

("CEP") to normal value ("NV"). Our calculations followed the methodologies described in the *Preliminary Results*, except as noted below and in the final results calculation memoranda cited below, which are on file in the CRU.

#### **Export Price and Constructed Export Price**

For sales by Isibars' and Venus to the United States, we used EP as defined in section 772(a) of the Act. For Viraj's sales to the United States, we used CEP as defined in section 772(b) of the Act.

#### **Isibars**

In the preliminary results, we adjusted Isibars' U.S. sales price for an excise tax that appeared to be included in the price. We are not making this adjustment for the final results (see *Decision Memorandum* at Comment 8). We recalculated Isibars' indirect selling expenses to include bad debts written off (see *Decision Memorandum* at Comment 7). Finally, we revised Isibars' reported sales invoice dates and credit expenses for certain sales. See *Isibars Limited Final Results Calculation Memorandum* ("Isibars Calculation Memorandum") dated August 4, 2003.

#### **Venus**

For certain U.S. sales, we revised the reported payment date and credit expenses (see *Decision Memorandum* at Comment 17). We revised the calculation of indirect selling expenses. Specifically, we revised the calculation of directors' salaries and allocated the indirect selling expenses over the cost of goods sold for the POR. We revised the reported quantity for one U.S. sale and revised the sales invoice date on another U.S. sale. For further discussion of these adjustments, see *Venus Wire Industries Limited Final Results Calculation Memorandum* ("Venus Calculation Memorandum") dated August 4, 2003.

#### **Normal Value**

##### **1. Calculation of COP**

#### **Isibars**

We adjusted Isibars' reported cost of manufacture ("COM") to include payments for the lease of steelmaking assets. We also adjusted Isibars' reported COM for the yield loss incurred on the variable and fixed overhead cost of billets used in the production of subject merchandise. We adjusted the denominators of Isibars' reported general and administrative ("G&A") and interest expense ratios (used to determine product-specific G&A and interest expenses) to exclude administrative labor costs and to include the payment for the lease of

steelmaking assets. We recalculated Isibars' reported interest expense ratio and per-unit interest expense rate to reflect one interest expense ratio based on the highest level of consolidation. We adjusted Isibars', Zenstar's and Isinox' interest expenses, where applicable, to include all foreign exchange gains and losses in each company's interest expenses. For Isinox, we excluded foreign exchange gains and losses from its G&A expenses. Because Isibars did not provide the COP data for one product control number, we assigned that product control number the costs of a similar product.

For a detailed discussion of the above-mentioned adjustments, see *Isibars Cost of Production and Constructed Value Calculation Adjustments for the Final Results* dated August 4, 2003, and the *Decision Memorandum* at Comments 2–6.

#### **Venus**

We adjusted Venus' reported COM to include additional material costs based on corrected production quantities. We adjusted Venus' reported COM for process and yield loss incurred during fiscal year ("FY") 2001–2002. Because Venus was able to explain its yield loss methodology at verification, we allowed its scrap offset for the final results. Further, we adjusted Venus' reported fixed overhead per-unit costs for depreciation expenses incurred for FY 2001–2002.

We adjusted the numerator of Venus' reported G&A expenses to include donations and losses on the sale of assets and to exclude prior-period adjustments. We adjusted the denominators of Venus' reported G&A and interest expense ratios (used to determine product-specific G&A and interest expenses) to reflect cost of goods sold for FY 2001–2002. Finally, we recalculated Venus' reported interest expenses to include net foreign exchange gains and losses.

For a detailed discussion of the above-mentioned adjustments, see *Venus Wire Industries Limited Cost of Production and Constructed Value Calculation Adjustments for the Final Results* dated August 4, 2003, and the *Decision Memorandum* at Comments 15–19.

#### **Viraj**

We revised Viraj Alloys Limited's ("VAL") reported depreciation expense to account for an additional depreciation expense that resulted from a change in depreciation methods. Because this depreciation expense covers multiple accounting periods, we amortized the amount based on the average remaining life of VAL's fixed

assets in order to determine what portion should be allocated for the POR and included it in the G&A expense ratio calculation. We included the POR's portion of the additional depreciation expense in the denominator of the G&A expense rate calculation.

VAL calculated its interest expense rate based on total interest expenses and total cost of sales ("COS") of the Viraj Group of companies. Because the Viraj Group of companies does not prepare consolidated financial statements, we revised VAL's interest expense rate calculation using only VAL's interest expense and COS. In addition, we excluded VAL's waived interest expenses from its interest expense ratio calculation.

For a detailed discussion of the above-mentioned adjustments, see *Cost of Production and Constructed Value Calculation Adjustments for the Final Results* ("Viraj Cost Calculation Memorandum") dated August 4, 2003, and the *Decision Memorandum* at Comments 11–14.

##### **2. Results of the COP Test**

Pursuant to section 773(b)(1) of the Act, where less than 20 percent of a respondent's sales of a given product are made at prices below the COP, we do not disregard any below-cost sales of that product because we determine that in such instances the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than the COP, we disregard those sales of that product because we determine that in such instances the below-cost sales represent "substantial quantities" within an extended period of time in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determine whether such sales are made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act.

Isibars and Venus each made more than 20 percent of their comparison market sales, for certain products, at prices less than the COP and, thus, we disregarded these sales from the calculation of NV. We found that Viraj did not make more than 20 percent of its sales of any product at prices less than the COP. So, we have included all of Viraj's home market sales in the calculation of NV, in accordance with section 773(b)(1).