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Proposal for a

COUNCIL REGULATION

imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars originating in India

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

This proposal concerns the application of Council Regulation (EC) No 597/2009 of 11 June 2009 on protection against subsidised imports from countries not members of the European Community ('the basic Regulation') in the anti-subsidy proceeding concerning imports of certain stainless steel bars originating in India.

- **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation which was carried out in line with the substantive and procedural requirements laid out in the basic Regulation.

- **Existing provisions in the area of the proposal**

Commission Regulation (EU) No 1261/210 imposing a provisional countervailing duty on imports of certain stainless steel bars originating in India.

- **Consistency with other policies and objectives of the Union**

Not applicable.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Interested parties concerned by the proceeding have had the possibility to defend their interests during the investigation, in line with the provisions of the basic Regulation.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

This proposal is the result of the implementation of the basic Regulation.

The basic Regulation does not contain provisions for a general impact assessment but contains an exhaustive list of conditions that have to be assessed.

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

The attached proposal for a Council Regulation is based on the definitive findings on subsidisation, injury, causation and Union interest. It is therefore proposed that the

Council adopt the attached proposal for a Regulation which should be published no later than 29 April 2010.

- **Legal basis**

Council Regulation (EC) No 597/2009 of 11 June 2009 on protection against subsidised imports from countries not members of the European Community.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the European Union. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

The form of action is described in the above-mentioned basic Regulation and leaves no scope for national decision.

Indication of how financial and administrative burden falling upon the Union, national governments, regional and local authorities, economic operators and citizens is minimized and proportionate to the objective of the proposal is not applicable.

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason:

Other means would not be adequate because the basic Regulation does not provide for alternative options.

4. BUDGETARY IMPLICATION

The proposal has no implication for the Union budget.

Proposal for a

COUNCIL REGULATION

imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars originating in India

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 597/2009 of 11 June 2009 on protection against subsidised imports from countries not members of the European Community¹ ('the basic Regulation'), and in particular Article 15 thereof,

Having regard to the proposal submitted by the European Commission after having consulted the Advisory Committee,

Whereas:

1. PROCEDURE

1.1. Provisional measures

- (1) The Commission, by Regulation (EU) No 1261/2010² ('the provisional Regulation') imposed a provisional countervailing duty on imports of certain stainless steel bars originating in India.
- (2) The proceeding was initiated following a complaint lodged on 15 February 2010 by the European Federation of Iron and Steel Industries (Eurofer) ('the complainant') on behalf of producers representing a major proportion, in this case more than 25%, of total Union production of certain stainless steel bars.
- (3) As set out in recital 23 of the provisional regulation, the investigation of subsidisation and injury covered the period from 1 April 2009 to 31 March 2010 ('investigation period of IP'). The examination of the trends relevant for the assessment of injury covered the period from 2007 to the end of the investigation period (period considered).

1.2. Subsequent procedure

- (4) Subsequent to the disclosure of the essential facts and considerations on the basis of which it was decided to impose provisional countervailing measures (provisional

¹ OJ L 188, 18.7.2009, p. 93.

² OJ L 343, 29.12.2010, p. 57.

disclosure'), several interested parties made written submissions making their views known on the provisional findings. The parties who so requested were granted the opportunity to be heard. The Commission continued to seek information it deemed necessary for its definitive findings. The oral and written comments submitted by the interested parties were considered and taken into account, where appropriate.

- (5) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of a definitive countervailing duty on imports of certain stainless steel bars originating in India and the definitive collection of the amounts secured by way of the provisional duty. The parties were also granted a period within which they could make representations subsequent to this final disclosure.

1.3. Parties concerned by the proceeding

- (6) In the absence of any comments concerning the parties concerned by the proceeding, recitals (5) to (22) of the provisional Regulation are hereby confirmed.

2. PRODUCT CONCERNED AND THE LIKE PRODUCT

2.1. Product concerned

- (7) It is recalled that, as stated in recital (24) of the provisional Regulation, the product concerned was defined as stainless steel bars and rods, not further worked than cold-formed or cold-finished, other than bars and rods of circular cross-section of a diameter of 80 mm or more, originating in India ('the product concerned') currently falling within CN codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81 and 7222 20 89.
- (8) One exporting producer in India claimed that SSB of a circular cross section of a diameter of less than 80 mm but outside the tolerance range of H6 to H11 should be excluded from the investigation because it does not fall within the product scope.
- (9) This argument was rejected since the product scope does not refer to tolerances. The Product Control Number (PCN) in the questionnaire does contain a field for tolerances limited to range H6 to H11 but this is only for comparison purposes and has no binding consequences for the product under investigation. It is therefore concluded that products outside the tolerance range of H6 to H11 should not be excluded.
- (10) It should be noted that for the calculation of the provisional subsidy- and injury margins, the products outside the tolerance range of H6 to H11 were taken into account.

2.2. Like product

- (11) In the absence of any comments concerning the like product, recital (25) of the provision Regulation is hereby confirmed.

3. SUBSIDISATION

3.1. Introduction

- (12) In recital (26) of the provisional Regulation, reference was made to the following schemes, which allegedly involve the granting of subsidies:
- (a) Duty Entitlement Passbook Scheme;
 - (b) Advance Authorisation Scheme;
 - (c) Export Promotion Capital Goods Scheme;
 - (d) Export Oriented Units Scheme;
 - (e) Export Credit Scheme.
- (13) The Union industry questioned whether the Commission failed to take into account a number of subsidy schemes, and as a result believed that the subsidies found to be received by Indian producers were underestimated.
- (14) In reply to this, it should be noted that that the complaint contained a great number of national and local subsidy schemes, which were included in the questionnaire to exporting producers in India and investigated by the Commission. However, only for the schemes listed in recital (12) above, it was found that the investigated exporting producers in the sample had received subsidies.
- (15) The EU industry also argued that the Commission findings contradict a US DOC (Department of Commerce) finding in a recent countervailing proceedings concerning certain steel exports from India where much higher subsidies were found. However, it should be noted that this finding relates to a different product and cover a different investigation period. Consequently, this argument is rejected.
- (16) In the absence of any other comments, recitals (26) to (28) of the provisional Regulation are hereby confirmed.

3.2. Duty Entitlement Passbook Scheme ('DEPBS')

- (17) Several parties argued that the DEPBS should not be considered as a countervailable subsidy, since the purpose of the scheme is to offset customs duties on imports. As explained in recital (38) of the provisional Regulation this scheme cannot be considered a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation since it does not conform to the rules laid down in Annex I item (i), Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) of the basic Regulation. In particular, an exporter is under no obligation to actually consume the goods imported free of duty in the production process and the amount of credit is not calculated in relation to actual inputs used. Moreover, there is no system or procedure in place to confirm which inputs are consumed in the production process of the exported product or whether an excess payment of import duties occurred within the meaning of item (i) of Annex I, and Annexes II and III of the basic Regulation. Lastly, an exporter is eligible for the DEPBS benefits regardless of whether it imports any

inputs at all. In order to obtain the benefit, it is sufficient for an exporter to simply export goods without demonstrating that any input material was imported. Thus, even exporters which procure all of their inputs locally and do not import any goods which can be used as inputs are still entitled to benefit from the DEPBS. Therefore, these arguments are rejected.

- (18) In case of sales of the DEPBS license, one party argued that the actual selling price was below the license value and therefore the benefit was less. In this regard, it should be noted that the benefit under this scheme was calculated on the basis of the amount of credit granted in the license regardless of whether the license was used to offset customs duties on imports or whether the license was actually sold. It is considered that any sale of a license at a price less the face value is a pure commercial decision which does not alter the amount of benefit received under this scheme. Therefore, this argument is rejected
- (19) One party further argued that even if the DEPBS was considered countervailable, the benefit received under the scheme should not be based on export value, but rather the actual use of the DEPBS license. In this respect, it should be recalled that in accordance with Articles 3(2) and 5 of the basic Regulation, the amount of countervailable subsidies was calculated in terms of benefit conferred on the recipient, which is found to exist during the IP. In this regard, it was considered that the benefit is conferred on the recipient at the point of time when an export transaction is made under this scheme. At that moment, the Government of India (GOI) is liable to forego the customs duties, which constitutes a financial contribution within the meaning of Article 3(1)(a)(i) of the basic Regulation. Once the customs authorities issues an export shipping bill which shows, *inter alia*, the amount of DEPBS credit which is to be granted for that export transaction, the GOI has no discretion as to whether or not to grant the subsidy. By virtue of the fact that a company is aware that it will receive a subsidy under DEPBS, the company is in a more advantageous position, because it can reflect the subsidies through offering lower prices. The moment of export is decisive in order to establish conferral of a benefit, not the subsequent usage, because an exporter already with such vested right is 'better off' in financial terms. Consequently, this claim was rejected.
- (20) In the absence of any other comments concerning this scheme, recitals (29) to (41) of the provisional Regulation are hereby confirmed

3.3. Advance Authorisation Scheme ('AAS')

- (21) One party argued that the AAS should be considered as a duty drawback system, because the imported materials are used to produce exported goods. In reply to this argument, it was explained in recital (54) of the provisional Regulation that the sub-scheme used in the present case cannot be considered permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. It does not conform to the rules laid down in Annex I item (i), Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) of the basic Regulation. The GOI did not effectively apply a verification system or a procedure to confirm whether and in what amounts inputs were consumed in the production of the exported product (Annex II(II)(4) of the basic Regulation and, in the case of substitution drawback schemes, Annex III(II)(2) of the basic Regulation). It is also considered that the SIONs for the product concerned were

not sufficiently precise and that themselves cannot constitute a verification system of actual consumption because the design of those standard norms does not enable the GOI to verify with sufficient precision what amounts of inputs were consumed in the export production. In addition, the GOI did not carry out a further examination based on actual inputs involved, although this would normally need to be carried out in the absence of an effectively applied verification system (Annex II(II)(5) and Annex III(II)(3) to the basic Regulation). The sub-scheme is therefore countervailable, and the argument is hereby rejected.

- (22) Regarding the calculation of the subsidy amount, and contrary to the submission by one party, AAS benefit generated by other than the product concerned had to be considered when establishing the amount of countervailable benefit. No obligation exists under AAS which limits the use of the benefit to the importation of duty-free input material linked to a particular product. Consequently, the product concerned can benefit from all AAS benefit generated.
- (23) In the absence of any other comments concerning this scheme, recitals (42) to (58) of the provisional Regulation are hereby confirmed

3.4. Export Promotion Capital Goods Scheme ('EPCGS')

- (24) In the absence of any comments concerning this scheme, recital (59) of the provisional Regulation is hereby confirmed.

3.5. Export Oriented Units Scheme ('EOUS')

- (25) Before addressing a number of comments from the company in the sample which had the status of an EOU, it should be recalled that a crucial obligation of an EOU as set out in the FT-policy 2004-2009 and FT-policy 2009-2014 is to achieve net foreign exchange ('NFE') earnings, that is in a reference period (5 years) the total value of exports has to be higher than the total value of imported goods. All enterprises which, in principle, undertake to export their entire production of goods or services may be set up under the EOUS.
- (26) In return, export oriented units are entitled to a number of concessions listed under recital (66) of the provisional Regulation. They are contingent in law upon export performance, and therefore deemed to be specific and countervailable under Article 4(4), first subparagraph, point (a) of the basic Regulation. The export objective of an EOU as set out in chapter 6.1 of the FT-policy 2009-2014 is a *conditio sine qua non* to obtain the subsidies.
- (27) The exemptions an EOU enjoys are all contingent in law upon export performance. The EOUS cannot be considered as a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. It does not conform to the strict rules laid down in Annex I (items (H) and (i), Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) to the basic Regulation.
- (28) In addition, it has not been confirmed that the GOI has a verification system or procedure in place to confirm whether and in what amounts duty and or sales tax free procured inputs were consumed in the production of the exported product (Annex II(II)(4) to the basic Regulation and, in the case of substitution drawback schemes,

Annex III(II)(2) to the basic Regulation. The verification system in place aims at monitoring the NFE earning obligation and not the consumption of imports in relation to the production of exported goods.

- (29) In the view of the party with the status of an EOU, countervailability of any benefit is subject to two conditions: (i) lack of a verification system; and (ii) that there is excess remission. In reply to this, it should be noted that it is vital for the GOI to demonstrate that it has put in place a proper verification system to determine which inputs were consumed in the production process and in what amounts. The lack of a proper verification system will be further addressed below. Regarding the issue of excess remission, this is only relevant in a case where it has determined that a scheme, in this cases the EOUS, is a *bona fide* duty drawback scheme which fulfils the requirements of Annex I, II and III of the basic Regulation. As already explained in recital (27) above, the EOUS cannot be considered as a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation.
- (30) The party further underlined the default character of the EOU system as one that allows duty-free imports of raw material for exports of final goods. The party argued that the EOU system may be assimilated with the special customs procedure of inward processing relief, not duty drawback. It claimed that irrespective of whether the outcome of these two systems is theoretically the same (export of goods that incorporate raw materials for which duty upon importation is foregone), there are substantial differences between them. In support for the claim, the party argued that in a duty drawback system, the exporter has the right to claim the refund or duties for raw material incorporated in the final goods. In the inward processing system, the exporter is exempted from any import duty but has the legal obligation to pay duty for any final goods sold domestically. The party argued that there cannot be any excess remission under the latter system.
- (31) In reply to this, it should first of all be noted that it can only be determined whether excess payment has taken place in cases where there is a verification system in place aiming to monitor the consumption of imports in relation to the production of exported goods. Regarding the party's claim that the EOU is not a duty drawback scheme, it should be noted that footnote 2 to Annex I of the basic Regulation clearly stipulates that for the purpose of this Regulation 'remission or drawback' includes the full or partial exemption or deferral of import charges. It should be clear that the basic concept applying to duty drawback refund or exemption schemes are the same, i.e. that import duties on imports of raw materials are either not payable or refundable on the condition that such raw materials are used in the manufacture of products, which are consequently exported. Finally, it should be clear that in order to determine whether the EOUS is to be considered as a *bona fide* duty drawback scheme, it has to meet the requirements of Annex I, II and III of the basic Regulation.
- (32) The party further claimed that an EOU is subject to a proper verification system and further verification steps regarding both its export and domestic sales. It claimed that not only the Foreign Trade Policy ('FTP') and the Handbook of Procedure ('HOP'), which establishes the laws and procedures to EOU, were relevant. It should also be investigated whether there are other Indian laws and Regulations in place which establish a reasonable and effective verification system. In support for its claim, the party argued that according to Section 6.10.1 of the HOP, it is legally obliged to

maintain proper accounts and shall file digitally-signed quarterly and annual progress reports concerning imports, domestic purchases, export and domestic sales. The party further argued that, according to the Central Excise Act, 1944, when making domestic sales, it is under the legal obligation to issue a tax invoice on which, for example, the payable taxes clearly are indicated. The Central Excise Act also establishes monthly requirements according to which the party must submit to the authorities full details of its domestic sales. Also, under the Companies Act, 1956 and the applicable accounting standards, the party is legally obliged to provide detailed information on imports and domestic procurement, as well as export and domestic sales in its audited financial statements.

- (33) In reply to this, it is not disputed that the Companies Act may provide the framework for accounting standards in India. However, when accessing the countervailability of the EOU, the relevant issue is whether the Government has a system in place which can confirm whether and in what amounts inputs free of duty or tax were consumed in the production of the exported goods.
- (34) The requirements under the Central Excise Act serve a completely different purpose, i.e. to ensure that applicable taxes are paid in case of sales on the domestic market in India. It does not verify the duty-free imported materials, and it does not control the nexus between duty-free inputs and resultant export products in order to qualify as duty drawback schemes.
- (35) Concerning further verification steps installed, it should be recalled, as mentioned under recital (69) of the provisional Regulation, that an EOU is at no point in time required to co-relate every import consignments with the destination of the corresponding resulting product. Only such consignment controls, however, would provide the Indian authorities with sufficient information with the final destination of inputs to check that duty/sales tax exemptions do not exceed inputs for export production.
- (36) Consequently, despite careful considerations of the submission made by this party, it was confirmed that the GOI has no effective verification system or procedure in place to confirm whether and in what amounts duty and sales tax- free procured inputs were consumed in the production of the exported product (Annex II(II)(4) of the basic Regulation and, in the case of substitution drawback schemes, Annex III(II)(2) of the basic Regulation. Also the GOI did not carry out a further examination based on actual inputs involved, although this would be normally required in the absence of an effective verification system (Annex II(II)(5) and Annex III (II)(3) to the basic Regulation. Furthermore no evidence was provided by the GOI that no excess remission took place.
- (37) The party argued that for the purpose of the subsidy calculation the Commission should have taken into account customs duties paid on domestic sales of finished products. In reply to this argument, it should be noted that though the purpose for setting up an EOU unit is to achieve NFE earning, the EOU unit has the possibility to sell part of its production on the domestic market. Under the EOUS, the goods will be treated as imported goods though only a concessional duty rate of 50% has to be paid. As such, an EOU is not in a different situation than other companies operating on the domestic market, i.e. applicable duties/taxes would have to be paid on purchased goods. In this context, it should be clear that, a decision of the Government to tax

goods for consumption on the domestic market does not mean that the exemption of an EOU unit from import duties and reimbursement of sales taxes is not a benefit in relation to the export sales of the product concerned. Moreover, the sales on the domestic market have no impact on the more general assessment of the adequacy of whether there is an appropriate verification system in place.

- (38) The party also argued that the Commission uses the wrong denominator when calculating the subsidy amount. It claimed that the correct denominator is the entire sales turnover and not the export sales turnover. This claim has to be rejected. In accordance with Article 7(2) of the basic Regulation, the subsidy amount (numerator) calculated under the scheme was allocated over total export turnover during the IP as appropriate denominator because the subsidy is contingent upon export performance. The possibility for an EOU to sell part of its production on the domestic market does not alter the fact that EOUS has a clear export objective.
- (39) Lastly, the party argued that the benefit conferred upon the company should be equal to the credit costs foregone by the GOI between the time the raw materials are imported and the final stainless steel bars are exported from India. In support for its claim, the party referred to a recent preliminary finding of the US Department of Commerce (DOC) in an anti-subsidy new shipper review where unpaid duties were considered to be interest-free loan made to the company at the time of the importation. In reply to this, it is noted that the Commission is not bound by any calculation methodology applied by the DOC but by the provisions of the basic Regulation. In the present case, the calculation methodology used is explained in recitals (75) and (76) of the provisional Regulation. In any event, this argument would only work if the duties were merely deferred (Footnote 3 to Annex I of the Basic regulation) rather than exempted, as is the case here.
- (40) In the light of the above, recitals (60) to (77) of the provisional Regulation are hereby confirmed.

3.6. Export Credit Scheme ('ECS')

- (41) One party acknowledged that it had received a preferential credit for its export but argued that this rate was considerably higher than the prevailing credit rates in the EU and therefore should not be considered as a benefit.
- (42) In reply to this, it should be noted that the subsidy amount was calculated on the basis of the difference between the interest paid for export credits and the amount that would have been payable for ordinary commercial credits used by the company concerned in India. In this case, a domestic benchmark was used to calculate the amount of subsidy. Therefore, this argument is rejected.
- (43) In the absence of any other comments concerning this scheme, recitals (78) to (86) of the provisional Regulation are hereby confirmed.

3.4. Amount of countervailable subsidies

- (44) The amount of countervailable subsidies in accordance with the provisions of the basic Regulation, expressed *ad valorem*, ranges from 3,3% to 4,3%. As these are at the same level as set out in recital (87) of the provisional Regulation, that recital is therefore confirmed.

| SCHEME→ | DEPBS(*) | AAS(*) | EOU(*) | ECS(*) | Total |
|--------------------------|-----------------|---------------|---------------|---------------|-----------------|
| COMPANY | | | | | |
| Chandan Steel Ltd. | 1,5% | 1,5% | | 0,4% | 3,4% |
| Venus group | 2,6% to 3,4% | 0 to 0,8% | | | 3,3%(**) |
| Viraj Profiles Vpl. Ltd. | | | 4,3% | | 4,3% |

(*) Subsidies marked with an asterisk are export subsidies

(**) Weighted average for the Group

(45) The methodology for establishing the subsidy margin for the cooperating companies not included in the sample was set out in recital (88) of the provisional Regulation. In line with Article 15(3) of the basic Regulation, the subsidy margin for the cooperating companies not included in the sample, calculated on the basis of the weighted average subsidy margin established for the cooperating companies in the sample, is 4,0%. Hence, recital (88) of the provisional Regulation is confirmed.

(46) The basis for establishing the country-wide subsidy margin was set out in recital (89) of the provisional Regulation. In the absence of any comments in this regard, recital (89) of the provisional Regulation is hereby confirmed.

4. UNION INDUSTRY

(47) In the absence of any comments concerning Union industry, recitals (90) to (93) of the provisional Regulation are hereby confirmed.

5. INJURY

(48) In the absence of any comments concerning injury, recitals (94) to (122) of the provisional Regulation are hereby confirmed.

6. CAUSATION

(49) In the absence of any comments concerning causation, recitals (123) to (136) of the provisional Regulation are hereby confirmed.

7. UNION INTEREST

(50) In the absence of any comments concerning Union interest, the conclusions in recitals (137) to (148) of the provisional Regulation are hereby confirmed.

8. DEFINITIVE COUNTERVAILING MEASURES

8.1. Injury elimination level

- (51) One party claimed that the average pre-tax profit margin of 9,5%, which was based on the situation in the year 2007, used to calculate the non-injurious price to establish the injury margin was not representative for the industry's long term pre-tax profit margin. It was argued that the year on which this profit was based counted as an exceptional year and that the years 2005-2006 would be more representative since these were normal business years with profit margins ranging from 4 to 6 %.
- (52) The target profit used at provisional stage was based on the weighted average profit margin realised by the sampled Union producers in 2007. This year was considered to be the most recent representative year when the Union producers did not suffer from injurious subsidisation. The comment is therefore rejected, the profit margin used at provisional stage is hereby confirmed.
- (53) In the absence of other comments received concerning the injury elimination level, the recitals (149) to (153) of the provisional Regulation are hereby confirmed.

8.2. Conclusion on injury elimination level

- (54) The methodology used in the provisional Regulation is hereby confirmed.

8.3. Level of the duties

- (55) In the light of the foregoing and in accordance with Article 15(1) of the basic Regulation, a definitive countervailing duty should be imposed at a level sufficient to eliminate the injury caused by the subsidised imports without exceeding the subsidy margin found.
- (56) On the basis of the above, the countervailing duty rates were established by comparing the injury elimination margins and the subsidy margins. Consequently, the proposed countervailing duty rates are as follows:

| Company | Subsidy margin | Injury margin | Countervailing duty rate |
|-----------------------------------|-----------------------|----------------------|---------------------------------|
| Chandan Steel Ltd. | 3,4% | 28,6% | 3,4% |
| Venus group | 3,3% | 45,9% | 3,3% |
| Viraj Profiles Vpl. Ltd. | 4,3% | 51,5% | 4,3% |
| Cooperating non-sampled companies | 4,0% | 44,4% | 4,0% |
| All other companies | 4,3% | 51,5% | 4,3% |

- (57) The individual company countervailing duty rates specified in this Regulation were established on the basis of the findings of the present investigation. Therefore, they reflect the situation found during that investigation with respect to these companies. These duty rates (as opposed to the country-wide duty applicable to 'all other companies') are thus exclusively applicable to imports of products originating in India and produced by the companies and thus by the specific legal entities mentioned. Imported products produced by any other company not specifically mentioned in the

operative part of this Regulation, including entities related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to 'all other companies'.

- (58) Any claim requesting the application of an individual company countervailing duty rates (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission³ forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for example, that name change or that change in the production and sales entities. If appropriate, the Regulation will accordingly be amended by updating the list of companies benefiting from individual duty rates.

8.4. Definitive collection of provisional duties

- (59) In view of the magnitude of the subsidy margins found and in the light of the level of the injury caused to the Union industry, it is considered necessary that the amounts secured by way of the provisional countervailing duty, imposed by the provisional Regulation be definitively collected.

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive countervailing duty is hereby imposed on imports of stainless steel bars and rods, not further worked than cold-formed or cold-finished, other than bars and rods of circular cross-section of a diameter of 80 mm or more, currently falling within CN codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81 and 7222 20 89 and originating in India.
2. The rate of the definitive countervailing duty applicable to the net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and manufactured by the companies below shall be:

³ European Commission, Directorate-General for Trade, Directorate H, 1049 Brussels, Belgium.

| Company | Duty (%) | TARIC additional code |
|---|----------|-----------------------|
| Chandan Steel Ltd., Mumbai | 3,4 | B002 |
| Venus Wire Industries Pvt. Ltd, Mumbai; Precision Metals, Mumbai; Hindustan Inox Ltd., Mumbai; Sieves Manufacturer India Pvt. Ltd., Mumbai | 3,3 | B003 |
| Viraj Profiles Vpl. Ltd., Thane | 4,3 | B004 |
| Companies listed in the Annex | 4,0 | B005 |
| All other companies | 4,3 | B999 |

3. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

1. Amounts secured by way of provisional countervailing duties pursuant to Regulation (EU) No 1261/2010 on imports of stainless steel bars and rods, not further worked than cold-formed or cold-finished, other than bars and rods of circular cross-section of a diameter of 80 mm or more, currently falling within CN codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81 and 7222 20 89, and originating in India, shall be definitively collected.

Article 3

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council
The President*

ANNEX: Indian cooperating exporting producers not sampled

TARIC Additional Code B005

| Company name | City |
|----------------------------------|-------------|
| Ambica Steel Ltd. | New-Delhi |
| Bhansali Bright Bars Pvt. Ltd. | Navi-Mumbai |
| Chase Bright Steel Ltd. | Navi-Mumbai |
| D.H. Exports Pvt. Ltd. | Mumbai |
| Facor Steels Ltd. | Nagpur |
| Global smelters Ltd. | Kanpur |
| Indian Steel Works Ltd. | Navi-Mumbai |
| Jyoti Steel Industries Ltd. | Mumbai |
| Laxcon Steels Ltd. | Ahmedabad |
| Meltroll Engineering Pvt. Ltd. | Mumbai |
| Mukand Ltd. | Thane |
| Nevatia Steel & Alloys Pvt. Ltd. | Mumbai |
| Panchmahal Steel Ltd. | Kalol |
| Raajratna Metal Industries Ltd. | Ahmedabad |
| Rimjhim Ispat Ltd. | Kanpur |
| Sindia Steels Ltd. | Mumbai |
| SKM Steels Ltd. | Mumbai |
| Parekh Bright Bars Pvt. Ltd. | Thane |
| Shah Alloys Ltd. | Gandhinagar |