

Act. The record evidence in this administrative review demonstrates that Isibars and Isinox were able to produce similar or identical merchandise (*i.e.*, the merchandise under review) during the POR and could continue to do so without substantial retooling of their production facilities. In addition, record indicates that there was a significant potential for the manipulation of price and production among Isibars, Isinox and Zenstar during the POR. Therefore, we find that Isibars, Isinox and Zenstar are affiliated and should be treated as one entity for the purposes of this administrative review (*i.e.*, collapsed) pursuant to section 771(33) of the Act and 19 CFR 351.401(f).

Fair Value Comparisons

To determine whether sales of SSB from India to the United States were made at less than normal value, we compared export price ("EP") or constructed export price ("CEP") to the normal value ("NV"), as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice. In accordance with 19 CFR 351.414(c)(2), we compared individual EPs and CEPs to weighted-average NVs, which were calculated in accordance with section 777A(d)(2) of the Act.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by the respondents in the home market during the POR that fit the description in the "Scope of the Order" section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales of identical merchandise in the home market made in the ordinary course of trade, where possible. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. To determine the appropriate product comparisons, we considered the following physical characteristics of the products in order of importance: type, grade, remelting, type of final finishing operation, shape, and size.

Export Price and Constructed Export Price

We calculated EP in accordance with Section 772(a) of the Act for those sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the

exporter or producer outside the United States and the constructed export price methodology was not otherwise indicated. We based EP on packed ex-factory, CIF, and delivered prices to unaffiliated purchasers in the United States. We identified the correct starting price by adjusting the reported gross unit price, where applicable, for interest revenue, taxes, and billing adjustments (*see below*). We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These deductions included, where appropriate, domestic inland freight, brokerage and handling, international freight, marine insurance, U.S. customs duties, U.S. inland freight, and other U.S. transportation expenses.

In accordance with Section 772(b) of the Act, we calculated CEP for those sales to the first unaffiliated purchaser that took place after importation into the United States. We based CEP on packed CIF and C&F duty-paid prices to unaffiliated purchasers in the United States. We identified the starting price and made deductions for movement expenses, including domestic inland freight, international freight, marine insurance, brokerage and handling, U.S. customs duties, and other transportation expenses, where appropriate, in accordance with section 772(c)(2)(A) of the Act. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct and indirect selling expenses. Lastly, we made an adjustment for profit in accordance with section 772(d)(3) of the Act.

To calculate the EP and CEP, we relied upon the data submitted by the respondents, except where noted below:

Isibars

Isibars reported that it paid, upon shipment, excise taxes on subject merchandise exported to the United States. Isibars has not reported these taxes separately, as it claims they are subsequently rebated upon demonstration that the merchandise was exported. However, Isibars has failed to provide sufficient documentation showing that the tax was refunded upon export. Based on a review of Isibars, U.S. sales invoices provided in its October 28, 2002 submission, it appears that Isibars' reported gross unit prices include the excise tax. Therefore, pursuant to section 772(c)(2)(B), we used the tax rate reported by Isibars to calculate the transaction-specific tax and have deducted that amount from the starting price. *See Memorandum to*

File "Isibars Limited Preliminary Results Calculation Memorandum" dated February 28, 2003 ("*Isibars Calculation Memorandum*").

Venus

Venus reported discounts in its sales databases. However, the information on the record indicates that the discounts are actually billing adjustments (*i.e.*, adjustments to price). Therefore, for the preliminary results, we have treated Venus' reported discounts as billing adjustments. *See Memorandum to File "Venus Wire Industries Limited Preliminary Results Calculation Memorandum" dated February 28, 2003 ("Venus Calculation Memorandum")*.

Viraj

For two sales, we revised Viraj's control numbers to reflect the reported model matching characteristics. *See Memorandum to File "Viraj Group, Ltd. Preliminary Results Calculation Memorandum" dated February 28, 2003 ("Viraj Calculation Memorandum")*.

Duty Drawback

Isibars, Venus and Viraj claimed a duty drawback adjustment based on their participation in the Indian government's Duty Entitlement Passbook Program. Such adjustments are permitted under section 772(c)(1)(B) of the Act.

The Department will grant a respondent's claim for a duty drawback adjustment where the respondent has demonstrated that there is (1) a sufficient link between the import duty and the rebate, and (2) a sufficient amount of raw materials imported and used in the production of the final exported product. *See Rajinder Pipe Ltd. v. U.S. ("Rajinder Pipes")*, 70 F. Supp. 2d 1350, 1358 (Ct. Int'l Trade 1999). In *Rajinder Pipes*, the Court of International Trade upheld the Department's decision to deny a respondent's claim for duty drawback adjustments because there was not substantial evidence on the record to establish that part one of the Department's test had been met. *See also Viraj Group, Ltd. v. United States of America and Carpenter Technology, Corp., et al.*, Slip Op. 01-104 (CIT August 15, 2001).

In this administrative review, Isibars, Venus and Viraj have failed to demonstrate that there is a link between the import duty paid and the rebate received, and that imported raw materials are used in the production of the final exported product. Because they have failed to meet the Department's requirements, we are denying the respondents' requests for a duty