Countervailing Duty Administrative Review: Certain Iron-Metal Castings From India (56 FR 52521; October 21, 1991) (1989 Indian Castings Final Results).) There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability. During the review period, the rate of interest charged on pre-shipment export loans ranged from 7.50 to 17 percent, depending on the length and date of the loan.

In the case of a short-term loan provided by a government, the Department uses the average interest rate for an alternative source of shortterm financing in the country in question as a benchmark. In determining this benchmark, the Department relies upon the predominant source of short-term financing in the country in question. (See Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments, § 355.44(b)(3)(i) (Proposed Rules) (54 FR 23380; May 31, 1989).

The Government of India (GOI) classifies the companies under review as small-scale industry companies. Therefore, we used the small-scale industry short-term interest rates published in the Reserve Bank of India periodicals Reserve Bank of India Report on Trend and Progress of Banking in India: 1990–91 (Appendix II) and Reserve Bank of India Annual Report 1991–92 that were submitted by the GOI. These publications provided us with the actual short-term small-scale industry interest rate of 14 percent for loans through October 8, 1991. Since they provided only minimum interest rates for October 9, 1991 through December 31, 1991, we used the International Monetary Fund publication International Financial Statistics (IFS) for the remainder of the year. The IFS reported that the shortterm interest rate in India for the period October 9, 1991 through December 31, 1991 was 20 percent. Therefore, we weight-averaged these two rates based on the number of months of the year each applied, and calculated a benchmark of 15.38 percent for this review.

During the review period, 11 of the 14 respondent companies made payments on pre-shipment export loans for shipments of subject castings to the United States. One of these 11 companies, Super Castings (India) Private Ltd. (Super Castings), provided aggregate pre-shipment loan and postshipment loan information in its response to our original questionnaire. We were not able to distinguish which entries were pre-shipment loans based on the information submitted by the company. Super Castings did not respond to a second request for information on pre-shipment loans in our supplemental questionnaire. Therefore, in accordance with section 776(c) of the Act, we assumed as best information available (BIA) that all reported loans were pre-shipment loans.

To calculate the benefit from the preshipment loans to these eleven companies, we compared the actual interest paid on these loans during the review period with the interest that would have been paid using the benchmark interest rate of 15.38 percent. If the benchmark rate exceeded the program rate, the difference between those amounts is the benefit. We then divided the benefit by either total exports or by total exports of the subject merchandise to the United States, depending on how the pre-shipment financing was reported. That is, if a company was able to segregate preshipment financing applicable to subject merchandise exported to the United States, we divided the benefit derived from only those loans by total exports of subject merchandise to the United States. If a firm was unable to segregate pre-shipment financing, we divided the benefit from all pre-shipment loans by total exports. On this basis, we preliminarily determine the net subsidy from this program to be one percent ad valorem for all manufacturers and exporters in India of certain iron-metal castings, except for those firms listed below which have significantly different aggregate benefits. The net subsidy for those firms is as follows:

Manufacturer/exporter	Net subsidy (percent)
Dinesh Brothers, Pvt. Ltd	0.00
Super Castings (India) Pvt. Ltd	23.00
Kajaria Iron Castings Pvt. Ltd	0.68

2. Post-Shipment Export Financing

The Reserve Bank of India, through commercial banks, provides postshipment loans to exporters upon presentation of export documents. Postshipment financing also includes bank discounting of foreign customer receivables. As with pre-shipment financing, exporters may establish postshipment credit lines with their commercial banks. In general, postshipment loans are granted for a period of up to 180 days. The interest rate for post-shipment financing was 8.65 percent during the review period.

In prior administrative reviews of this order, this program was determined to be countervailable because receipt of the loans under this program is contingent upon export performance and the interest rates were preferential. *(See* the 1988 and 1989 *Indian Castings Final Results.)* There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability. For reasons stated above for pre-shipment financing, we are using 15.38 percent as our shortterm interest rate benchmark.

During the review period, 12 of the 14 respondent companies made payments on post-shipment export loans for shipments of subject castings to the United States. One of these 12 companies, Super Castings, provided aggregate post-shipment loan and preshipment loan information in its response to our original questionnaire. Our treatment of Super Castings is described under our analysis of preshipment financing. To calculate the benefit from these loans to the other 11 companies, we followed the same shortterm loan methodology discussed above for pre-shipment financing. We divided the benefit by either total exports or exports of the subject merchandise to the United States, depending on whether the company was able to segregate the post-shipment financing on the basis of destination of the exported good. On this basis, we preliminarily determine the net subsidy from this program to be 0.42 percent ad valorem for all manufacturers and exporters in India of certain iron-metal castings, except for those firms listed below which have significantly different aggregate benefits. The net subsidy for those firms is as follows:

Manufacturer/exporter	Net subsidy (percent)
Dinesh Brothers, Pvt. Ltd	0.00
Super Castings (India) Pvt. Ltd	0.00
Kajaria Iron Castings Pvt. Ltd	0.00

3. Income Tax Deductions Under Section 80HHC

Under section 80HHC of the Income Tax Act, the GOI allows exporters to deduct profits derived from the export of goods and merchandise from taxable income. In prior administrative reviews of this order, this program has been determined to be countervailable because receipt of benefits under this program is contingent upon export performance. (*See* the 1988 and 1989 *Indian Castings Final Results.*) There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability.