, Malaysia, Tunisia have also raised barriers for import of steel products into their countries. To counter the trade diversion from USA as well as any possible diversion from other countries that have put in place import barriers to counter trade diversion from USA into their countries, any protective measure by India shall be at a level adequate to ward off the trade diversion. In addition, the Authority has also considered the threat of serious injury, which has been explained in the appropriate paragraph of this preliminary finding. The authority has also considered the extent of injury being suffered by the applicant industry in the POI and its sharp deterioration. The Authority is also in receipt of concerns of the other interested parties which use the PUC. Given the widespread use of the PUC in multifarious applications, the Authority is mindful of the implications the duties may have on consumer interests. In view of the same, Authority considers that a provisional safeguard duty of 12% will be appropriate to eliminate the serious injury and threat thereof to the domestic industry.

341. Therefore, the Authority recommends imposition of provisional Safeguard Duty at the rate of 12% (twelve percent) ad valorem for 200 days pending final determination on imports of the product under consideration, i.e.:

*“Non-Alloy and Alloy Steel Flat Products”, (“PUC”), namely (a) Hot Rolled (“HR”) coils, sheets and plates, (b) HR Plate Mill Plates (“PMP”), (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium (“Coated”), and (e) Colour Coated coils and sheets, whether or not profiled (“CC”).*

*The following products are excluded from the scope of the PUC:*

- a) Cold Rolled Grain Oriented Electrical Steel (CRGO)*
- b) Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets*
- c) Coated - Electro Galvanized Steel*
- d) Tinplate*
- e) Stainless steel*
- f) Nickel Coated / Nickel Plated Cold Rolled Steel;*
- g) Rubber Coated Steel;*
- h) Electro Galvanised (EG) – Zinc Nickel Coated Steel;*
- i) Bi-Metal Steel / Bi-Metal Sandwich Steel;*
- j) Brass Coated Steel Wire (wire is part of long steel products, which are not even covered in the notice of initiation);*
- k) CRUTONITE;*
- l) INCONEL;*
- m) Stainless Steel Items (which are not even covered in the notice of initiation);*
- n) Aluminium Coated Steel;*

- o) *Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel;*
- p) *Hot Rolled Clad Steel Plate;*
- q) *Nickel Plated Steel / Nickel Plated Strip;*
- r) *Copper Plated Steel;*
- s) *Laminated Electro Galvanized (EGI);*
- t) *Cobalt Plated Steel;*
- u) *Silver Plated Steel;*
- v) *Titanium Clad Plates;*

342. The Authority notes that the PUC types are diverse and primary cause of injury to the domestic industry stems from the import lower priced products. Taking into account current injury, threat of injury and fair selling prices, the Authority recommends that the safeguard duty recommended above should not be imposed on the product categories as specified in the corresponding entry in column (2) of the Table below, when imported into India, at or above the import price on CIF basis as mentioned in the corresponding entry in column (3), in the currency as specified in the corresponding entry in column (5) and as per unit of measurement as specified in the corresponding entry in column (4) of the said Table, namely:

Sl. No. (1)	Product Category (2)	Import price on CIF basis (3)	Unit (4)	Currency (5)
1.	Hot Rolled coils, sheets and plates	675	MT	USD
2.	Hot Rolled Plate Mill Plates	695	MT	USD
3.	Cold Rolled Coils and Sheets	824	MT	USD
4.	Metallic Coated Steel Coils and Sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium	861	MT	USD
5.	Colour Coated coils and sheets, whether or not profiled	964	MT	USD

#### **Q. DEVELOPING NATIONS:**

343. The proviso to Section 8B(2) of the Customs Tariff Act, 1975 provides that Safeguard Duty shall not be “*applied on an article originating from a developing country so long*

*as the share of imports of that article from that country does not exceed three percent or where the article is originating from more than one developing country, then, so long as the aggregate of the imports from each of such developing countries with less than three percent import share taken together, does not exceed nine percent of the total imports of that article into India".* Further, Notification No.19/2016-Custom (NT), dated 5th February, 2016 specifies the developing countries for the purposes of this provision. The Authority notes that among the developing countries listed in Notification No. 19/2016, imports of the PUC from China PR and Viet Nam individually account for more than 3% of the total imports of the PUC into India, while imports from all other developing countries individually are less than 3% of the total imports into India. Further, the collective share of imports from the developing countries (excluding China PR and Viet Nam) does not exceed 9% of the total imports of the PUC into India. Therefore, the imports of the PUC originating from developing countries except China PR and Viet Nam, shall be exempt from the levy of Safeguard Duty in terms of proviso to Section 8B(1) of the Customs Tariff Act, 1975.

#### **R. FURTHER PROCESS:**

344. The procedure as mentioned below would be followed subsequent to notifying the preliminary findings:
- a. The Authority invites comments on the preliminary findings from all interested parties within 30 days from the publication of these findings, and the same, to the extent considered relevant by the Authority, would be considered in the final findings.
  - b. A oral hearing will be held in due course before making a final determination. The date of the oral hearing will be published on the DGTR website. ([www.dgtr.gov.in](http://www.dgtr.gov.in))
  - c. The Authority would conduct further verification of the information submitted by the interested parties as deemed necessary.

DARPAN JAIN, Director General