

calculate a margin. *See Mukand supplemental response dated December 13, 2002* at 1 and 2. Although Mukand provided some pricing information (a few invoices) on these consignment sales, it failed to provide the relevant expense information related to these invoices and it failed to provide the requested and required database the Department needs to calculate a margin. Nevertheless, the Department issued a second supplemental questionnaire on December 17, 2002, requesting the prices and expenses incurred by MIL's unaffiliated U.S. customers relating to these consignment sales. *See Supplemental Questionnaire dated December 17, 2002.*

The Department has preliminarily determined that the use of facts available, in accordance with section 776(a)(2) of the Act, is warranted for the prices and expenses incurred for the unreported consignment sales in the U.S. market. Consistent with section 776(a)(2)(A) and (B) of the Act, Mukand withheld information that had been requested by the Department and failed to provide such information in a timely manner, justifying the use of facts otherwise available in reaching the applicable determination.

In this case, Mukand failed to provide price and expense information for its consignment sales through MIL's unaffiliated U.S. customer (the consignment agent). By not providing the consignment sales information requested by the Department in a database format that provides specific prices and expenses of these consignment sales, Mukand has prevented the Department from calculating an accurate antidumping duty margin, inclusive of the consignment sales.

Given that Mukand provided the Department with some pricing information, but not the requested expense information and the requested database, the Department finds it appropriate to apply facts available to those sales the Department has determined to be consignment sales. As facts available, the Department has used the weighted-average U.S. price and the weighted-average expenses submitted by Mukand in lieu of the prices and expenses of the consignment sales through MIL's unaffiliated U.S. customer. *Nippon Steel Corp. v. United States*, 2001 CIT 136, Slip-Op at 6 (Oct. 12, 2001); *Notice of Final Determination of Sales at Less Than Fair Value: IQE Red Raspberries from Chile*; 67 FR 35790 (May 21, 2002); *Notice of Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from*

France; 67 FR 51210, (August 7, 2002). The Department has determined that the weighted-average of prices and expenses of all U.S. sales by MIL to its unaffiliated U.S. customer during the POR is proper because the Department only recently formally requested that Mukand provide its consignment sales information and Mukand provided some invoices. *See Department's Letter of December 5, 2002.* Additionally, the Department recently issued a supplemental questionnaire on these consignment sales. *See Supplemental Questionnaire dated December 17, 2002.* Further, the Department finds that the weighted-average is proper because the consignment sales are reflective of a variety of prices, quantities, and expenses. *See Analysis for Mukand Steel Limited for the Preliminary Results of the Administrative Review on Stainless Steel Wire Rod from India for the period December 1, 2000 through November 30, 2001, December 31, 2002 ("Mukand Analysis Memorandum").*

The Department calculated CEP, in accordance with section 772(b) of the Act, based on the packed CIF prices to the first unaffiliated customer in the United States. The Department made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, brokerage and handling, inland freight, international freight, U.S. customs duties, and marine insurance. In accordance with section 772(d)(1) of the Act, we deducted those selling expense associated with economic activities occurring in the United States, including direct selling expenses (bank charges and credit expenses) and indirect selling expenses.

We recalculated Mukand's inventory carrying cost factor to the total cost of manufacturing rather than the variable cost of manufacturing as reported in the questionnaire response. Finally, we recalculated Mukand's calculation of credit insurance to account for a decimal error found in Mukand's reported credit insurance. *See Mukand Verification Report and Mukand Analysis Memorandum.*

We deducted the profit allocated to expenses deducted under sections 772(d)(1) and (d)(2) in accordance with sections 772(d)(3) and 772(f) of the Act. In accordance with section 772(f) of the Act, we computed profit based on total revenues realized on sales in both the U.S. and home markets, less all expenses associated with those sales. We then allocated profit to expenses incurred with respect to U.S. economic activity, based on the ratio of total U.S. expenses to total expenses for both the U.S. and home market.

For purposes of this administrative review, Mukand classified the remainder of its sales as EP sales, stating that it sold subject merchandise directly to an unaffiliated importer in the United States during the POR. Therefore, the Department is using EP as defined in section 772(a) of the Act because the merchandise was first sold, prior to importation, by Mukand's affiliate MIL, which was based in London during the POR, to an unaffiliated purchaser in the United States. The Department based EP on packed prices to unaffiliated purchasers in the United States. The Department made deductions for inland freight, marine insurance, and brokerage and handling in accordance with section 772(c) of the Act. Finally, the Department recalculated Mukand's calculation of credit insurance to account for a decimal error found in Mukand's reported credit insurance. *See Mukand Verification Report and Mukand Analysis Memorandum.*

As explained in the "Duty Drawback" section below, the Department is not making any adjustments for duty drawback for EP or CEP sales.

The Viraj Group

For purposes of this review, the Viraj Group has classified all of its sales as CEP sales. Based on the information on the record, we are using constructed export price as defined in section 772(b) of the Act.

The Viraj Group has classified those sales made by VIL and VFL through Viraj USA Inc. ("Viraj USA"), an affiliated reseller that is 100% owned by VFL, as CEP sales. VIL and VFL make the shipment from India on a Cost Insurance Freight ("CIF") and Ex-Dock Duty Paid ("EDDP") basis to Viraj USA. Viraj USA clears the goods through customs and oversees customer delivery. Then Viraj USA sells the goods to the unaffiliated U.S. customer who makes payment to Viraj USA.

Based on the evidence on the record, the Department preliminarily determines that VIL's and VFL's U.S. sales through Viraj USA were made "in the United States" within the meaning of section 772(b) of the Act, and thus have been appropriately classified by the Viraj Group as CEP transactions.

The Department calculated CEP, in accordance with section 772(b) of the Act, based on the packed CIF or EDDP prices to the first unaffiliated customer in the United States. The Department made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, brokerage and handling, inland freight, international freight, U.S. customs duties, marine