



## **EXPORTER QUESTIONNAIRE**

**PRODUCT CONCERNED:** ZINC COATED (GALVANISED) STEEL FROM  
INDIA AND THE SOCIALIST REPUBLIC OF  
VIETNAM

**INVESTIGATION PERIOD:** 1 JULY 2013 - 30 JUNE 2014

**RESPONSE DUE BY:** 18 AUGUST 2014 (extended to 3 September)

**ADDRESS FOR RESPONSE:** Anti-Dumping Commission  
Customs House  
1010 La Trobe Street  
Docklands VIC 3008  
Australia  
Attention: Director Operations 1

**CASE MANAGER:** Ms Heidi Matuschka  
**TELEPHONE:** +61 3 9244 8562  
**E-MAIL:** [operations1@adcommission.gov.au](mailto:operations1@adcommission.gov.au)

Please note that a non-confidential version of the reply to this questionnaire must also be provided.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### TABLE OF CONTENTS

|  |                                     |
|--|-------------------------------------|
| <b>TABLE OF CONTENTS .....</b>   | <b>2</b>                            |
| <b>BACKGROUND AND GENERAL INSTRUCTIONS.....</b>  | <b>3</b>                            |
| 1. BACKGROUND .....  | 3                                   |
| 6. IF YOU DECIDE TO RESPOND .....  | 5                                   |
| 7. DUE DATE FOR RESPONSE .....   | 6                                   |
| 8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY.....  | 7                                   |
| 9. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE .....   | 7                                   |
| 10. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE .....   | 7                                   |
| 11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA.....   | 8                                   |
| 12. FURTHER INFORMATION.....   | 8                                   |
| <b>SECTION A - COMPANY STRUCTURE AND OPERATIONS .....</b>  | <b>9</b>                            |
| A-1 IDENTITY AND COMMUNICATION .....   | 9                                   |
| A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION .....   | 9                                   |
| A-3 COMPANY INFORMATION .....  | 10                                  |
| A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION .....  | 12                                  |
| A-5 INCOME STATEMENT .....   | 17                                  |
| A-6 SALES .....  | 17                                  |
| <b>SECTION B - SALES TO AUSTRALIA (EXPORT PRICE).....</b>  | <b>19</b>                           |
| <b>SECTION C - EXPORTED GOODS AND LIKE GOODS .....</b>   | <b>27</b>                           |
| <b>SECTION D - DOMESTIC SALES .....</b>  | <b>ERROR! BOOKMARK NOT DEFINED.</b> |
| <b>SECTION E - FAIR COMPARISON .....</b>   | <b>ERROR! BOOKMARK NOT DEFINED.</b> |
| E-1 COSTS ASSOCIATED WITH EXPORT SALES.....  | ERROR! BOOKMARK NOT DEFINED.        |
| E-2 COSTS ASSOCIATED WITH DOMESTIC SALES.....  | ERROR! BOOKMARK NOT DEFINED.        |
| E-3 DUPLICATION .....  | ERROR! BOOKMARK NOT DEFINED.        |
| <b>SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES).....</b>                     | <b>47</b>                           |
| <b>SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE .....</b>   | <b>49</b>                           |
| G-1 PRODUCTION PROCESS AND CAPACITY .....  | 49                                  |
| G-2 COST ACCOUNTING PRACTICES .....  | 50                                  |
| G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET .....   | 51                                  |
| G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA).....                           | 52                                  |
| G-8 LIST MAJOR RAW MATERIAL COSTS, WHICH INDIVIDUALLY ACCOUNT FOR 10% OR MORE OF THE TOTAL PRODUCTION COST. .... | 53                                  |
| <b>SECTION H - EXPORTER'S DECLARATION.....</b>   | <b>ERROR! BOOKMARK NOT DEFINED.</b> |
| <b>SECTION I - CHECKLIST .....</b>   | <b>ERROR! BOOKMARK NOT DEFINED.</b> |
| <b>APPENDIX 1 - GLOSSARY OF TERMS .....</b>  | <b>ERROR! BOOKMARK NOT DEFINED.</b> |



## PUBLIC RECORD

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# BACKGROUND AND GENERAL INSTRUCTIONS

## 1. BACKGROUND

Following an application by BlueScope Steel Limited (BlueScope), an Australian industry member, the Anti-Dumping Commission (the Commission) has initiated an investigation into the allegation that zinc coated steel (galvanised steel) from India and the Socialist Republic of Vietnam (Vietnam) has been exported to Australia at dumped prices, and because of that dumping material injury has been caused to an Australian industry producing like goods.

A notice advising initiation of the investigation was published in *The Australian* on 11 July 2014. Anti-Dumping Notice (ADN) No. 2014/55 outlining the details of the investigation, and the procedures to be followed during the investigation, can be accessed on the Commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

## 2. THE GOODS UNDER CONSIDERATION

### Description

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are described by the applicant as follows:

*'Flat rolled iron or steel products (whether or not containing alloys) that are plated or coated with zinc exported to Australia from India and Vietnam.'*

The goods are generically called galvanised steel (referring to zinc coated steel) and include galvanised steel of any width.

### Additional information

Further information in relation to the goods was provided in the application as follows:

*The goods include the same categories of goods as identified in Trade Measures Report Nos. 190 and 193, however, this application also includes goods that are alloyed (i.e. with minor additions, e.g. boron, chromium, etc.). The goods the subject of this application include all zinc coated product options, including all grades/models of zinc coated steel, all coating mass classes and all surface treatments.*

*Trade or further generic names often used to describe these goods include:*

- "GALVABOND®" steel
- "ZINCFORM®" steel
- "GALVASPAN®" steel
- "ZINCHITEN®" steel
- "ZINCANNEAL" steel
- "ZINCSEAL" steel
- Galv
- GI
- Hot Dip Zinc coated steel
- Hot Dip Zinc/Iron alloy coated steel
- Galvanneal

*The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m<sup>2</sup>) with the prefix being Z (zinc) or ZF*

## **PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

*(zinc converted to a zinc/iron alloy coating). The common coating masses used for zinc coating are: Z350, Z275, Z200/Z180, Z100, and for zinc/iron alloy coatings ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.*

*Surface treatments can include but not be limited to: passivated or not passivated (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).*

*Excluded from the definition of the goods the subject of this application is painted galvanised steel, pre-painted galvanised steel, electro-galvanised steel, corrugated galvanised steel or aluminium zinc alloy coated or plated steel.*

### **Tariff Classification**

The application stated that the goods are classified to the following tariff subheadings:

- 7210.49.00 (statistical codes 55, 56, 57 and 58);
- 7212.30.00 (statistical code 61);
- 7225.92.00 (statistical code 38); and
- 7226.99.00 (statistical code 71).

The goods exported to Australia from India and Vietnam are subject to a DCS duty rate which is free for non-alloy steel under 7210.49.00 and 7212.30.00 and is 4% for 'other alloy' steel under 7225.92.00 and 7226.99.00.

There are several Tariff Concession Orders applicable to tariff classification subheadings 7210.49.00, 7225.92.00 and 7226.99.00 for galvanised steel.

### **3. INVESTIGATION PERIOD**

The existence and amount of any dumping in relation to galvanised steel exported to Australia from India and Vietnam will be determined on the basis of an investigation period from 1 July 2013 to 30 June 2014 (hereinafter referred to as 'the investigation period').

The Commission will examine details of the Australian market from 1 July 2008 for injury analysis purposes.

### **4. WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?**

Your company has either been identified in BlueScope's application, by an importer of galvanised steel or in data contained within the Australian Customs and Border Protection Service's (ACBPS') import database as a potential exporter of galvanised steel to Australia during the investigation period.

Consequently, the Commission has forwarded you this questionnaire and the associated Excel spreadsheet '*Galvanised Steel - exporter questionnaire supporting data*' to provide you with the opportunity to participate and cooperate with the investigation.

The Commission will use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether galvanised steel is dumped. You may make separate submissions concerning any other matter, for example injury.



## PUBLIC RECORD

(Identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

The Commission investigation will be carried out under the provisions of the Part XVB of the *Customs Act 1901*. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement* (WTO Agreement).

### 5. WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?

You do not have to complete the questionnaire. However, if you do not respond, the Commission may be required to rely on information supplied by other parties in making its assessments as to whether galvanised steel exported to Australia was dumped (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow the Commission to verify the information you provide (see below), it may deem that you did not cooperate with the investigation.

In these cases the Commission may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the investigation period.

It is the Commission's objective to arrive at a recommendation to the Parliamentary Secretary to the Minister for Industry based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. The Commission considers that your interests would be best served by providing a complete and accurate submission, capable of verification.

### 6. IF YOU DECIDE TO RESPOND

Should you choose provide a response to this questionnaire, please note the following:

#### For Official Use Only and Public Record versions

If you choose to respond to this questionnaire, you are **required** to lodge a 'FOR OFFICIAL USE ONLY' version and a 'PUBLIC RECORD' version of your submission by the due date (as specified on the cover page to this questionnaire).

In submitting these versions, please ensure that **each page** of the information you provide is clearly marked either 'FOR OFFICIAL USE ONLY' or 'PUBLIC RECORD'.

All information provided to the Commission is for official use only will be treated accordingly.

The Public Record version of your submission will be placed on the Public Record. The Public Record is available to all interested parties who may comment on the material on the Public Record. Other interested parties have the opportunity to comment on issues you have raised.

It is **not** expected that the Public Record version of your submission would include commercially sensitive information. However, it must contain sufficient detail to allow a reasonable understanding of the substance for the Official Use Only version. As provided for in Australia's anti-dumping legislation, all public version submissions are required to have a bracketed explanation of deleted or blacked out information. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].



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If, for some reason, you cannot produce a Public Record version, please contact the investigation Case Manager (see contact details on the cover page of this questionnaire).

You can access the Public Record electronically online at [www.adcommission.gov.au](http://www.adcommission.gov.au) (follow the links to 'Cases and Electronic Public Record' and 'Current Cases').

### Declaration

You are required to make a declaration at Section H that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the investigation period, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

### Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

## 7. DUE DATE FOR RESPONSE

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

There is a statutory time limit imposed for the investigations. The Commission may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

The Commission would encourage you to make contact with the Case Manager (see contact details on the cover page to this questionnaire) if you need any assistance in completing the questionnaire.

**If you intend to lodge a submission but cannot do so by the due date please advise the Case Manager as soon as possible.**

In considering whether or not to grant an extension of time, regard is had to the following:

- a) difficulties in translation of documentation, including the exporter questionnaire;
- b) availability of key staff;
- c) public holidays; or
- d) any circumstance outside the company's control.

The Commission may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the cover page of this questionnaire, with data requested in electronic format provided on a CD-ROM (see point 11 below).

Alternatively, you are welcome to lodge your response by email. The email address for lodgement is shown on the cover page of this questionnaire. If you lodge by email you are still required to provide a confidential and a non-confidential version of your submission by the due date.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### 8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

After you have submitted the questionnaire and the Commission is satisfied that the information you have provided is sufficiently complete and warrants verification, the Commission may seek to visit your company to verify the information provided.

The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits may take several days. During this verification, the Commission's representatives will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. They will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. They may also need to see your factory, in which case they will need to consult with your operational managers.

After gathering the information, the Commission will prepare a report of the visit. Its representatives will provide you with a draft of the report and then respond to any questions you have. They will ask you to prepare a non-confidential copy of the report for the Public Record.

### 9. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE

|                   |  |
|-------------------|--|
| <b>Section A</b>  | General information relating to your company, including financial reports.   |
| <b>Section B</b>  | A complete list of your company's exports to Australia over the investigation period.  |
| <b>Section C</b>  | A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration. |
| <b>Section D</b>  | A detailed list of all of your company's sales of like goods in your domestic market.  |
| <b>Section E</b>  | Information to allow a fair comparison between export and domestic prices.   |
| <b>Section F</b>  | Information in relation to your company's exports of like goods to countries other than Australia.                                       |
| <b>Section G</b>  | Costs to make and sell, for exports to Australia and for the domestic market.  |
| <b>Section H</b>  | Your declaration.  |
| <b>Section I</b>  | Submission checklist.  |
| <b>Appendix 1</b> | A glossary of terms used in this questionnaire.  |

### 10. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to **all** sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every



## **PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

part of the response should be traceable to company documents that are used in the ordinary course of business.

- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

### **11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA**

- It is important that, where requested, information is submitted in electronic format.
- Electronic data can be submitted directly by email to the email address shown on the cover page of this questionnaire, or can be submitted on a CD-ROM by mail.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file). The Excel files must be compatible to the USA version.
- An Excel spreadsheet, '*Galvanised Steel - exporter questionnaire supporting data*' accompanies this questionnaire and forms a template for your response to the data requested. The spreadsheet is referred to throughout this questionnaire as appropriate. This spreadsheet (and the worksheets therein) should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as 'Not Applicable' or an answer that only refers to an exhibit or an attachment may not be considered by the Commission to be adequate. The Commission therefore suggests that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

### **12. FURTHER INFORMATION**

Before you respond to the questionnaire you should read all the key documentation related to this application, including ADN 2014/55 (notifying the initiation of the investigation) and the glossary of terms. It is also recommended that you access and read the non-confidential version of BlueScope's application which is available online on the electronic Public Record at [www.adcommission.gov.au](http://www.adcommission.gov.au) (follow the links to current cases and electronic public record).

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that the Commission may send you a supplementary questionnaire if it needs to clarify matters provided by you in the response to this questionnaire, or to seek new information.



**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**SECTION A - COMPANY STRUCTURE AND OPERATIONS**

*This section requests information relating to company details and financial reports.*

**A-1 IDENTITY AND COMMUNICATION**

Please nominate a person within your company who can be contacted for the purposes of this investigation:

**Head Office:**

Name: **Mr. Praveen Dixit**  
Position in the company: **Vice President International Marketing**  
Address: **JSW Centre, Bandra Kurla Complex, Bandra – East, Mumbai.**  
**Pin Code - 400 051, India.**  
Telephone: **+91-22- 4286-7107**  
Facsimile number: **+91-22-4286-3000**  
E-mail address of contact person: [praveen.dixit@jsw.in](mailto:praveen.dixit@jsw.in)

**Factories/Plants:**

**1. Vasind Works**

Address: Village – Vasind, Taluka –Shahapur, Dist. Thane – 421604, Maharashtra State, India  
Telephone: +91(2527)220022  
Facsimile number: +91(2527)220020  
E-mail address of contact person: [hemant.shete@jsw.in](mailto:hemant.shete@jsw.in)

**2. Tarapur Works**

Address: B-6, Tarapur MIDC Industrial Area, Navapur Road, Boisar – 401506, Maharashtra State, India  
Telephone: +91(2525)270147  
Facsimile number: +91(2525)270148  
E-mail address of contact person: [hemant.shete@jsw.in](mailto:hemant.shete@jsw.in)

**3. Kalmeshwar Works**

Address: A- 10/1, MIDC Industrial Area, Kalmeshwar – 441501, Dist. Nagpur, Maharashtra State, India.  
Telephone: +91(7118)271401  
Facsimile number: +91(7118)271400  
E-mail address of contact person: [hemant.shete@jsw.in](mailto:hemant.shete@jsw.in)

**A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION**

If you wish to appoint a representative to assist you in this investigation, provide the following details:

|                      |                                      |
|----------------------|--------------------------------------|
| <b>Name:</b>         | <b>Mr. ANDREW PERCIVAL</b>           |
| <b>Organisation:</b> | <b>CORRS CHAMBERS WESTGARTH</b>      |
| <b>Position:</b>     | <b>SPECIAL COUNSEL</b>               |
| <b>Address:</b>      | <b>GPO BOX 9925, SYDNEY NSW 2001</b> |

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**Telephone:** +61- 02- 92106228  
**Facsimile/Telex number:** +61-02-92106611  
**E-mail of contact person:** andrew.percival@corrs.com.au

**Name:** Mr. SANJAY NOTANI  
**Organisation:** ECONOMIC LAWS PRACTICE  
**Position:** PARTNER  
**Address:** 109-A Wing, Dalamal Towers, Nariman Point, Mumbai 400021 India.  
**Telephone:** +91 22 6636 7000  
**Facsimile/Telex number:** +91-22-66367172  
**E-mail of contact person:** sanjaynotani@elp-in.com

*Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.*

### A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**Response:**

The Legal name of the cooperating exporter is "JSW Steel Coated Products Limited" ("JSW Coated/the Exporter"). It is a company limited by shares. No other business name is being used by JSW Steel Coated Products Limited to export and / sell goods.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

**Response:**

JSW Coated is a wholly-owned subsidiary of "JSW Steel Limited" ("JSL/ the Holding Company"). The entire share capital of JSW Coated is being held by JSW Steel Limited and its Nominees. The details of shareholding, as on 30<sup>th</sup> June, 2014, are attached as Confidential "Annexure 1".

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

**Response:**

As explained above, JSW Coated is a wholly-owned subsidiary of JSL. The details of principal shareholders of JSL are attached as Confidential "Annexure 2".

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

**Response:**

JSL (the parent company) is not a subsidiary of any other Company.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

**Response:**

**Please refer to Confidential "Annexure 3".**

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

**Response:**

This expense is reflected under the information for related party transactions, annexed herewith at Confidential "Annexure 9".  
(confidential information regarding management fees/corporate allocations)

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

**Response:**

**JSW Coated is a manufacturer of Cold Rolled Coils and Sheets, Galvanised Products and Pre-painted Galvanised Products including the goods under investigation.**

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture;
- sell in the domestic market;
- export to Australia; and
- export to countries other than Australia.

**Response:**

**JSW Coated's business performs all the functions listed above.**

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

**Response:**

The marketing of JSW Coated's products is performed by [REDACTED].

The Marketing Organisation Chart of JSL is attached herewith as Confidential “Annexure 4A”.

The relevant Operational Organisation Chart for JSW Coated is attached herewith as Confidential "Annexure 4B".

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

**Response:**

**The List of Board of Directors of JSW Coated, as on 30<sup>th</sup> June, 2014, is attached as Confidential "Annexure 5".**



## **PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

**Response:**

The Balance Sheet for the financial year 2013-14 is enclosed at Confidential "Annexure 7".

The brochure for the goods under investigation is attached herewith as "Annexure 8".

12. Provide details of **all** transactions between your company and all related parties. For example:

- supplying/selling completed or partially completed products;
- supplying/selling raw materials;
- performing management functions (including any financial functions);
- processing (including toll processing) of any raw materials, intermediary or completed products; or
- trading in products/materials supplied by related parties.

**Response**

The details of related party transactions for the period of investigation in relation to the aforementioned points are attached herewith at Confidential "Annexure 9". Further information on related party transactions not listed above, can be found under the heading "Transactions with Related Parties" starting at page 39 of the Annual Report attached at Confidential "Annexure 7".

### **A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION**

1. Indicate your accounting period.

**Response**

The accounting period followed by JSW Coated is as per the Financial Year i.e. 1<sup>st</sup> April to 31<sup>st</sup> March (12 months).

2. Indicate the address where the company's financial records are held.

**Response**

Records are mainly kept at the following places

**1. Vasind Works**

Village Vasind,  
Taluka - Shahapur,  
Dist. Thane – 421604  
Maharashtra State  
India.

**2. Tarapur Works**

B -6 Tarapur MIDC Industrial Area,  
Navapur Road,  
Taluka Pen,  
Boisar – 401506  
Maharashtra State  
India.

**3. Kalmeshwar Works**

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

A -10/1 MIDC Industrial Area,  
Kalmeshwar - 441501  
Dist. Nagpur  
Maharashtra State  
India.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
- chart of accounts;

### Response

Please find attached the Exporters Chart of Accounts at Confidential "Annexure 6". For the Financial Year 2012-13, JSW Coated was not engaged in the production of Galvanised Steel i.e. goods under investigation.

In 2012-13, there was a scheme of amalgamation sanctioned by The Honorable High Court of Mumbai. In accordance with the scheme, downstream undertakings comprising of Vasind and Tarapur units of the parent company JSL (plants where the goods under investigation are currently produced) and Kalmeshwar Unit (another plant where the goods under investigation are produced) of JSW Ispat Steel Limited (Transferor Unit 2) were transferred to JSW Coated retrospectively with effect from 01 July 2012.

The Amalgamation Scheme became effective from 1st June 2013, i.e. the date of filing certified copy of the order of court with Register of Companies Mumbai as per the order of the Hon'ble High Court of Mumbai. Accordingly, financial accounts of Tarapur and Vasind works for Financial Year 2012-13 are included in Financial statement / Annual Report of JSL and that of Kalmeshwar Works is included in Financial Statements of erstwhile JSW Ispat Steel Limited.

A copy of the sanctioned court order is attached herewith as "Annexure 10".

Details for the last completed financial year for JSW Coated is 2013-14 (already attached as Confidential "Annexure 7") and the Financial Statement for the first quarter of the subsequent financial year i.e. Q1 (April 2014 to June 2014) is attached as Confidential "Annexure 11".

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and

### Response

Please refer to Confidential "Annexure 7" for JSW Coated's Financial Statement for Financial Year 2013-14.

In terms of the above response JSW Coated financial statements were consolidated and reported as part of the Annual Report of JSL (Tarapur and Vasind) and Financial statements of JSW Ispat Steel Limited (Kalmeshwar) for the year 2012-13, attached as Confidential "Annexure 12".

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### Response

The quarterly financial statement for Q1 (April to June 2014) is attached herewith as Confidential "Annexure 11".

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration; and
- the company overall.

### Response:

The above documents are not prepared for any segment which is specifically responsible for the goods under investigation. Therefore the Exporter's overall records are attached in the above annexures.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

### Response

The Accounts of JSW Coated are subject to Audit under Indian Companies Act, hence the present question is not applicable.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

### Response

JSW Coated's Accounting Practices and Policy are in accordance with generally accepted accounting principles in India (Indian GAAP). Please Refer Point no 1 of Note: Significant Accounting Policies of Last Audited Financial Statements attached as part of the Audited Reports in Confidential "Annexure 7".

6. Describe the significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out – LIFO, first in first out – FIFO, weighted average);

### Response

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises [REDACTED]

[REDACTED] Cost is determined by [REDACTED]  
Semi finished goods/ finished goods are valued at [REDACTED]

[REDACTED] Cost includes [REDACTED] Cost of  
finished goods includes [REDACTED] As mentioned above, cost is determined  
on [REDACTED]

[REDACTED]  
(confidential information regarding costs)

## **PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

### **Response**

**All Cost are identified with the Cost Center and are grouped for various products like Cold rolled coils/sheets, Galvanised Steel, Galvalume Steel, Prepainted Galvanised steel and Prepainted Galvalume Steel. Raw Materials are directly identified with the product. Other Variable cost like stores expenses, packing expenses, power and fuel are based on cost centre wise expenses. Fixed and Other common Expenses are allocated on basis of respective product capacity.**

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

### **Response**

**Damaged or sub-standard goods generated at the various stages of production are valued on Net Realisable Value.**

- valuation methods for scrap, by products or joint products;

### **Response**

**Scrap, by products or joint products are valued on Net Realisable Value.**

- valuation and revaluation methods for fixed assets;

### **Response**

**Assets are stated at Cost of acquisition including installation/erection except for Asset transferred from JSW Steel and JSW Ispat Steel limited pursuant to Composite Scheme of Amalgamation and Arrangement, which are considered at Fair Value determined by the independent valuer.**

- average useful life for each class of production equipment and depreciation method and rate used for each;

### **Response**

**For period from July 13 to March 14 Depreciation on assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) at the rates prescribed in Schedule XIV to the Companies Act 1956.**

**Depreciation on assets, acquired under the Composite Scheme of Amalgamation and Arrangement, is provided, pro-rata for the period of use, by the SLM at the rates prescribed in Schedule XIV to the Companies Act 1956 or at the SLM rates derived per independent technical estimate of useful life, whichever is higher.**



**(confidential information regarding depreciation)**



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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

### **Response to Both Points above**

Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

[REDACTED]

[REDACTED]

**(confidential information regarding exchange rate accounting)**

- inclusion of general expenses and/or interest;

### **Response**

The financial statements have been prepared on an accrual basis, so inclusion of general expenses and interest is on accrual basis.

- provisions for bad or doubtful debts, and treatment thereof in your accounts;

### **Response**

All efforts for recovery from customer are made and then after approval of senior management provision is created for overdue more than 365 days and charged to P&L account. In many cases Legal cases are also filed for recovery.

- expenses for idle equipment and/or plant shut-downs;

### **Response**

[REDACTED]

**(confidential information regarding expenses for idle equipment and/or plant shut down)**

- costs of plant closure;

### **Response**

There has been no Plant closure in the investigation period for goods under consideration.

- restructuring costs;

### **Response**

No Restructuring cost has been incurred during the Investigation Period.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- by-products and scrap materials resulting from your company's production process; and

### Response

**Sales of Scrap, by products resulting from our production process are stated as Sale of products in the financial statement. Stock of Scrap / by Product is valued on Net Realisable Value.**

- effects of inflation on financial statement information.

### Response

**Financial Statements are prepared as per Indian GAAP and Effects of inflation are not provided for.**

## A-5 INCOME STATEMENT

Please complete the worksheet titled '**Income Statement**' within the '*Galvanised Steel – exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the goods under consideration within these calculations.

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

### Response:

**Please refer to "Income Statement" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.**

## A-6 SALES

Please complete the worksheet titled '**Turnover**' within the '*Galvanised Steel – exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

State your company's net turnover (after returns and all discounts) and free of duties and taxes. Use the currency in which your accounts are kept.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

This information will be used to verify the cost allocations to the goods under consideration in Section G.

You should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

### Response:



**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**Please refer to “Turnover” spreadsheet provided in the Confidential Annexure ‘JSCPL Annexure Formats 03.09.2014’.**

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### SECTION B – SALES TO AUSTRALIA (EXPORT PRICE)

*This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at free-on-board (FOB) point, but the Commission may also compare prices at the ex-factory level.*

*You should report prices of **all** goods under consideration **shipped** to Australia during the investigation period.*

*The invoice date will normally be taken to be the date of sale. If you consider:*

- the sale date is not the invoice date (see 'date of sale' column in Section B-4 below); and*
- an alternative date should be used when comparing export and domestic prices,*

*then you **must** provide information in Section D on domestic selling prices for a matching period – even if doing so means that such domestic sales data predates the commencement of the investigation period.*

**B-1** For each customer in Australia to whom you shipped goods during the investigation period, list:

- name;
- address;
- contact name and phone/fax number, where known; and
- trade level (e.g. distributor, wholesaler, retailer, end user, original equipment manufacturer).

**Response:**

The relevant information is provided at Confidential "**Annexure 13A**" attached herewith.

**B-2** For each customer identified in Section B-1 please provide the following:

- a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

**Response:**

Goods shipped to Australia are directly sold to [REDACTED]



- b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

**Response:**

- The goods are shipped directly to Australia and invoiced to [REDACTED]. No commission is paid to any [REDACTED]. (confidential information regarding customers)



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- Functions of Manufacturer:** JSW Coated manufactures and sells the goods directly to the [REDACTED]. JSW Coated also performs the function of dispatching the goods to the destination port as per terms of sale and instructions of the [REDACTED].

- (confidential information regarding Australian sales)

- c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.

**Response:**

- All the transactions reported in the questionnaire made by JSW Coated shipped to Australia are made on [REDACTED].
- Therefore responsibility and ownership of goods lies with [REDACTED]
- [REDACTED]

(confidential information regarding terms of Australian sale)

- d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

**Response:**

(confidential information regarding trade terms)

- e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

**Response:**

[illegible]

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

[REDACTED]

**(confidential information regarding price negotiation and sales process)**

- f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

**Response**

[REDACTED] Further no free goods, rebates or promotional subsidies have been offered to the customers during the Period of Investigation.

- g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

**Response:**

**JSW Coated has no forward orders of the goods under consideration as on date.**

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**Response:**

**As explained above,** [REDACTED]

[REDACTED] **(confidential information regarding distribution channel)**

- B-4** Complete the worksheet titled '**Australian Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

**Response:**

**Please refer to "Australian Sales" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.**

This spreadsheet should list **all** shipments to Australia (i.e. transaction by transaction) **of the goods under consideration** in the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

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## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

The table below provides information as to what is meant by each column heading within the worksheet.

| COLUMN HEADING   | EXPLANATION  |
|--|--|
| Customer name  | Names of your customers  |
| Level of trade   | The level of trade of your customers in Australia  |
| Model/grade/type   | Commercial model/grade or type<br>(i.e. Base Metal Thickness, width, zinc coating mass, grade, finish)   |
| Product code   | Code used in your records for the model/grade/type identified. Explain the product codes in your submission  |
| Invoice number   | Invoice number   |
| Invoice date   | Invoice date   |
| Date of sale   | Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract or purchase order date. |
| Order number   | If applicable, show order confirmation, contract or purchase order number if you have shown a date other than the invoice date as being the date of sale.  |
| Shipping terms   | Delivery terms: e.g. CIF, C&F, FOB, DDP (in accordance with the Incoterms outlined in Appendix 1)  |
| Payment terms  | Agreed payment terms, for example 60 days = 60 etc   |
| Quantity   | Quantity in units (as shown on the invoice). Show basis, e.g. kilograms.   |
| Gross invoice value  | Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i>   |
| Discounts on the invoice                                   | If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column   |
| Other charges  | Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description   |
| Invoice currency   | The currency used on the invoice   |
| Exchange rate  | Indicate the exchange rate used to convert the currency of sale to the currency used in your accounting system   |
| Net invoice value in the currency of the exporting country | The net invoice value expressed in your domestic currency, as it is entered in your accounting system  |
| Rebates or other allowances                                | The amount of any deferred rebates or allowances paid to the importer in the currency of sale  |
| Quantity discounts   | The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount   |

11795068/222

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

|   |  |
|---|--|
| Ocean freight**                           | The actual amount of ocean freight incurred on each export shipment listed   |
| Marine insurance                          | Amount of marine insurance   |
| FOB export price**                        | The FOB price at the port of shipment  |
| Packing*                                  | Packing expenses   |
| Inland transportation costs*              | Inland transportation costs included in the selling price. For export sales, this is the inland freight from factory to port in the country of export  |
| Handling, loading and ancillary expenses* | Handling, loading and ancillary expenses. For example, terminal handling, export inspection, wharfage and other port charges, container tax, document fees and customs brokers fees, clearance fees, bank charges, letter of credit fees and other ancillary charges incurred in the exporting country |
| Warranty and guarantee expenses*          | Warranty and guarantee expenses  |
| Technical assistance and other services*  | Expenses for after sale services, such as technical assistance or installation costs   |
| Commissions*                              | Commissions paid. If more than one type is paid, insert additional columns of data. Indicate in your response to Section B-2 whether the commission is a pre or post exportation expense having regard to the date of sale   |
| Other factors*                            | <b>Any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See Section B-5.  |

### Notes:

\* All of these costs are further explained in Section E-1.

\*\* FOB export price and ocean freight:

FOB export price: an FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales worksheet.

Ocean freight: as ocean freight is a significant cost, it is important that the **actual** amount of ocean freight incurred on each exportation be reported. If estimates must be made, you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

### Response:



(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

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[illegible]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see 'other factors' in Section B-4) for each item and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

**The following expenses have been incurred and reported with regard to exports:**

1. [REDACTED] These expenses have been reflected under column 38 of "Australia Sales" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

2.

These expenses have been reflected under column 39 of "Australia Sales" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.

- B-6** For each type of discount, rebate or allowance offered on export sales to Australia:
- provide a description; and
  - explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to Section B-4. If they vary by customer or level provide an explanation.

**Response:**

**For the sales of the goods under consideration to Australia in the period of investigation, JSW Coated did not offer any discounts or rebates.**

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to Section B-4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

**Response:**

**There are no transactions where JSW Coated has issued credit notes.**

- B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. DDP), insert additional columns in the worksheet for all other costs incurred. For example:

|                  |   |
|------------------|---|
| Import duties    | Amount of import duty paid in Australia   |
| Inland transport | Amount of inland transportation expenses within Australia included in the selling price |
| Other costs      | Customs brokers, port and other costs incurred (itemise)                                |

**Response:**

**The question is not applicable since JSW Coated has not made any sales to Australia on DDP terms, but on CFR basis.**

- B-9** Select two shipments, in different quarters of the investigation period, and provide a **complete** set of all of the documentation related to the export sale. For example:
- the importer's purchase order, order confirmation and contract of sale;
  - commercial invoice;
  - bill of lading, export permit;
  - freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
  - marine insurance expenses; and
  - letter of credit and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**Response:**

**Please refer to Confidential “Annexure 14A”, Confidential “Annexure 14B” and Confidential “Annexure 14C”**

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### SECTION C - EXPORTED GOODS AND LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details (such as the grade of the product) and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

**Response:**

**JSW Coated has exported goods under investigation to Australia during the period of investigation. Detailed information regarding grade, coating thickness, width, finish and other critical parameters may be found at Confidential "Australian sales" worksheet as well as the Product Brochure submitted as part of "Annexure 8".**

- C-2** List each model/type of goods exported to Australia (these models should cover all models listed in the worksheet 'Australian Sales' – see Section B of this questionnaire).

**Response:**

**Attached at Confidential "Annexure 13B".**

- C-3** If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary of terms) are not identical to goods exported to Australia. Make sure that you identify the grade of each model/type that is sold domestically.

This should be done by completing the worksheet titled 'Like Goods' within the 'Galvanised Steel - exporter questionnaire supporting data' spreadsheet provided alongside this questionnaire, detailing as follows:

| EXPORTED TYPE   | DOMESTIC TYPE   | IDENTICAL?  | DIFFERENCES  |
|---|---|---|--|
| Product code of each model of the goods exported to Australia | Product code of comparable model sold on the domestic market of the country of export | If goods are identical indicate 'YES'. Otherwise 'NO' | Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences |

**Response**

**Please refer to Confidential "Annexure 15A" for the Product Comparison methodology. Further the above table is also provided as Confidential "Annexure 15B".**

**(confidential information regarding export sales)**



**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**C-4**

Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

**Response:**

**The relevant specifications and material is attached herewith at “Annexure 8”.**

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### SECTION D - DOMESTIC SALES

*This section seeks information about the sales arrangements and prices in the domestic market of the country of export.*

*All domestic sales of **like goods** (to the goods under consideration) made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire.*

*If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission's requirements. If agreement cannot be reached as to the appropriate method, the Commission may not visit your company.*

*The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.*

*If, in response to Section B-4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

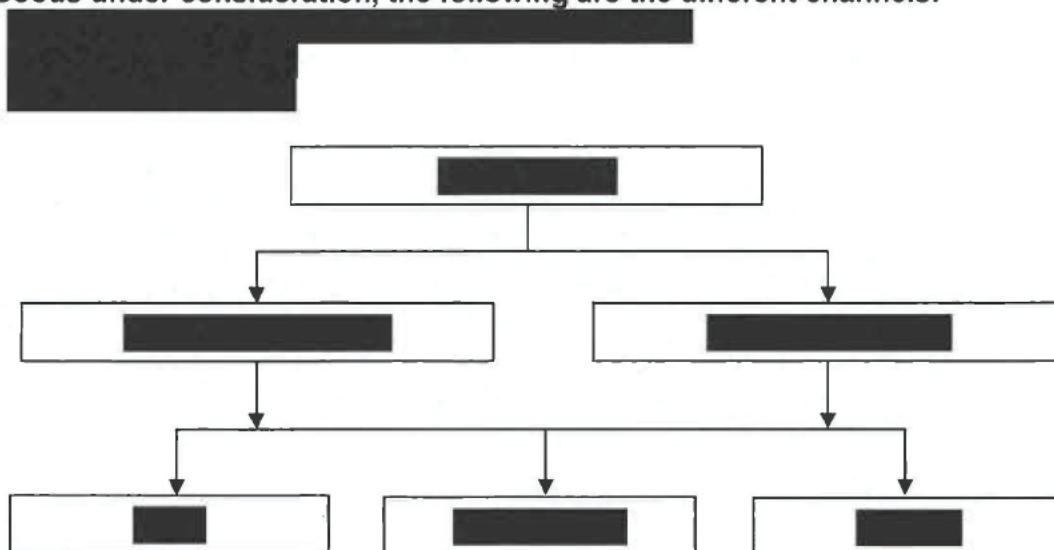
*If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information the Commission requires for determining a normal value using alternative methods.*

**D-1** Please provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

**Response:**

**As regards the distribution channel for sales made in the home market of the Goods under consideration, the following are the different channels:**



**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

[REDACTED]

### (confidential information regarding distribution channels)

- If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

**Response:** The customers associated to JSW Coated to whom goods under consideration are sold are listed herein below. These customers are related entities to JSW Coated:

[REDACTED]

[REDACTED]

- D-2** Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

### **Response**

[REDACTED]

### (confidential information regarding price negotiation)

- D-3** Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and

### **Response**

[REDACTED]

[REDACTED]

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(confidential information regarding price-setting in Australian sales)

- whether price includes the cost of delivery to customer.

### Response:

[REDACTED]

(confidential information regarding delivery terms)

- If sales are in accordance with price lists, provide copies of the price lists.

### Response:

Price lists are attached for Retail as Confidential "Annexure 18" for the quarter of April 2014 to June 2014.

- D-4** Complete the worksheet titled '**Domestic Sales**' in the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

### Response

Please refer to "Domestic Sales" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

This worksheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) made during the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

| COLUMN HEADING   | EXPLANATION  |
|--|--|
| Customer name  | Names of your customers. If an English version of the name is not easily produced from your automated systems, show a customer code number and (in a separate table) list each code and name   |
| Level of trade   | The level of trade of your domestic customer   |
| Model/grade/type   | Commercial model/grade or type of the goods  |
| Product code   | Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission   |
| Invoice number   | Invoice number   |
| Invoice date   | Invoice date   |
| Date of sale   | Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract or purchase order date |
| Order number   | Show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale  |
| Delivery terms   | For example, ex-factory, free on truck, delivered into store   |
| Payment terms  | Payment terms agreed with the customer, for example 60 days = 60 etc   |
| Quantity   | Quantity in units shown on the invoice, for example kilograms  |
| Gross invoice value  | Gross value shown on invoice <i>in the currency of sale</i> , net of taxes   |
| Discounts on the Invoice                                   | The amount of any discount deducted on the invoice on each transaction. If a %age discount applies show that %age discount applying in another column  |
| Other charges  | Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description   |
| Net invoice value in the currency of the exporting country | The net invoice value expressed in your domestic currency as recorded in your accounting system  |
| Rebates or other Allowances                                | The actual amount of any deferred rebates or allowances in the currency of sale  |
| Quantity discounts   | The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount   |
| Packing*   | Packing expenses   |



**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

|   |  |
|---|--|
| Inland transportation costs*              | Amount of inland transportation costs included in the selling price  |
| Handling, loading and ancillary expenses* | Handling, loading and ancillary expenses   |
| Warranty and guarantee expenses*          | Warranty and guarantee expenses  |
| Technical assistance and other services*  | Expenses for after sale services, such as technical assistance or installation costs   |
| Commissions*                              | Commissions paid. If more than one type is paid, insert additional columns of data   |
| Other factors*                            | <b>Any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required).<br><br>See Section D-5. |

**Notes**

Costs marked with \* are explained in Section E-2.

**Response:**

For details on product coding methodology of JSW Coated, please refer to the response provided for Question B-4.

- D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in Section D-4 above, add a column for each item (see 'other factors'). For example, certain other selling expenses incurred.

**Response:**

The following expenses have been incurred and reported with regard to domestic sales:

1. [REDACTED] These expenses have been reflected under column 32 of "Domestic Sales" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.

- D-6** For each type of commission, discount, rebate or allowance offered on domestic sales of like goods:
- provide a description; and
  - explain the terms and conditions that must be met by the customer to qualify for payment.

**Response**

The Discounts / Rebates offered to [REDACTED] are as below;

[REDACTED]

[REDACTED]

[REDACTED]

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

[illegible]

- Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to Section D-4.

and reported in the "Domestic Sales" spreadsheet provided in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.  
(confidential information regarding discounts and rebates)

- If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

**All the credited amounts featuring in the credit notes have been reported as discounts/rebates.**

**D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a **complete** set of documentation for those two sales. Include, for example:

- purchase order;
- order acceptance;
- commercial invoice;

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- discounts or rebates applicable;
- credit/debit notes;
- long or short term contract of sale;
- inland freight contract; and
- bank documentation showing proof of payment.

The Commission will select additional sales for verification at the time of our visit.

### **Response:**

**Please refer to Confidential “Annexure 19”, Confidential “Annexure 20” and Confidential “Annexure 21”.**



## **PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### **SECTION E - FAIR COMPARISON**

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (i.e. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable, cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim, that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

#### **E-1 COSTS ASSOCIATED WITH EXPORT SALES**

These cost adjustments will relate to your responses made at Section B-4, 'Australian Sales'.

##### **1. Transportation**

Explain how you have quantified the amount of inland transportation associated with the export sale ('inland transportation costs'). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### **Response:**

For calculating inland transportation cost for export sales, JSW Coated records all such expenses in a [REDACTED]

[REDACTED] The expense has accordingly been reported on actual basis transaction-wise as per individual invoices.

### **2. Handling, loading and ancillary expenses**

List all charges that are included in the export price and explain how they have been quantified ('handling, loading and ancillary expenses'). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

### **Response:**

The various export related ancillary costs are identified in the table at Section B-4, for example:

|            |            |            |            |
|------------|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

(confidential information regarding General Ledger)

Handling, loading and ancillary related expenses have been calculated [REDACTED] and a sample illustration of such charges claimed is annexed hereto as Confidential "Annexure 22".

### **3. Credit**

The cost of extending credit on export sales is not included in the amounts quantified at Section B-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales, e.g. short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in Section E-2 below.

### **Response:**

JSW Coated does not charge or recover any interest cost from its customers.



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### 4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'packing'.

**Response:**

**Packing costs are inherently part of the cost to make and sell for the Goods under consideration, whereby they are included in the reported cost therein.**

### 5. Commissions

For any commissions paid in relation to the export sales to Australia: provide a description; and explain the terms and conditions that must be met.

Report the amount in the sales listing in Section B-4 under the column headed 'commissions'. Identify the general ledger account where the expense is located.

**Response:**

**There are no commission expenses paid for sales of the Goods under consideration made to Australia in the Period of Investigation.**

### 6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('warranty and guarantee expenses' and 'technical assistance and other services'), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**Response:**

**There are no warranties, guarantees or after sales services for sales of the Goods under consideration made to Australia during the Period of Investigation.**

### 7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed 'other factors'. For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

**Response:**

**There are no adjustments claimed under 'Other Factors'.**

### 8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see Article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export



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prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

**Response:**

**There are no adjustments claimed under 'Currency conversions'.**

## E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

These cost adjustments will relate to your responses made at Section D-4, 'domestic sales'.

The following items are not separately identified in the amounts quantified at Section D-4. However you should consider whether any are applicable.

## 1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative (SG&A) costs, plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

**Response:**

[illegible]

**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(confidential information regarding product comparison methodology)

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### 2. Import charges and indirect taxes

If exports to Australia:

are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods); or

if such internal taxes and duties have been paid and are later remitted upon exportation to Australia,

then the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment.

In substantiating the drawback claim the following information is required:

a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;

the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;

an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia.

#### Substitution drawback systems

Annex 3 of the WTO *Agreement on Subsidies and Countervailing Measures* provides:

'[d]rawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs'.

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

### **Response**

**There are no adjustments claimed under 'Import charges and indirect taxes'.**

### 3. Level of trade

Section D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the



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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values, an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade may be adjusted for using either of the following methods:

### *costs arising from different functions*

The amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed if the domestic sales were made at the same level as that of the importer.

This requires the following information:

a detailed description of each sales activity performed in selling to your domestic customers (for example: sales personnel, travel, advertising, entertainment etc);  
the cost of carrying out these activities in respect of like goods;  
for each activity, whether your firm carries out the same activity when selling to importers in Australia;  
an explanation as to why you consider that you are entitled to a level of trade adjustment; or

### *level discount*

The amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter.

For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

## **Response**

**There are no adjustments claimed under 'Level of trade'.**

### **4. Credit**

The cost of extending credit on domestic sales is not included in the amounts quantified at Section D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

the rate, or average of rates, applying on actual short term borrowings by the company; or

the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system,<sup>1</sup> the average credit period may be determined as follows:

*Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable. It is a measure of how many times the average receivables balance is converted into cash during the year.

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise, net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by two; or  
total monthly receivables divided by 12.

*Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at point a).

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at Section D-4:

### Response:

[REDACTED]

#### 5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales ('inland transportation costs'). Identify the general ledger

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## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

### Response:

For calculating inland transportation cost for export sales, JSW Coated records all such expenses in a [REDACTED]

### 6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified ('handling, loading and ancillary expenses'). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

### Response:

Handling, loading and ancillary related expenses have been calculated [REDACTED]

The various export related ancillary costs are identified in the table at Section B-4, for example:

|            |            |            |            |
|------------|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

### 7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'packing'.

### Response:

There are no adjustments claimed under 'Packing' since it is part of the Cost to Make and Sell.

### 8. Commissions

For any commissions paid in relation to the domestic sales:

provide a description; and  
explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed 'commissions'. Identify the general ledger account where the expense is located.

### Response:

Commission is paid to the [REDACTED]



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

Commission has been reported and claimed in the Confidential Annexure 'JSCPL Annexure Formats 03.09.2014' as per actual expenses, further details of which are available at column 31 of the Annexure. The General Ledger account code where this expense is located is [REDACTED]

### 9. Warranties, guarantees and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('Warranty and guarantee expenses' and 'technical assistance and other services'), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

#### **Response:**

**There are no adjustments claimed under 'Warranties, guarantees and after sales services'.**

### 10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed 'other factors'. List the factors and show how each has been quantified in per unit terms. For example:

inventory carrying cost – describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;

warehousing expense – an expense incurred at the distribution point;

royalty and patent fees – describe each payment as a result of production or sale, including the key terms of the agreement;

advertising; and bad debt.

#### **Response:**

**There are no adjustments claimed under 'Other Factors'.**

## E-3 DUPLICATION

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

adjustments for level of trade, quantity or other discounts may overlap, or calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

*Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.*

*Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.*

**F-1** Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Complete the worksheet titled '**Third Country Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

This worksheet should list **all** export sales of like goods (i.e. transaction by transaction) to countries other than Australia in the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

| COLUMN HEADING      | EXPLANATION   |
|---------------------|---|
| Country             | Name of the country that you exported like goods to over the investigation period   |
| Number of customers | The number of different customers that your company has sold like goods to in the third country over the investigation period |
| Level of trade      | The level of trade that you export like goods to in the third country   |
| Quantity            | Indicate quantity, in units, exported to the third country over the investigation period                                      |
| Unit of quantity    | Show unit of quantity, for example kilograms  |
| Value of sales      | Show net sales value to all customers in the third country over the investigation period                                      |
| Currency            | Currency in which you have expressed data in column SALES   |
| Payment terms       | Typical payment terms with customer(s) in the third country, for example 60 days = 60 etc                                     |
| Shipment terms      | Typical shipment terms to customers in the third country, for example CIF, FOB, ex-factory, DDP etc                           |

**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- F-2** Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.



## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

*The information that you supply in response to this section of the questionnaire will be used for various purposes including:*

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration – i.e. of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

*You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the SG&A costs relating to goods sold on the domestic market, the finance expenses and any other expenses (e.g. non-operating expenses not included elsewhere) associated with the goods.*

*In your response please include a worksheet showing how the SG&A expenses, the finance expenses and any other expenses have been calculated.*

*If, in response to Section B-4 (Sales to Australia, Export Price) you:*

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices; and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales),*

*then you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.*

*At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.*

#### G-1 PRODUCTION PROCESS AND CAPACITY

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

#### RESPONSE:

**The process flow chart showing the production process briefly is attached hereto as Confidential "Annexure 23".**

**(confidential information regarding production inputs and process)**

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

2. Complete the worksheet titled '**production**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

### **RESPONSE:**

**Please refer to the spreadsheet 'Production' provided in Confidential Annexure 'JSCPL Annexure Formats 03.09.2014'.**

## **G-2 COST ACCOUNTING PRACTICES**

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

### **RESPONSE:**

[REDACTED] **(confidential information regarding accounting system)**

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were, state whether all variances (i.e. differences between standard and actual production costs) have been allocated to the goods and describe how those variances have been allocated.

### **RESPONSE:**

**This question is not applicable as JSW Coated has determined [REDACTED] (confidential information regarding cost)**

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

### **RESPONSE:**

**There is no significant or unusual cost variance occurred during the investigation period as JSW Coated has determined its cost on an actual basis for each quarter in period of investigation.**

4. Describe the profit/cost centres in your company's cost accounting system.

### **RESPONSE:**

[REDACTED] **(confidential information regarding profit and cost centres)**

5. For each profit/cost centre, describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated and how allowances are made for capital expenditures and other development costs.



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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

### RESPONSE:

**JSW Coated has [REDACTED] as indicated above. As regards the Profit Centers/Cost Centers are concerned they are maintained at [REDACTED]. A detailed illustration on the basis of allocation is attached herewith as Confidential "Annexure 24".**

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

### RESPONSE:

**There is no product specific cost accounting system to record production cost.**

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

### RESPONSE:

[REDACTED]

8. State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

### RESPONSE:

**This question is not applicable as JSW Coated is not involved in start up operations relating to goods under consideration.**

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

### RESPONSE:

**This question is not applicable as JSW Coated is not involved in start up operations.**

## G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>

Complete the worksheet titled '**Domestic CTMS**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell **each** model/type (identified in Section C) of the like goods sold on the domestic market. Please specify unit of currency.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

<sup>2</sup> The Commission applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in the ordinary course of trade. These provisions reflect the WTO Agreement – see Article 2.2.1.



**PUBLIC RECORD**

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address on the cover page of this questionnaire.

**G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)**

Complete the worksheet titled '**Australian CTMS**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell **each** model/type (identified in Section C) of the like goods sold on the domestic market. Please specify unit of currency.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover page of this questionnaire.

This information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

- G-5** Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

**RESPONSE:**

[REDACTED]

- G-6** Give details and an explanation of any significant differences between the costs shown and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

**RESPONSE:**

**There are no cost differences between goods sold in domestic market and goods sold to Australia and therefore this question is not applicable.**

- G-7** In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your company.

## PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

- G-8** List major raw material costs, which individually account for 10% or more of the total production cost.

### RESPONSE:

[REDACTED]

For these major inputs:

- identify materials sourced in-house and from associated entities;

### RESPONSE:

[REDACTED]

- identify the supplier; and

### RESPONSE:

The supplier of [REDACTED]

- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices or actual cost of production).

### RESPONSE:

The raw materials are valued at [REDACTED]

Where the major input is produced by an associate of your company, the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act 1901*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company), companies controlled by the other company and companies having the same person in the board of directors.

**Important note: if the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.**



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Website : www.jsw.in

## EXPORTER'S DECLARATION

I hereby declare that JSW Steel Coated Products Limited did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name: Praveen Dixit

Signature:

Position in Company: Vice President – International Marketing

Date: 1<sup>st</sup> September 2014















# Galvanised



# Galvanised Plain Sheet/Coils - Product Range and Specifications

|    |                     | Coil  | Plain Sheet                                     |
|----|---------------------|---|---|
| 1  | Thickness           |   |   |
|    | Soft                | 0.25 - 2.50mm                                   | 0.25 - 2.50mm                                   |
|    | Hard                | 0.10 - 1.00mm                                   | 0.10 - 1.00mm                                   |
| 2  | Thickness Tolerance |   |   |
|    | 0.10 - 0.25 mm      | ± 15 µ (Spread of 30µ)                          | ± 15 µ (Spread of 30µ)                          |
|    | 0.251 - 0.50 mm     | ± 20 µ (Spread of 40µ)                          | ± 20 µ (Spread of 40µ)                          |
|    | 0.501-1.0 mm        | ± 30 µ (Spread of 60µ)                          | ± 30 µ (Spread of 60µ)                          |
|    | >1.0 mm             | ± 2.5% of thickness or 100µ whichever is higher | ± 2.5% of thickness or 100µ whichever is higher |
| 3  | Width               |   |   |
|    | Mill Edge           | 760-1335 mm                                     | 760-1335 mm                                     |
|    | Tolerance           | +5/-0 mm  | +5/-0 mm  |
|    | Slit Edge           | 50-1250 mm                                      |   |
|    | Tolerance           | ± 0.50 mm (spread of 1.0 mm)                    |   |
| 4  | Length              |   |   |
|    | Range               | NA  | 4877 mm max.                                    |
| 5  | Tolerance           |   |   |
|    | Standard sheets     |   | +10/-0 mm(spread of 10 mm)                      |
|    | Blanks              |   | ± 1 mm(spread of 2 mm)                          |
| 6  | Coating             | 90-300 gsm                                      | 90-300 gsm                                      |
| 7  | Edge Condition      |   |   |
|    |                     | Trimmed/mill Edge                               | Trimmed/mill Edge                               |
| 8  | Shape               |   |   |
|    | Coil form           | 3 mm/3 waves per meter                          | 3 mm/3 waves per meter                          |
|    | Sheet form          | 3 mm/3 waves per meter                          | 3 mm/3 waves per meter                          |
| 9  | Temper              | Soft /Hard                                      | Soft /Hard                                      |
|    | Stretch Levelling   | 0.25 - 2.5 mm                                   | 0.25 - 2.5 mm                                   |
|    | Skin Passed         | 0.30 - 2.5 mm                                   | 0.30 - 2.5 mm                                   |
| 10 | Surface Roughness   | 0.6 - 2.0 µ                                     | 0.6 - 2.0 µ                                     |
|    | Surface Finish      | Bright / Matte                                  | Bright / Matte                                  |
|    | Spangle Type        | Big/ Regular / Small Spangles                   | Big/ Regular / Small Spangles                   |



|    |                            | Coil  | Plain Sheet  |
|----|----------------------------|---|--|
| 11 | Surface Treatment          | Chromated / Unchromated / Oiled/ Unoiled/ AFP   | Chromated / Unchromated / Oiled/ Unoiled/ AFP  |
| 12 | Oiling                     | 100 - 1000 mg/m <sup>2</sup>  | 100 - 1000 mg/m <sup>2</sup>   |
| 13 | Monogram                   | Online Logo can be given  | Online Logo can be given   |
|    | J 16 & below               |    |    |
|    | J 18 & below               |   |   |
| 14 | Liner Marking              | As per Customer's requirement   | As per Customer's requirement  |
| 15 | Coil ID                    | 508/610 mm  |  |
| 16 | Coil Winding               |   |  |
|    | Soft                       | Controlled Staggered $\pm 5$ mm   |  |
|    |                            | Straight wound $\geq 0.40$ mm   |  |
|    | Hard                       | Controlled Staggered $\pm 5$ mm   |  |
| 17 | Coil Weight                |   |  |
|    | Thickness                  |   |  |
|    | <0.25 mm                   | 2.0 - 6.0 t   |  |
|    | 0.251 - 0.50 mm            | 2.0 - 10.0 t  |  |
|    | 0.501-2.50 mm              | 2.0 - 22.0 t  |  |
| 18 | Packet Weight              |   | 2.00 - 4.50 t  |
| 19 | Standards                  | IS 277; JIS G 3302; AS1397; EN 10326; EN 10327; ASTM A 653  | IS 277; JIS G 3302; AS1397; EN 10326; EN 10327; ASTM A 653   |
| 20 | Grades                     | Full Hard / Commercial/ Forming / Structural  | Full Hard / Commercial/ Forming / Structural   |
| 21 | Lock Forming Quality       | Guaranteed for $\leq 1.50$ mm thickness   | Guaranteed for $\leq 1.50$ mm thickness  |
| 22 | Non Fluting Quality        | 2" mandrel thickness > 0.35 mm  | 2" mandrel thickness > 0.35 mm   |
|    |                            | 3" mandrel thickness 0.301 - 0.35 mm  | 3" mandrel thickness 0.301 - 0.35 mm   |
|    |                            | 5" mandrel thickness $\leq 0.30$ mm   | 5" mandrel thickness $\leq 0.30$ mm  |
| 23 | Hardness                   |   |  |
|    | Full Hard                  | 90 $\pm$ 5 HRB  | 90 $\pm$ 5 HRB   |
|    | Soft                       | 60 $\pm$ 5 HRB  | 60 $\pm$ 5 HRB   |
| 24 | Identification and Marking | Metal Marker / Barcode Sticker  | Identification Sticker / Barcode Sticker   |

# Galvanised - Soft (Commercial, Forming, Drawing)

| Specification                      | Grade           | Chemical Composition (Values are in %) |      |      |       |       |            |       |       |       |       |
|------------------------------------|-----------------|--|------|------|-------|-------|------------|-------|-------|-------|-------|
|                                    |                 | C                                      | Mn   | Si   | P     | S     | Al         | Cu    | Ni    | Cr    | Mo    |
| ASTM 653/A Low Carbon              | CS Type A       | 0.10                                   | 0.60 | -    | 0.030 | 0.035 | -          | 0.200 | 0.200 | 0.150 | 0.060 |
|                                    | CS Type B       | 0.02 to 0.15                           | 0.60 | -    | 0.030 | 0.035 | -          | 0.200 | 0.200 | 0.150 | 0.060 |
|                                    | CS Type C       | 0.08                                   | 0.60 | -    | 0.100 | 0.035 | -          | 0.200 | 0.200 | 0.150 | 0.060 |
|                                    | FS Type A       | 0.10                                   | 0.50 | -    | 0.020 | 0.035 | -          | 0.200 | 0.200 | 0.150 | 0.060 |
|                                    | FS Type B       | 0.02 to 0.10                           | 0.50 | -    | 0.020 | 0.030 | -          | 0.200 | 0.200 | 0.150 | 0.060 |
|                                    | DDS             | 0.06                                   | 0.50 | -    | 0.020 | 0.025 | 0.010 min. | 0.200 | 0.200 | 0.150 | 0.060 |
|                                    | EDDS            | 0.02                                   | 0.40 | -    | 0.020 | 0.020 | 0.010 min. | 0.200 | 0.200 | 0.150 | 0.060 |
| JIS G 3302                         | SGCC            | 0.12                                   | 0.60 | -    | 0.040 | 0.040 | -          | -     | -     | -     | -     |
|                                    | SGCH            | 0.15                                   | 0.60 | -    | 0.050 | 0.050 | -          | -     | -     | -     | -     |
|                                    | SGCD1           | 0.12                                   | 0.50 | -    | 0.040 | 0.040 | -          | -     | -     | -     | -     |
|                                    | SGCD2           | 0.10                                   | 0.45 | -    | 0.030 | 0.030 | -          | -     | -     | -     | -     |
|                                    | SGCD3           | 0.08                                   | 0.45 | -    | 0.030 | 0.030 | -          | -     | -     | -     | -     |
| IS 277 : 2003 / IS 513 : 2008 (GI) | O               | 0.15                                   | 0.60 | -    | 0.050 | 0.035 | -          | -     | -     | -     | -     |
|                                    | D               | 0.12                                   | 0.50 | -    | 0.400 | 0.035 | -          | -     | -     | -     | -     |
|                                    | DD              | 0.10                                   | 0.45 | -    | 0.025 | 0.300 | -          | -     | -     | -     | -     |
|                                    | EDD (Al Killed) | 0.08                                   | 0.40 | -    | 0.020 | 0.030 | -          | -     | -     | -     | -     |
|                                    | EDD (IF)        | 0.06                                   | 0.25 | -    | 0.020 | 0.020 | -          | -     | -     | -     | -     |
| EN 10327                           | DX51D           | 0.12                                   | 0.60 | 0.50 | 0.100 | 0.045 | -          | -     | -     | -     | -     |
|                                    | DX52D           |  |      |      |       |       |            |       |       |       |       |
|                                    | DX53D           |  |      |      |       |       |            |       |       |       |       |
|                                    | DX54D           |  |      |      |       |       |            |       |       |       |       |
| AS 1397                            | G1              | 0.12                                   | 0.50 | -    | 0.040 | 0.035 | -          | -     | -     | -     | -     |
|                                    | G2              | 0.10                                   | 0.45 | -    | 0.030 | 0.030 | -          | -     | -     | -     | -     |
|                                    | G3              | 0.08                                   | 0.40 | -    | 0.020 | 0.025 | -          | -     | -     | -     | -     |

Note:

^ L - Lateral ; T - Transverse

# In JIS - Elongation taken for thickness range 0.6 to 1.00 mm

| Chemical Composition (Values are in %) |       |       |   |   | Mechanical Properties        |                                |              |                      |                        |
|--|-------|-------|---|---|------------------------------|--------------------------------|--------------|----------------------|------------------------|
| V                                      | Cb    | Ti    | N | B | Yield Strength<br>(Mpa min.) | Tensile Strength<br>(Mpa min.) | % Elongation | Gauge Length<br>(mm) | Direction<br>(L / T ^) |
| 0.008                                  | 0.008 | 0.025 | - | - | 170/380                      | -                              | >20          | 50 GL                | L                      |
| 0.008                                  | 0.008 | 0.025 | - | - | 205/380                      | -                              | >=20         | 50 GL                | L                      |
| 0.008                                  | 0.008 | 0.025 | - | - | 170/410                      | -                              | >=15         | 50 GL                | L                      |
| 0.008                                  | 0.008 | 0.025 | - | - | 170/310                      | -                              | >=26         | 50 GL                | L                      |
| 0.008                                  | 0.008 | 0.025 | - | - | 170/310                      | -                              | >=26         | 50 GL                | L                      |
| 0.008                                  | 0.008 | 0.025 | - | - | 140/240                      | -                              | >=32         | 50 GL                | L                      |
| 0.100                                  | 0.100 | 0.150 | - | - | 105/170                      | -                              | >=40         | 50 GL                | L                      |
| -                                      | -     | -     | - | - | -                            | -                              | -            | -                    | -                      |
| -                                      | -     | -     | - | - | -                            | -                              | -            | -                    | -                      |
| -                                      | -     | -     | - | - | -                            | 270                            | 36(#)        | 80 GL                | L                      |
| -                                      | -     | -     | - | - | -                            | 270                            | 38           | 80 GL                | L                      |
| -                                      | -     | -     | - | - | -                            | 270                            | 40           | 80 GL                | L                      |
| -                                      | -     | -     | - | - | 280                          | 410                            | 28           | 50                   | T                      |
| -                                      | -     | -     | - | - | 240                          | 370                            | 31           | 50                   | T                      |
| -                                      | -     | -     | - | - | 220                          | 350                            | 35           | 50                   | T                      |
| -                                      | -     | -     | - | - | 210                          | 350                            | 37           | 50                   | T                      |
| -                                      | -     | 0.150 | - | - | 190                          | 350                            | 40           | 50                   | T                      |
| -                                      | -     | 0.300 | - | - | -                            | 270- 500                       | 22           | 80 GL                | T                      |
|  |       |       |   |   | 140-300                      | 270-420                        | 26           | 80 GL                | T                      |
|  |       |       |   |   | 140-260                      | 270-380                        | 30           | 80 GL                | T                      |
|  |       |       |   |   | 120-220                      | 260-350                        | 36           | 80 GL                | T                      |
| -                                      | -     | -     | - | - | -                            | -                              | -            | -                    | -                      |
| -                                      | -     | -     | - | - | -                            | -                              | 30           | 27                   | T                      |
| -                                      | -     | -     | - | - | -                            | -                              | 35           | 32                   | T                      |



# Galvanised - Structural

| Specification                              | Grade                     | Chemical Composition [Values are in %] |              |      |              |               |    |       |       |       |       |           |
|--|---------------------------|--|--------------|------|--------------|---------------|----|-------|-------|-------|-------|-----------|
|  |                           | C                                      | Mn           | Si   | P            | S             | Al | Cu    | Ni    | Cr    | Mo    | V         |
| ASTM 653/A<br>Structural                   | GradeSS 33 [230]          | 0.20                                   | -            | -    | 0.040        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
|  | GradeSS 37 [255]          | 0.20                                   | -            | -    | 0.100        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
|  | GradeSS 40 [275]          | 0.25                                   | -            | -    | 0.100        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
|  | Grade 50 [340]<br>class 1 | 0.25                                   | -            | -    | 0.200        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
|  | Grade 50 [340]<br>class 2 | 0.25                                   | -            | -    | 0.200        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
|  | Grade 50 [340]<br>class 3 | 0.25                                   | -            | -    | 0.040        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
|  | Grade 80 [550]            | 0.20                                   | -            | -    | 0.040        | 0.040         | -  | 0.200 | 0.200 | 0.150 | 0.060 | 0.008     |
| ASTM 653/A<br>Structural -<br>HSLAS Type A | 40 [275]                  | 0.20                                   | 1.20         | -    | -            | 0.035         | -  | -     | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 50 [340]                  | 0.20                                   | 1.20         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 60 [410]                  | 0.20                                   | 1.35         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 70 [480]                  | 0.20                                   | 1.65         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 80 [550]                  | 0.20                                   | 1.65         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
| ASTM 653/A<br>Structural -<br>HSLAS Type B | 40 [275]                  | 0.15                                   | 1.20         | -    | -            | 0.035         | -  | -     | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 50 [340]                  | 0.15                                   | 1.20         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 60 [410]                  | 0.15                                   | 1.20         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 70 [480]                  | 0.15                                   | 1.65         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
|  | 80 [550]                  | 0.15                                   | 1.65         | -    | -            | 0.035         | -  | 0.200 | 0.200 | 0.150 | 0.160 | 0.01 min. |
| JIS G 3302                                 | SGC 340                   | 0.25<br>max.                           | 1.70<br>max. | -    | 0.10<br>max. | 0.035<br>max. | -  | -     | -     | -     | -     | -         |
|  | SGC 400                   | 0.25<br>max.                           | 1.70<br>max. | -    | 0.10<br>max. | 0.035<br>max. | -  | -     | -     | -     | -     | -         |
|  | SGC 440                   | 0.25<br>max.                           | 1.70<br>max. | -    | 0.20<br>max. | 0.035<br>max. | -  | -     | -     | -     | -     | -         |
|  | SGC 490                   | 0.25<br>max.                           | 1.70<br>max. | -    | 0.20<br>max. | 0.035<br>max. | -  | -     | -     | -     | -     | -         |
|  | SGC 570                   | 0.25<br>max.                           | 1.70<br>max. | -    | 0.20<br>max. | 0.035<br>max. | -  | -     | -     | -     | -     | -         |
| EN 10326                                   | S220 GD                   | 0.20                                   | 1.70         | 0.60 | 0.100        | 0.045         | -  | -     | -     | -     | -     | -         |
|  | S250 GD                   |  |              |      |              |               |    |       |       |       |       |           |
|  | S280 GD                   |  |              |      |              |               |    |       |       |       |       |           |
|  | S320 GD                   |  |              |      |              |               |    |       |       |       |       |           |
|  | S350 GD                   |  |              |      |              |               |    |       |       |       |       |           |
|  | S550 GD                   |  |              |      |              |               |    |       |       |       |       |           |
| AS 1397                                    | G 250                     | 0.12                                   | 0.50         | -    | 0.040        | 0.035         | -  | -     | -     | -     | -     | -         |
|  | G 300                     | 0.30                                   | 1.60         | -    | 0.100        | 0.035         | -  | -     | -     | -     | -     | -         |
|  | G 350                     | 0.30                                   | 1.60         | -    | 0.100        | 0.035         | -  | -     | -     | -     | -     | -         |
|  | G 450                     | 0.20                                   | 1.20         | -    | 0.040        | 0.030         | -  | -     | -     | -     | -     | -         |
|  | G 500                     | 0.20                                   | 1.20         | -    | 0.040        | 0.030         | -  | -     | -     | -     | -     | -         |
|  | G 550                     | 0.20                                   | 1.20         | -    | 0.040        | 0.030         | -  | -     | -     | -     | -     | -         |

Note:

^ L - Lateral ; T - Transverse

DIN 17162 ES C.D7.001;

| Chemical Composition (Values are in %) |           |   |   | Mechanical Properties        |                                   |              |                      |                        |
|--|-----------|---|---|------------------------------|-----------------------------------|--------------|----------------------|------------------------|
| Cb                                     | Ti        | N | B | Yield Strength<br>(Mpa min.) | Tensile<br>Strength<br>(Mpa min.) | % Elongation | Gauge Length<br>(mm) | Direction<br>(L / T ^) |
| 0.008                                  | 0.025     | - | - | 230                          | 310                               | 20           | 50 GL                | L                      |
| 0.008                                  | 0.025     | - | - | 255                          | 360                               | 18           | 50 GL                | L                      |
| 0.008                                  | 0.025     | - | - | 275                          | 380                               | 16           | 50 GL                | L                      |
| 0.008                                  | 0.025     | - | - | 340                          | 450                               | 12           | 50 GL                | L                      |
| 0.008                                  | 0.025     | - | - | 340                          | -                                 | 12           | 50 GL                | L                      |
| 0.008                                  | 0.025     | - | - | 340                          | 480                               | 12           | 50 GL                | L                      |
| 0.015                                  | 0.025     | - | - | 550                          | 570                               | -            | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 275                          | 340                               | 22           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 340                          | 410                               | 20           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 410                          | 480                               | 16           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 480                          | 550                               | 12           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 550                          | 620                               | 10           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 275                          | 340                               | 24           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 340                          | 410                               | 22           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 410                          | 480                               | 18           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 480                          | 550                               | 14           | 50 GL                | L                      |
| 0.005 min.                             | 0.01 min. | - | - | 550                          | 620                               | 12           | 50 GL                | L                      |
| -                                      | -         | - | - | 245                          | 340                               | 20           | 80 GL                | L                      |
| -                                      | -         | - | - | 295                          | 400                               | 18           | 80 GL                | L                      |
| -                                      | -         | - | - | 335                          | 440                               | 18           | 80 GL                | L                      |
| -                                      | -         | - | - | 365                          | 490                               | 16           | 80 GL                | L                      |
| -                                      | -         | - | - | 560                          | 570                               | -            | 80 GL                | L                      |
| -                                      | -         | - | - | 220                          | 300                               | 20           | 80 GL                | L                      |
|  |           |   |   | 250                          | 330                               | 19           | 80 GL                | L                      |
|  |           |   |   | 280                          | 360                               | 18           | 80 GL                | L                      |
|  |           |   |   | 320                          | 390                               | 17           | 80 GL                | L                      |
|  |           |   |   | 350                          | 420                               | 16           | 80 GL                | L                      |
|  |           |   |   | 550                          | 560                               | -            | 80 GL                | L                      |
| -                                      | -         | - | - | 250                          | 320                               | 25           | 22                   | L                      |
| -                                      | -         | - | - | 300                          | 340                               | 20           | 18                   | L                      |
| -                                      | -         | - | - | 350                          | 420                               | 15           | 14                   | L                      |
| -                                      | -         | - | - | 450                          | 480                               | 10           | 9                    | L                      |
| -                                      | -         | - | - | 500                          | 520                               | 8            | 7                    | L                      |
| -                                      | -         | - | - | 550                          | 550                               | 2            | 2                    | L                      |

# Galvanised Plain - Bundle Weight Chart

| Product Code | Weight in Kg of 21.946 (mtrs) for different widths |        |           |        |           |        |
|--------------|--|--------|-----------|--------|-----------|--------|
|              | 900 (mm)   |        | 1000 (mm) |        | 1150 (mm) |        |
|              | min .  | max.   | min.      | max.   | min.      | max.   |
| J12          | 17.30  | 18.42  | 19.22     | 20.47  | 22.11     | 23.54  |
| J13          | 18.43  | 19.95  | 20.48     | 22.17  | 23.55     | 25.49  |
| J14          | 19.96  | 21.48  | 22.18     | 23.87  | 25.50     | 27.45  |
| J16          | 21.49  | 24.55  | 23.88     | 27.28  | 27.46     | 31.37  |
| J18          | 24.56  | 27.62  | 27.29     | 30.69  | 31.38     | 35.29  |
| J20          | 27.63  | 30.69  | 30.70     | 34.10  | 35.31     | 39.22  |
| J22          | 30.70  | 33.76  | 34.11     | 37.51  | 39.23     | 43.14  |
| J25          | 33.77  | 38.76  | 37.52     | 43.07  | 43.15     | 49.53  |
| J28          | 38.77  | 42.97  | 43.08     | 47.74  | 49.54     | 54.91  |
| J30          | 42.98  | 46.51  | 47.76     | 51.68  | 54.92     | 59.43  |
| J32          | 46.52  | 49.11  | 51.69     | 54.57  | 59.44     | 62.75  |
| J35          | 49.12  | 54.27  | 54.58     | 60.30  | 62.76     | 69.35  |
| J37          | 54.28  | 56.78  | 60.31     | 63.09  | 69.36     | 72.55  |
| J40          | 56.79  | 62.02  | 63.10     | 68.91  | 72.57     | 79.25  |
| J42          | 62.03  | 64.45  | 68.92     | 71.61  | 79.26     | 82.35  |
| J45          | 64.46  | 69.77  | 71.62     | 77.52  | 82.37     | 89.15  |
| J47          | 69.78  | 72.13  | 77.53     | 80.14  | 89.16     | 92.17  |
| J50          | 72.14  | 77.52  | 80.16     | 86.13  | 92.18     | 99.05  |
| J52          | 77.53  | 79.80  | 86.14     | 88.67  | 99.07     | 101.97 |
| J55          | 79.81  | 85.28  | 88.68     | 94.76  | 101.98    | 108.97 |
| J57          | 85.29  | 87.47  | 94.77     | 97.19  | 108.98    | 111.77 |
| J60          | 87.48  | 93.03  | 97.20     | 103.37 | 111.78    | 118.87 |
| J63          | 93.04  | 97.68  | 103.38    | 108.53 | 118.88    | 124.81 |
| J65          | 97.69  | 99.75  | 108.54    | 110.83 | 124.83    | 127.46 |
| J70          | 99.76  | 108.53 | 110.84    | 120.59 | 127.47    | 138.68 |
| J75          | 108.54   | 115.09 | 120.60    | 127.88 | 138.69    | 147.06 |
| J80          | 115.10   | 124.04 | 127.89    | 137.82 | 147.07    | 158.50 |
| J85          | 124.05   | 130.44 | 137.83    | 144.93 | 158.51    | 166.67 |
| J90          | 130.45   | 138.11 | 144.94    | 153.46 | 166.69    | 176.47 |
| J95          | 138.12   | 145.50 | 153.47    | 161.67 | 176.49    | 185.92 |
| J100         | 145.51   | 155.00 | 161.68    | 172.22 | 185.93    | 198.06 |
| J105         | 155.01   | 160.55 | 172.23    | 178.39 | 198.07    | 205.15 |
| J110         | 160.56   | 166.85 | 178.40    | 185.39 | 205.16    | 213.20 |
| J115         | 166.86   | 176.60 | 185.40    | 196.22 | 213.21    | 225.66 |
| J120         | 176.61   | 184.15 | 196.23    | 204.61 | 225.67    | 235.30 |
| J125         | 184.16   | 200.50 | 204.62    | 222.78 | 235.32    | 256.19 |

$$\text{B.Wt.} = \frac{\text{wt. (kg) X 21.946}}{\text{Pcs. x Length}}$$



| Weight in Kg of 21.946 [mtrs] for different widths |        |           |        |           |        |
|--|--------|-----------|--------|-----------|--------|
| 1220 (mm)  |        | 1250 (mm) |        | 1335 (mm) |        |
| min.   | max.   | min.      | max.   | min.      | max.   |
| 23.45  | 24.97  | 24.03     | 25.58  | 25.57     | 27.22  |
| 24.98  | 27.04  | 25.60     | 27.71  | 27.24     | 29.48  |
| 27.06  | 29.12  | 27.72     | 29.83  | 29.50     | 31.74  |
| 29.13  | 33.28  | 29.85     | 34.10  | 31.76     | 36.28  |
| 33.29  | 37.44  | 34.11     | 38.36  | 36.29     | 40.82  |
| 37.45  | 41.60  | 38.38     | 42.63  | 40.83     | 45.35  |
| 41.62  | 45.76  | 42.64     | 46.89  | 45.37     | 49.89  |
| 45.78  | 52.54  | 46.90     | 53.83  | 49.90     | 57.28  |
| 52.55  | 58.25  | 53.85     | 59.68  | 57.29     | 63.50  |
| 58.26  | 63.05  | 59.69     | 64.60  | 63.51     | 68.73  |
| 63.06  | 66.57  | 64.61     | 68.21  | 68.75     | 72.57  |
| 66.58  | 73.57  | 68.22     | 75.38  | 72.59     | 80.20  |
| 73.58  | 76.97  | 75.39     | 78.86  | 80.21     | 83.91  |
| 76.98  | 84.07  | 78.88     | 86.14  | 83.92     | 91.65  |
| 84.09  | 87.37  | 86.15     | 89.51  | 91.67     | 95.24  |
| 87.38  | 94.58  | 89.53     | 96.90  | 95.26     | 103.10 |
| 94.59  | 97.78  | 96.92     | 100.18 | 103.12    | 106.59 |
| 97.79  | 105.08 | 100.19    | 107.67 | 106.61    | 114.56 |
| 105.10   | 108.17 | 107.68    | 110.83 | 114.57    | 117.93 |
| 108.19   | 115.60 | 110.85    | 118.44 | 117.94    | 126.02 |
| 115.62   | 118.57 | 118.46    | 121.49 | 126.04    | 129.26 |
| 118.58   | 126.11 | 121.50    | 129.21 | 129.28    | 137.48 |
| 126.12   | 132.41 | 129.22    | 135.67 | 137.49    | 144.35 |
| 132.42   | 135.22 | 135.68    | 138.54 | 144.36    | 147.41 |
| 135.23   | 147.12 | 138.56    | 150.74 | 147.42    | 160.38 |
| 147.13   | 156.01 | 150.75    | 159.85 | 160.40    | 170.08 |
| 156.02   | 168.14 | 159.86    | 172.28 | 170.09    | 183.30 |
| 168.16   | 176.82 | 172.29    | 181.17 | 183.32    | 192.76 |
| 176.83   | 187.22 | 181.18    | 191.82 | 192.78    | 204.10 |
| 187.23   | 197.23 | 191.83    | 202.08 | 204.11    | 215.02 |
| 197.25   | 210.11 | 202.10    | 215.28 | 215.03    | 229.06 |
| 210.12   | 217.63 | 215.29    | 222.99 | 229.07    | 237.26 |
| 217.65   | 226.17 | 223.00    | 231.74 | 237.27    | 246.57 |
| 226.19   | 239.39 | 231.75    | 245.28 | 246.58    | 260.98 |
| 239.40   | 249.63 | 245.29    | 255.76 | 260.99    | 272.13 |
| 249.64   | 271.79 | 255.78    | 278.47 | 272.15    | 296.29 |

# HIGH COURT, BOMBAY

0220044

CSP-15013.1800

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 157 OF 2013  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO 854 OF 2012  
**JSW ISPAT STEEL LIMITED**

..... Petitioner / Transferor Company 1

AND  
COMPANY SCHEME PETITION NO 158 OF 2013  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO 855 OF 2012  
**JSW BUILDING SYSTEMS LIMITED**

..... Petitioner / Transferor Company 2

AND  
COMPANY SCHEME PETITION NO 159 OF 2013  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO 856 OF 2012  
**JSW STEEL COATED PRODUCTS LIMITED**

..... Petitioner / Transferee Company 1

AND  
COMPANY SCHEME PETITION NO 160 OF 2013  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO 857 OF 2012  
**JSW STEEL LIMITED**

..... Petitioner / Transferee Company 2

In the matter of the Companies Act,  
1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of  
the Companies Act, 1956;

AND

In the matter of Composite Scheme of  
Amalgamation and Arrangement  
amongst JSW ISPAT Steel Limited  
(Transferor Company 1')

AND

JSW Building Systems Limited  
(Transferor Company 2')

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# HIGH COURT, BOMBAY

0220043

LSP-14703 JSW

AND  
JSW Steel Coated Products Limited  
(Transferee Company 1')  
AND  
JSW Steel Limited (Transferee  
Company 2')  
AND  
Their respective shareholders and  
creditors

Mr. Janak Dwarkadas and Mr. Dinyar Madan, Senior Advocates with  
Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the  
Petitioners in all the Petitions.

Ms. Rajlaxmi Punjabi i/b M.S.Bodhanwala & Co., for M/s. Ferro Scrap  
Nigam Ltd [Creditor].

Mr. M.S.Bhardwaj i/b H.P.Chaturvedi for Regional Director.

Ms. R.N. Sutar, AOL.

Mr.D.S.Sabnis i/b Lex Firmus for Breeze Enterprises Pvt. Ltd  
[Objector].

Mr. Amltava Majumdar, Mr. Shiv Iyer, Mr. Sujan Malhotra i/b Bose &  
Mitra & Co. for M/s. A.L.Ghurian Iron & Steel LLC [Creditor].

Mr. Chirag Mody, Mr. Parag Khandhar i/b DSK Legai for Kalyani  
Steels Ltd.

Mr. J.P.Sen, Mr. Bidan Chandran, Mr. Sumeet Raghani i/b PDS &  
Associates for Mukund Ltd and Fusion Investments and Financials.

CORAM: Ranjit More, J.

DATE: May 3, 2013

**P.C.**

1] The sanction of this Court is sought under Sections 391  
to 394 of the Companies Act, 1956 to the Composite Scheme of

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# HIGH COURT, BOMBAY

0220042

CORP-1570.LSW

Amalgamation and Arrangement amongst JSW ISPAT Steel Limited, Transferor Company No.1, and JSW Building Systems Limited, Transferor Company No.2, and JSW Steel Coated Products Limited, Transferee Company No.2, and JSW Steel Limited, Transferee Company No.2, and their respective shareholders and creditors.

2] Learned advocate for the Petitioners states that the Petitioner in Company Scheme Petition No.157 of 2013 was incorporated with the main objects to engage in the business of production of steel with core competency being production of high quality steel and Petitioner in Company Scheme Petition Nos.158 and 159 of 2013 is presently not engaged in any significant business activity. Learned advocate further states that the Petitioner in Company Scheme Petition No.160 of 2013 is presently engaged in the business of production of iron and steel. He further states that Composite Scheme of Amalgamation and Arrangement will help to achieve optimum utilization of resources, better administration, and reduction in cost and to compete successfully in an increasingly competitive industry. The rationale for the Scheme is to reduce administrative cost, remove multiple layer inefficiencies and achieve operational and management efficiency. The Petitioner Companies have approved the said Scheme by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

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# HIGH COURT, BOMBAY

0220041

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3) Learned Advocate for the Petitioner further states that Petitioner Companies have complied with all the directions given in Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Summons for Directions.

4) Learned counsel appearing on behalf of the Petitioners states that the Petitioners have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made thereunder. The said undertaking is accepted.

5) The Regional Director has filed an affidavit dated 12<sup>th</sup> April 2013 stating therein that save and except as stated in paragraph 6 of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said affidavit it is stated that:

*"That the Deponent further submits that, with reference to clause no 3.1 read with clause no. 12 of the scheme, it is submitted that in the future financial statement of M/s JSW Steel Ltd. Effect of allotment of new shares by M/s JSW Steel Ltd shall be disclosed adequately.*

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# HIGH COURT, BOMBAY

0220040

CSP-137/CJJSW

6] In reply to the aforesaid observations raised by the Regional Director in paragraph 6 of his Affidavit, the Petitioner Company through its counsel undertakes that JSW Steel Limited undertakes to make adequate disclosures in the financial statements in future.

7] Learned Counsel for Regional Director on Instructions of Mr. M. Chandanamuthu, Joint Director in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertaking given by the Advocate for the Petitioner Companies. The said undertaking is accepted.

8] The Official Liquidator has filed his report dated 01/04/2013 in the Company Scheme Petition Nos. 157 and 158 of 2013 stating therein that the affairs of Transferor Company No.1 and Transferor Company No.2 have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved by this Court.

9] Learned Counsel for the Petitioner Companies submits that there are five creditors from Transferor Company No.1 i.e. JSW ISPAT Steel Limited, who are objecting to the proposed Composite Scheme of Amalgamation and Arrangement, amongst them one objecting creditor namely, M/s. Ferro Scrap Nigam Limited (FSNL) has filed its Affidavit of objections in this Court and the rest of the

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# HIGH COURT, BOMBAY

0220039

CS2-15203-25W

four creditors viz. M/s. Kanaka Food Management Services Pvt. Ltd., D F Power Systems Private Limited, Hyundai Merchants Marine Co. Ltd., Essar Steel Ltd., have only raised objections by addressing letters to the Transferor Company No.2, and they have not come before this Court either by filing their Affidavits or by remaining present in the court for opposing the proposed Scheme, either in person or through their Advocates. The learned counsel for the Petitioner Companies submits that they have settled the claims of creditors who have addressed their objections to the Company and have obtained their 'No Objections' which are tendered in the Court today. Those no objections are taken on record and marked "X", "X-1", "X-2", and "X-3" for identification.

10] : Learned counsel for the Petitioner Companies further submits that the claim of M/s. Ferro Scrap Nigam Limited (FSNL) is disputed, and therefore, that claim has not been settled, and that this is not the forum where the creditors can agitate their disputed claims, as other remedies are available to the aggrieved creditor for seeking adjudication of their disputed claims. However, learned Counsel for M/s. Ferro Scrap Nigam Limited (FSNL) submitted that in the present proceedings the interest of the creditors needs to be taken care of. The arguments made by learned Counsel for M/s. Ferro Scrap Nigam Limited (FSNL) cannot be accepted, since other remedies are open to FSNL to seek adjudication and enforcement of

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# HIGH COURT, BOMBAY

0220038

CSM-13743/SM

its claims. That apart as submitted by learned Counsel for the Petitioner Companies, Transferor Company No.1 JSW ISPAT Steel Ltd is to be dissolved and merged into Transferee Company No.2, which will have positive networth which will be more than sufficient to take care of liabilities of Transferor Company No.1.

11] One M/s. A. L. Ghurian Iron and Steel Ltd., alleging itself to be unsecured creditor of Transferor Company No.1, through its Advocate Mr. Mujumdar, states that they are having claim of Rs.25 Crores approximately against Transferor Company No.1, i. e. JSW ISPAT Steel Limited. Learned Counsel for the Petitioner-Companies states that said claim is disputed one and therefore it is not settled. Apart from that, said alleged unsecured creditor has also initiated Arbitration proceedings against Transferor Company No.1. The proposed Scheme will not affect the Interest of said M/s.A.L.Ghurian Iron Steel Ltd inasmuch as the liability of Transferor Company No.1 is taken over by Transferee Company No.2 and in case M/s. A.L.Ghurian succeeds in those proceedings, it can enforce its debts against Transferee Company No.2, whose networth is more than Rs.18,500 crores. M/s. A. L. Ghurian Iron and Steel Ltd can proceed against Transferee Company No.2 and all the points and contentions of said M/s. A. L. Ghurian Iron and Steel Ltd are kept open to be agitated before the arbitrator.

12] Learned Counsel for the Petitioner Companies submits

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# HIGH COURT, BOMBAY

0220037

CSF-15203 JSW

that there are nine creditors from the Transferee Company No.2 i.e. JSW Steel Limited who are objecting to the proposed Composite Scheme of Amalgamation and Arrangement. Amongst them two objecting creditors, namely, Kalyani Steel Limited and M/s. Mukund Limited have filed affidavits of objections in this Court. M/s. Mukund Limited has filed its Affidavit of objections on behalf of itself and four of its associate companies, through PDS & Associates, Advocates. Kalyani Steels Limited has filed affidavit through their advocates DSK Legal. Rest of the creditors of Transferee Company No.2, viz. (i) Breeze Enterprises (P) Ltd., (ii) M/s. e2e Supply Chain Solutions Limited, (iii) Machado & Sons Agents & Stevedores Pvt. Ltd. (iv) Coal Source & Shipping Pvt. Ltd. (v) Steelcase Asia Pacific Limited (vi) Intercontinental Tar Refiners Pvt. Ltd. (vii) Dipakkumar Shah, have only raised objections by addressing letters to Transferor Company No.2 and requested for the copies of Company Scheme Petitions, and none of them have come before this Court either by filing any Affidavit or by remaining present in the Court for opposing the proposed Scheme, either in person or through their Advocates. Learned counsel appearing for objector, M/s. Breeze Enterprises (P) Ltd., has tendered Settlement Agreement dated 30th April, 2013 entered into with the Transferee Company No. 2, which is taken on record marked as 'X-4' for identification and submits to the Court that in view of the said agreement, he withdraws its opposition to

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# HIGH COURT, BOMBAY

0220036

CEP-137/11JWS

the Composite Scheme of Amalgamation and Arrangement.

13] In above circumstances, I am required to consider the objections raised by Kalyani Steel Limited and Mukund Limited and its associate companies. Learned counsel for the Petitioner Companies submits that claims of M/s. Mukund Limited and its associate companies and Kalyani Steels Limited are the disputed claims, and therefore, their claims have not been settled.

14] Petitioner company No.1 by tendering Affidavit dated 15<sup>th</sup> April, 2013 has brought on record Networth Certificate in respect of Transferee Company issued by Chartered Accountant, which shows that the pre-merger and post-merger, Transferee Company no.2 has sound and positive Net worth to the tune of Rs.18,500 crores.

15] Mr. Sen, learned Advocate appearing for M/s. Mukund Limited, the objector has also raised an objection that, the Scheme is presented for obtaining the sanction of this Court, in violation of the SEBI (Securities Exchange Board of India) Circular dated 4th February, 2013, and further submits that there is infringement of the guidelines laid down under the said Circular for presenting the Schemes for sanction of the Court. Mr. Dwarkadas, learned senior counsel appearing on behalf of the Petitioner Companies countering the arguments of Advocates for the objector submits that the

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# HIGH COURT, BOMBAY

0220035

CSF-157C3-USW

circular dated 4th February, 2013 cannot be made applicable to the present scheme. I find substance in the submission of Mr. Dwarkadas. The Bombay Stock Exchange & National Stock Exchange has given its approval to the Scheme on 4<sup>th</sup> October, 2012 and 5<sup>th</sup> October 2012 respectively and thereafter Petitioner filed Company Summons for Directions in this Court and same was disposed of by directing Transferor Company no.1 and Transferee Company no.2 to convene the meeting of Shareholders and dispensing with the meetings of unsecured creditors and secured creditors upon undertaking by Transferor Company no.1 and Transferee Company no.2 to give individual notices and publication thereof in the newspapers. Those directions have been complied with by the Petitioner Companies and have filed Affidavits of compliance. The Petitioner Companies, after the approval by BSE Limited and National Stock Exchange Ltd. had already submitted the scheme to this Court before the Issuance of the 4th February, 2013 Circular by the SEBI and therefore, circular dated 4th February, 2013 cannot be applicable to the present Scheme. Be that as it may, the Circular dated 4th February, 2013 is issued for protecting the interests of the investors/minority shareholder in the corporate sectors and therefore, creditors are not entitled to use the same as tool for intervening the Scheme by raising objections on the basis of it for delaying the sanction of the Scheme and

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therefore, the creditors cannot take advantage of the same.

16] The rest of the five creditors namely (i) M/s e2e Supply Chain Solutions Limited (ii) Machado & Sons Agents & Stevedores Pvt. Ltd. (iii) Coal Source & Shipping Pvt. Ltd. (iv) Steelcase Asia Pacific Limited (v) Intercontinental Tar Refiners Pvt. Ltd. have only sought copies of the petition by addressing letters to the Transferee Company No.2, and they have not come before this Court either by filing their Affidavits or by remaining present in the court for opposing the proposed Scheme, either in person or through their Advocates. Further, one shareholder - Dipakkumar Shan, had addressed an email to the officials of Transferee Company No 2 requesting inspection of certain documents when he visits their office. The learned counsel for the petitioner companies submits that four Creditor namely (i) Machado & Sons Agents & Stevedores Pvt. Ltd. (ii) Coal Source & Shipping Pvt. Ltd. (iii) Steelcase Asia Pacific Limited (iv) Intercontinental Tar Refiners Pvt. Ltd have forwarded their 'No objection' to the Transferee Company No 2 and the same have been taken on record and marked as X-5, X-6, X-7 and X-8 for identification.

17] From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned



# HIGH COURT, BOMBAY

0220033

CNP-13204J89

has come forward to oppose the Scheme.

18] Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 157 and 158 of 2013 filed by the Petitioner Company are made absolute in terms of prayer clauses (a), (c), and (d) and the Company Scheme Petition No. 159 and 160 of 2013 filed by the Petitioner Company are made absolute in terms of prayer clauses (a) and (c);

19] The Petitioner Companies to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.

20] Petitioner is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form 21 in addition to physical copy as per the relevant provisions of the Act.

21] The Petitioner Companies to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioners in Company Scheme Petition No. 157 and 158 of 2013 to pay cost of Rs. 10,000 to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

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# HIGH COURT, BOMBAY

0220032

C.S.P. - 152711/2013

22] Filing and issuance of the drawn up order is dispensed with.

23] All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

[RANJIT MORE, J.]

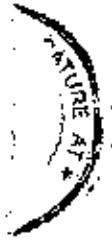
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24/03/2013

Section Officer  
High Court, Appellate Side  
Bombay

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*[Signature]*  
24/03/2013  
Mrs. K. M. RANE  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY



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**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956  
AMONGST  
JSW ISPAT STEEL LIMITED  
AND  
JSW BUILDING SYSTEMS LIMITED  
AND  
JSW STEEL COATED PRODUCTS LIMITED  
AND  
JSW STEEL LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

#### **A. PREAMBLE**

The Composite Scheme of Arrangement and Amalgamation is divided into the following Parts:

- (i) **Part I** deals with Definitions, Interpretation, Coming into Effect and Share Capital;
- (ii) **Part II** deals with the transfer and vesting of the Kalmeshwar Undertaking of JSW Ispat from JSW Ispat to JSW Steel Coated, as well as the transfer and vesting of the Downstream Undertaking of JSW Steel, from JSW Steel to JSW Steel Coated;
- (iii) **Part III** deals with the merger of Residual JSW Ispat and JSW Building with Residual JSW Steel; and
- (iv) **Part IV** deals with General/Residuary Terms and Conditions.

#### **B. Background**

- (i) JSW Steel is engaged in the business of production of iron and steel. JSW Steel offers the entire gamut of steel products, including hot rolled, cold rolled, galvanized, galvalume, pre-painted galvanised, pre-painted galvalume, TMT rebars, wire rods & special steel bars, rounds & blooms. JSW Steel has four production units at Toranagallu in Karnataka, West & Tarapur in Maharashtra and Salem in Tamil Nadu. The Downstream Undertaking is engaged in the process of converting steel into value added products. The Downstream Undertaking offers a diverse range of products comprising of IIR plates, CRCA products, galvanized, plain and corrugated products and coated products for multi-sector applications.

JSW Steel's equity and preference shares are listed on the BSE and the NSE.

- (ii) JSW Ispat is engaged in the business of production of steel with core competency in the production of high quality steel. It produces world-class sponge iron, galvanized sheets, hot rolled coils and cold rolled coils. JSW Ispat has two production units located in Dolvi and Kalmeshwar in the State of Maharashtra. The Kalmeshwar Undertaking of JSW Ispat has a cold rolling mill, galvanizing lines and colour coating mills.

JSW Ispat's equity and preference shares are listed on the BSE, the NSE and the CSE.

- (iii) JSW Steel holds 46.75% of the equity share capital of JSW Ispat as on 30/06/2012.
- (iv) JSW Building is a wholly owned subsidiary of JSW Steel. JSW Building, in turn, holds 100% of the shares of JSW Steel Coated.



### C. RATIONALE OF THE SCHEME

- (i) JSW Steel and JSW Ispat are both engaged in similar lines of business.
- (ii) The proposed restructuring is likely to result in the following synergies:
- The combined entity will be an integrated steel player with a capacity of 14.3 million tons per annum. This will help the Amalgamated Company in achieving economies of scale. The Amalgamated Company will be able to use best practices and business processes of both JSW Ispat and JSW Steel for optimal utilization of resources, better administration and reduction in cost.
  - The consolidation will result in improved capital allocation and will also help the Amalgamated Company in reduction of cost of financing.
  - The Amalgamated Company will be able to leverage the combined distribution network of JSW Ispat and JSW Steel which would strengthen its market reach pan India. Further, the Amalgamated Company will have access to expertise for multiple steel making technologies and shore based infrastructure.
  - The transfer of the Kalmeshwar Undertaking and the Downstream Undertaking will enable focused approach in management of business of coated products.
  - The overall restructuring is likely to result in direct and indirect tax efficiencies.
  - Rationalization of the holding structure of various businesses resulting in an improved alignment of debt and cash flows and the elimination of cross holdings.
  - Improvement of organizational capability and leadership, arising from the pooling of human capital possessing diverse skills, talent and experience, enabling the Amalgamated Company to compete successfully in an increasingly competitive industry.
- (iii) The synergies arising out of the consolidation of business and the reorganization would benefit the shareholders, strategic partners, lenders, employees and all other stakeholders of companies involved.

## PART I

### 1 DEFINITIONS AND INTERPRETATION AND SHARE CAPITAL

#### 1.1 Definitions

- 1.1.1 **"Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof;
- 1.1.2 **"Amalgamated Company"** means JSW Steel on the effectiveness of the Scheme;
- 1.1.3 **"Appointed Date"** means July 1, 2012 or such other date as may be approved by the Court;
- 1.1.4 **"BSE"** means the BSE Limited;
- 1.1.5 **"Companies"** means JSW Steel, JSW Ispat, JSW Building and JSW Steel Coated;
- 1.1.6 **"Court" or "High Court"** means the Jurisdictional High Court and shall include the National Company Law Tribunal, or any other body exercising the High Court's functions in this regard;
- 1.1.7 **"CSE"** means the Calcutta Stock Exchange Limited;
- 1.1.8 **"Downstream Undertaking"** means the business of JSW Steel, carried on from the Vasind and Tarapur units, on a going concern basis, and shall mean and include (without limitation) the following
- (i) All assets and liabilities of JSW Steel pertaining to the business of Vasind and Tarapur units;
  - (ii) Notwithstanding the generality of the provisions of Clause (i) above, the said undertaking shall include:
    - (a) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of JSW Steel pertaining to the Vasind and Tarapur units;
    - (b) all assets (whether moveable or immovable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) of JSW Steel pertaining to the Vasind and Tarapur units including but not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits including deposits or outstandings in litigations or paid under protest, provisions, advances, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title,

interests, goodwill, benefits, tax incentives / benefits, indirect tax credits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by JSW Steel pertaining to the Vasind and Tarapur units;

- (c) all identified liabilities/claims present and future, which specifically arise out of the activities or operations of the Vasind and Tarapur units, excise duty, sales tax, VAT, Service tax etc., payable to the tax authorities in respect of assessments pertaining to periods prior to the Appointed Date, and the specific contingent liabilities pertaining to or relatable to the Vasind and Tarapur units, as may be determined by the Board of Directors of JSW Steel;
- (iii) All intellectual property rights, including patents, trademarks and copyrights of JSW Steel pertaining to the business of the Vasind and Tarapur units;
- (iv) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Vasind and Tarapur units;
- (v) All employees of JSW Steel engaged in the Vasind and Tarapur units;
- (vi) All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to JSW Steel pertaining to the Vasind and Tarapur units;

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Vasind and Tarapur units or otherwise shall be decided mutually by the Board of Directors of JSW Steel and JSW Steel Coated or any Committee thereof;

1.1.9 "Effective Date" means the last of the dates on which the conditions and matters referred to in Clause 24 of this Scheme occur or have been fulfilled. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

1.1.10 "Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term "Encumbered" shall be construed accordingly;

1.1.11 "GDR" shall mean 'Global Depositary Receipts';

1.1.12 "JSW Building" means JSW Building Systems Limited, a company incorporated under the Act, having its registered office at 302, Naman Centre, Plot No. C-31, G Block, Dandra Kurla Complex, Bharat Nagar, Dandra (East), Mumbai - 400 051;

- 1.1.13 "JSW Ispat" means JSW Ispat Steel Limited, a company incorporated under the Act, having its registered office at The Inclave, 5<sup>th</sup> Floor, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai-400 025;
- 1.1.14 "JSW Steel" means JSW Steel Limited, a company incorporated under the Act having its registered office at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026;
- 1.1.15 "JSW Steel Coated" means JSW Steel Coated Products Limited, a company incorporated under the Act, having its registered office at Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai 400 026;
- 1.1.16 "Kalmeshwar Undertaking" means the business of JSW Ispat, carried out of the unit located at Kalmeshwar, near Nagpur, Maharashtra, on a going concern basis, and shall mean and include (without limitation) the following:
- (i) All assets and liabilities of JSW Ispat identified as pertaining to the business of the unit located at Kalmeshwar;
  - (ii) Notwithstanding the generality of the provisions of Clause (i) above, the above undertaking shall include:
    - (a) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, easements and bank balances, bills of exchange, covenant and undertakings of JSW Ispat pertaining to the unit located at Kalmeshwar;
    - (b) all assets (whether moveable or immovable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) of JSW Ispat pertaining to the unit located at Kalmeshwar including but not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits including deposits or outstandings in litigations or paid under protest, provisions, advances, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, tax incentives or benefits, indirect tax credits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by JSW Ispat pertaining to the unit located at Kalmeshwar;
    - (c) all identified liabilities/claims present and future, which specifically arise out of the activities or operations of the unit located at Kalmeshwar, excise duty, sales tax, VAT, Service tax etc., payable to the tax authorities in respect of assessments pertaining to periods prior to the Appointed Date, and the specific contingent liabilities



pertaining to or relatable to the unit located at Kalmeshwar, as may be determined by the Board of Directors of JSW Ispat;

- (iii) All intellectual property rights, including patents, trademarks and copyrights of JSW Ispat pertaining to the unit located at Kalmeshwar;
- (iv) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the unit located at Kalmeshwar;
- (v) All employees of JSW Ispat engaged in the unit located at Kalmeshwar;
- (vi) All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to JSW Ispat pertaining to the unit located at Kalmeshwar;

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the unit located at Kalmeshwar or otherwise shall be decided mutually by the Board of Directors of JSW Ispat and JSW Steel Coated or any Committee thereof;

"NSE" means the National Stock Exchange of India Limited;

"Record Date" means the date to be fixed by the Board of Amalgamated Company for the purposes of determining the shareholders of JSW Ispat to whom shares would be issued on amalgamation of Residual JSW Ispat into and with Residual JSW Steel pursuant to Part III of this Scheme;

1.1.19 "**Residual JSW Ispat**" means all the businesses, assets, properties, liabilities of JSW Ispat remaining in JSW Ispat after the transfer of the Kalmeshwar Undertaking from JSW Ispat to JSW Steel Coated in terms of Part II of this Scheme;

1.1.20 "**Residual JSW Steel**" means all the businesses, assets, properties and liabilities of JSW Steel remaining in JSW Steel after the transfer of the Downstream Undertaking from JSW Steel to JSW Steel Coated in terms of Part II of this Scheme;

1.1.21 "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this composite scheme of amalgamation and arrangement submitted to the Court with any modification/amendments;

1.1.22 "**Trustee**" means an individual trustee or a Board of Trustees or a corporate trustee to whom shares are allotted in terms of clause 12.1.2 of this Scheme.

## 1.2 Interpretation

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act,

1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.2.1 References to Clauses and paragraphs, unless otherwise provided, are to clauses, and paragraphs of this Scheme.

1.2.2 The headings herein shall not affect the construction of this Scheme.

1.2.3 The singular shall include the plural and vice versa; and references to one gender include all genders.

1.2.4 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.5 References to person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

### 1.3 Date of Taking Effect and Operative Date

This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court shall be effective from the Appointed Date and shall be operative from the Effective Date.

### 1.4 Share Capital

1.4.1 The share capital of JSW Ispat as on June 30, 2012 was as under:

| Share Capital  | Rs. in Crores   |
|--|-----------------|
| <b>Authorised Capital</b>  |                 |
| 4,000,000,000 Equity Shares of Rs 10 each  | 4,000.00        |
| 100,000,000 Preference Shares of Rs 100 each   | 1,000.00        |
| 1,000,000,000 Preference Shares of Rs 10 each  | 1,000.00        |
| <b>Total</b>   | <b>6,000.00</b> |
| <b>Paid up Capital</b>   |                 |
| 2,514,987,174 Equity Shares of Rs 10 each, fully paid-up                                 | 2,514.99        |
| 484,679,959 - 0.01% Cumulative Redeemable Preference Shares of Rs 10 each, fully paid-up | 484.68          |
| 1,843,327 Equity Shares of Rs 10 each partly paid-up                                     | 1.15            |
| 1,228,885 - 0.01% Cumulative Redeemable Preference Shares of Rs 10 each partly paid-up   | 0.74            |
| <b>Total</b>   | <b>3,001.56</b> |

Subsequent to the above date and till date of filing the Scheme with the stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Ispat.

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Steel owns 1,176,590,764 Equity Shares of Rs 10 each in JSW Ispat comprising of 46.75% of the equity share capital of JSW Ispat.

1.4.2 The share capital of JSW Building as on March 31, 2012 was as under:

| Share Capital                          | Rs. in crores |
|--|---------------|
| <b>Authorised Capital</b>              |               |
| 15,000,000 Equity Shares of Rs 10 each | 15.00         |
| <b>Paid up Capital</b>                 |               |
| 28,10,000 Equity Shares of Rs 10 each  | 2.81          |

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Building is a wholly owned subsidiary of JSW Steel.

Subsequent to March 31, 2012 and till the date of filing the Scheme with stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Building.

1.4.3 The share capital of the JSW Steel Coated as on March 31, 2012 was as under:

| Share Capital                      | Rs. in Crores |
|------------------------------------|---------------|
| <b>Authorised Capital</b>          |               |
| 50,000 Equity Shares of Rs 10 each | 0.05          |
| <b>Paid up Capital</b>             |               |
| 50,000 Equity Shares of Rs 10 each | 0.05          |

Subsequent to March 31, 2012 and till the date of filing the Scheme with stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Steel Coated.

As of the Date of this Scheme being approved by the Board of Directors of all the Companies, JSW Building owns 100% of the equity share capital of JSW Steel Coated.

1.4.4 The share capital of JSW Steel as on March 31, 2012 was as under:

| Share Capital                                 | Rs in           |
|---|-----------------|
| <b>Authorised Capital</b>                     |                 |
| 2,000,000,000 Equity Shares of Rs 10 each     | 2,000.00        |
| 1,000,000,000 Preference Shares of Rs 10 each | 1,000.00        |
| <b>Total</b>                                  | <b>3,000.00</b> |

|   |               |
|---|---------------|
| <b>Paid up Capital</b>  |               |
| 223,117,200 Equity Shares of Rs 10 each                                 | 223.12        |
| Equity shares forfeited   | 61.03         |
| 279,034,907 - 10% Cumulative Redeemable Preference Shares of Rs 10 each | 279.03        |
| <b>Total</b>  | <b>563.18</b> |

Subsequent to March 31, 2012 and till the date of filing the Scheme with the stock exchanges, there has been no change in the issued, subscribed and paid up capital of JSW Steel.

JSW Steel has a GDR program, however no GDRs are outstanding as on 30.09.2012.

## **PART II**

### **TRANSFER AND VESTING OF THE KALMESHWAR UNDERTAKING OF JSW ISPAT, AND THE DOWNSTREAM UNDERTAKING OF JSW STEEL INTO JSW STEEL COATED**

#### **2 TRANSFER AND VESTING**

2.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Kalmeshwar Undertaking of JSW Ispat, and the Downstream Undertaking of JSW Steel shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested, on a going concern basis, from JSW Ispat into JSW Steel Coated, and from JSW Steel into JSW Steel Coated, respectively, and all the interest of JSW Ispat in the Kalmeshwar Undertaking, and of JSW Steel in the Downstream Undertaking, shall consequently vest into JSW Steel Coated. The transfer and vesting shall be effected as follows:

2.2 Without prejudice to the generality of above, in respect of such of the assets of the Kalmeshwar Undertaking of JSW Ispat and the Downstream Undertaking of JSW Steel as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into JSW Steel Coated as follows:

- (i) All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to JSW Steel Coated along with such other documents as may be necessary towards the end and intent that the property therein passes to JSW Steel Coated on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of JSW Steel Coated accordingly. The investments held in dematerialized form will be transferred to JSW Steel Coated by issuing appropriate delivery instructions to the depository participant with whom JSW Ispat or JSW Steel, as the case may be, has an account.



- (ii) The moveable assets, other than those specified in Clause 2.2 (i) above, including actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of JSW Steel Coated. JSW Steel Coated may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of JSW Steel Coated to recover or realise the same is in substitution of the right of JSW Ispat or JSW Steel as the case may be, and that appropriate entry should be passed in their respective books to record the aforesaid charges.

- 2.3 Without prejudice to Clause 2.1 above, with effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties, including land together with the, buildings and structure standing thereon, whether freehold or leasehold, relating to the Kalmeshwar Undertaking of JSW Ispat, and the Downstream Undertaking of JSW Steel and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into JSW Steel Coated, as of the Appointed Date. With effect from the Effective Date, JSW Steel Coated shall be accountable for ground rent and municipal taxes. The mutation of the title to the immovable properties shall be made and duly recorded before the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of JSW Steel Coated.

- 2.4 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of JSW Ispat relating to Kalmeshwar Undertaking and that of JSW Steel relating to Downstream Undertaking, shall, without any further act or deed, be transferred to or be deemed to be transferred to JSW Steel Coated so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of JSW Steel Coated and it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause 2.4.

- 2.5 For the avoidance of doubt, all existing Encumbrances pertaining to the assets of the Kalmeshwar Undertaking and the Downstream Undertaking of JSW Steel being transferred in terms of this Part II, will continue with respect to the original loans and liabilities with respect to which such Encumbrances were extended, except to the extent modified in consultation with the lenders in favour of whom such Encumbrances have been created.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by JSW Ispat in relation to Kalmeshwar Undertaking

or by JSW Steel in relation to Downstream Undertaking by virtue of this Scheme and lenders of Kalmeshwar Undertaking and Downstream Undertaking shall not get any further or additional security over the assets of JSW Steel Coated and JSW Steel Coated shall not be obliged to create any further or additional security after the Scheme has become operative.


Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by JSW Steel Coated and the lenders of JSW Steel Coated shall not get any further or additional security over the assets of Kalmeshwar Undertaking or Downstream Undertaking and JSW Steel Coated shall not be obliged to create any further or additional security after the Scheme has become operative.

Where any of the liabilities and obligations attributed to Kalmeshwar Undertaking of JSW Ispat or Downstream Undertaking of JSW Steel on the Appointed Date has been discharged by JSW Ispat or JSW Steel as the case may be, on behalf of Kalmeshwar Undertaking or Downstream Undertaking respectively after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of JSW Steel Coated. Where JSW Ispat or JSW Steel has, after the Appointed Date and prior to the Effective Date, taken any further loans, liabilities or obligations pertaining to Kalmeshwar Undertaking or Downstream Undertaking respectively, or provides any security on the existing loans of Kalmeshwar Undertaking or Downstream Undertaking respectively, such further loan shall also be deemed to have been for and on behalf of JSW Steel Coated and JSW Steel Coated shall assume liability for the same.

- 2.6 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Kalmeshwar Undertaking and the Downstream Undertaking which JSW Ispat and JSW Steel, as the case may be, own, or to which JSW Ispat and JSW Steel, as the case may be, are party to, and which cannot be transferred to JSW Steel Coated for any reason whatsoever, JSW Ispat and JSW Steel, as the case may be, shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of JSW Steel Coated, insofar as it is permissible so to do, till such time as the transfer is effected.
- 2.7 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by JSW Ispat and JSW Steel required to carry on operations in Kalmeshwar Undertaking and Downstream Undertaking respectively shall stand transferred to or vested into JSW Steel Coated, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of JSW Steel Coated. The benefit of all statutory and regulatory permissions including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Kalmeshwar Undertaking of JSW Ispat and Downstream Undertaking of JSW Steel shall vest into and become available to JSW Steel Coated pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by Kalmeshwar Undertaking and Residual JSW Ispat or Downstream Undertaking and Residual JSW Steel shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals,

authorities, registrations or statutory rights of Kalmeshwar Undertaking and Downstream Undertaking as the case may be on the one hand and Residual JSW Ispat and Residual JSW Steel as the case may be on the other. The concerned statutory or other authorities and licensors shall endorse and/or mutate or record the separation, make entry in their records and/or upon the relevant document itself so as to give effect to this Scheme in order to facilitate the continuation of operations of Kalmeshwar Undertaking and Downstream Undertaking in JSW Steel Coated, without any hindrance, from the Effective Date.

- 2.8 JSW Ispat and JSW Steel may be entitled to various benefits under incentive schemes and policies in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively. Pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Kalmeshwar Undertaking of JSW Ispat or Downstream Undertaking of JSW Steel as the case may be shall be transferred to and vested into JSW Steel Coated and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Kalmeshwar Undertaking and Downstream Undertaking, to the extent statutorily available, shall be claimed by JSW Steel Coated, subject to continued compliance by JSW Steel Coated of all the terms and conditions subject to which the benefits under the incentive schemes were made available to JSW Ispat or JSW Steel respectively. It is hereby clarified that transfer and vesting of Kalmeshwar Undertaking and Downstream Undertaking pursuant to the Scheme shall not impact availability of any benefits to Residual JSW Ispat or Residual JSW Steel.



Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, JSW Ispat and JSW Steel Coated shall execute any instrument(s) and/or documents(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge with the Registrar of Companies to give formal effect to the above provisions, if required.

### **3 Consideration**

- 3.1 JSW Steel Coated is a wholly owned subsidiary of JSW Building, which in turn is a wholly owned subsidiary of JSW Steel. As Residual JSW Ispat is proposed to be amalgamated with JSW Steel under Part III of this Scheme, the transfer and vesting of Kalmeshwar Undertaking of JSW Ispat and of the Downstream Undertaking of JSW Steel shall be without any consideration and JSW Steel Coated shall not be required to issue any shares or pay any consideration to JSW Ispat or JSW Steel or to their respective shareholders upon transfer and vesting of Kalmeshwar Undertaking of JSW Ispat and the Downstream Undertaking of JSW Steel as the case may be.

### **4 ACCOUNTING TREATMENT IN THE BOOKS OF JSW STEEL COATED**

Upon the Scheme becoming effective:

- 4.1 JSW Steel Coated shall record all the assets and liabilities of Kalmeshwar Undertaking and Downstream Undertaking as of the Appointed Date vested into it in pursuance to Part II of the Scheme, at their respective fair values.

- 4.2 JSW Steel Coated shall credit an amount equal to the difference in fair values of assets and liabilities of Kalmeshwar Undertaking and Downstream Undertaking to its capital reserve account.

**5 ACCOUNTING TREATMENT IN THE BOOKS OF JSW ISPAT**

Upon the Scheme becoming effective:

- 5.1 JSW Ispat shall reduce the assets and liabilities pertaining to the Kalmeshwar Undertaking as of the Appointed Date from its books of accounts.
- 5.2 The difference, being the excess of the book value of assets of Kalmeshwar Undertaking over the book value of liabilities, shall be debited by JSW Ispat to balance appearing in the profit and loss account of its balance sheet and in case of a shortfall, the same shall be credited to the general reserve account of JSW Ispat.

**6 CONDUCT OF BUSINESS OF KALMESHWAR UNDERTAKING OF JSW ISPAT AND DOWNSTREAM UNDERTAKING OF JSW STEEL**

- 6.1 On and from the Appointed Date and until the Effective Date:
- 6.1.1 JSW Ispat and JSW Steel shall be deemed to have carried on its business and activities in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively, and shall hold and deal with all assets and properties of Kalmeshwar Undertaking and Downstream Undertaking as the case may be for and on account of and in trust for JSW Steel Coated;
- 6.1.2 Any income or profit accruing or arising to JSW Ispat and JSW Steel in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively and all costs, charges, expenses and losses incurred by JSW Ispat and JSW Steel in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of JSW Steel Coated;
- 6.1.3 JSW Ispat and JSW Steel shall not utilise the profits or income, if any, relating to Kalmeshwar Undertaking and Downstream Undertaking respectively for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of JSW Steel Coated;
- 6.1.4 JSW Ispat and JSW Steel shall carry on the business of Kalmeshwar Undertaking and Downstream Undertaking respectively with reasonable diligence, in the ordinary course of business and JSW Ispat and JSW Steel shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with Kalmeshwar Undertaking and Downstream Undertaking respectively, save and except, in each case, in the following circumstances:



- (i) if the same is in the ordinary course of business as carried on by it as on the Appointed Date; or
- (ii) if the same is expressly permitted by this Scheme; or
- (iii) if the written consent of JSW Steel Coated, as the case may be, has been obtained.

6.1.5 JSW Ispat and JSW Steel shall not vary or alter, except in the ordinary course of its business and as may be required for reorganisation, the terms and conditions of employment of any of its employees in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively;

6.1.6 All assets acquired and all liabilities incurred by JSW Ispat and JSW Steel for operation of and in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively shall also, without any further act, instrument or deed, stand transferred to and vested into or be deemed to have been transferred to or vested into JSW Steel Coated upon the coming into effect of the Scheme; and

6.1.7 Any of the rights, powers, authorities, privileges, attached, related or pertaining to Kalmeshwar Undertaking and Downstream Undertaking that have been exercised by JSW Ispat and JSW Steel respectively shall be deemed to have been exercised by JSW Ispat and JSW Steel respectively for and on behalf of, and in trust for and as an agent of JSW Steel Coated. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Kalmeshwar Undertaking and Downstream Undertaking that have been undertaken or discharged by JSW Ispat and JSW Steel respectively shall be deemed to have been undertaken for and on behalf of, and in trust for and as an agent of JSW Steel Coated.

JSW Ispat, JSW Steel or JSW Steel Coated either singly or jointly (as may be required) shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which JSW Steel Coated may require to own and carry on the business of Kalmeshwar Undertaking and Downstream Undertaking.

## **7 EMPLOYEES**

7.1 Upon the Scheme becoming effective, all permanent employees of JSW Ispat engaged in Kalmeshwar Undertaking and all permanent employees of JSW Steel engaged in Downstream Undertaking and in both cases in service on the Effective Date shall be deemed to have become the permanent employees of JSW Steel Coated on the Appointed Date without any interruption in their service as a result of the transfer and vesting of Kalmeshwar Undertaking of JSW Ispat and Downstream Undertaking of JSW Steel to JSW Steel Coated on the same terms and conditions of employment as were with JSW Ispat and JSW Steel respectively. On the basis of continuity of service, the terms and conditions of their employment with JSW Steel Coated shall not be less favorable than those applicable to them with reference to their employment in Kalmeshwar Undertaking of JSW Ispat and / or Downstream Undertaking of JSW Steel on the Effective Date.

- 7.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund or any other special scheme created or existing for the benefit of the permanent employees of JSW Ispat or JSW Steel engaged in Kalmeshwar Undertaking or Downstream Undertaking respectively, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts, if any, created by JSW Ispat and JSW Steel respectively shall be transferred to the gratuity fund, provident fund and superannuation fund schemes created by JSW Steel Coated on the same terms and conditions in relation to the permanent employees. With effect from the Effective Date but subject to getting the Scheme approved by relevant authorities, JSW Steel Coated shall make the necessary contributions for such permanent employees in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme, provided that JSW Steel Coated may continue to make contributions in the gratuity fund, provident fund and superannuation fund trusts, if any, created by JSW Ispat and JSW Steel as the case may be for such permanent employees till such time as necessary statutory approvals are received by JSW Steel Coated for setting up its own gratuity fund, provident fund, superannuation fund or any other special fund.
- 7.3 In relation to the permanent employees of JSW Ispat engaged in Kalmeshwar Undertaking and those of JSW Steel engaged in Downstream Undertaking who are not covered under the provident fund trust of JSW Ispat and JSW Steel respectively, and for whom JSW Ispat and JSW Steel respectively is making contributions to the Government provident fund, JSW Steel Coated shall stand substituted for JSW Ispat and JSW Steel as the case may be for all purposes whatsoever, including those relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc in respect of such permanent employees.
- 7.4 In relation to any other fund created or existing for the benefit of the permanent employees of JSW Ispat engaged in Kalmeshwar Undertaking and for the permanent employees of JSW Steel engaged in Downstream Undertaking, JSW Steel Coated shall stand substituted for JSW Ispat and JSW Steel respectively, for all purposes whatsoever, including those relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc in respect of such permanent employees.
- 7.5 JSW Steel Coated undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by JSW Ispat and JSW Steel in relation to Kalmeshwar Undertaking and Downstream Undertaking respectively. JSW Steel Coated agrees that, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with JSW Ispat and JSW Steel as the case may be shall also be taken into account, and agrees and undertakes to pay the same as and when payable under applicable law.

## **8 LEGAL PROCEEDINGS**

- 8.1 Upon the Scheme becoming effective on the Effective Date, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, including those relating to indirect taxation, by or against JSW Ispat and JSW Steel in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending

and/or arising on or after the Appointed Date and relating to Kalmeshwar Undertaking and Downstream Undertaking respectively shall be continued and enforced by or against JSW Steel Coated only to the exclusion of JSW Ispat and JSW Steel as the case may be in the manner and to the same extent as would have been continued and enforced by or against JSW Ispat and JSW Steel as the case may be. JSW Ispat and JSW Steel shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc and the same shall be paid only by JSW Steel Coated. On and from the Effective Date, JSW Steel Coated shall and may, if required, with prior consent from JSW Ispat and JSW steel as the case may be, initiate any legal proceedings in relation to Kalmeshwar Undertaking and Downstream Undertaking in the name of JSW Ispat and JSW Steel as the case may be.

- 8.2 After the Appointed Date, if any proceedings are taken against JSW Ispat or JSW Steel in respect of the matters referred to in the Clause 8.1 above, JSW Ispat and JSW Steel shall defend the same at the cost of JSW Steel Coated and JSW Steel Coated shall reimburse and indemnify JSW Ispat and JSW Steel as the case may be against all liabilities and obligations incurred by it / them in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which it / they may be called upon to pay or secure in respect of any liability or obligation relating to Kalmeshwar Undertaking or Downstream Undertaking as the case may be.

- 8.3 JSW Steel Coated undertakes to have all legal or other proceedings initiated by or against JSW Ispat or JSW Steel referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against JSW Steel Coated to the exclusion of JSW Ispat and JSW Steel to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by JSW Steel Coated, the proceedings shall be pursued by JSW Ispat or JSW Steel as the case may be for and on behalf of JSW Steel Coated as per the instructions of and entirely at the cost and expenses of JSW Steel Coated.

#### **CONTRACTS, DEEDS, ETC.**

- 9.1 Notwithstanding anything else contained in this Clause 9, but subject to the other provisions of this Part II, all contracts, deeds, bonds, insurance policies (other than those taken for JSW Ispat and JSW Steel as a whole or without reference to specific assets pertaining to Kalmeshwar Undertaking and Downstream Undertaking respectively), agreements and other instruments, if any, of whatsoever nature relating to Kalmeshwar Undertaking and Downstream Undertaking and to which JSW Ispat and JSW Steel respectively is a party or from which JSW Ispat and JSW Steel, respectively benefit, and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of JSW Steel Coated, as the case may be, and may be enforced by or against JSW Steel Coated as fully and effectually as if, instead of JSW Ispat or JSW Steel, JSW Steel Coated had been a party thereto.
- 9.2 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Kalmeshwar Undertaking and Downstream Undertaking which cannot be transferred to JSW Steel Coated for any reason whatsoever, JSW Ispat and JSW Steel respectively shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of JSW Steel Coated, in so far as it is permissible so to do, till such time as the transfer is effected.

**10 SAVING OF CONCLUDED TRANSACTIONS/ RESOLUTIONS**

- 10.1 The transfer of properties and liabilities relating to Kalmeshwar Undertaking of JSW Ispat and Downstream Undertaking of JSW Steel pursuant to Clause 2 of Part II of this Scheme and the continuance of proceedings by or against JSW Ispat or JSW Steel as the case may be under Clause 8 above shall not affect any transaction, resolutions or proceedings already concluded or approved, or liabilities incurred, or any liabilities discharged by JSW Ispat and JSW Steel in connection with Kalmeshwar Undertaking and Downstream Undertaking respectively, subject to the provisions of Clause 9 above, on or after the Appointed Date and until the Effective Date, to the end and intent that JSW Steel Coated shall accept and adopt all acts, deeds and things done and executed by JSW Ispat and JSW Steel as the case may be in respect thereto as done and executed on behalf of itself.

**PART III**

**MERGER OF RESIDUAL JSW ISPAT AND JSW BUILDING INTO RESIDUAL JSW STEEL**

**11 MERGER OF RESIDUAL JSW ISPAT AND JSW BUILDING INTO RESIDUAL JSW STEEL**

- 11.1 Part III of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of Part III of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including those resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section/s of the Income Tax Act, 1961 shall prevail and Part III of the Scheme shall stand modified to the extent determined necessary to comply with conditions contained Section 2(1B) of the Income Tax Act, 1961.
- 11.2 With effect from the Appointed Date and upon the Scheme becoming effective, each of Residual JSW Ispat and JSW Building shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and without any further act, instrument, deed or matter or thing, stand merged with Residual JSW Steel, as a going concern, as of the Appointed Date, and all its assets, liabilities, properties, rights, benefits and interest therein shall consequently vest into Residual JSW Steel with effect from Effective Date, subject however, to all the encumbrances, if any, affecting the same or any part hereof and arising out of liabilities which shall also stand transferred to Residual JSW Steel.
- 11.3 Without prejudice to the generality of Clause 11.2, in respect of such of the assets of Residual JSW Ispat and JSW Building as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same shall stand so transferred upon the coming into effect of the Scheme, and shall become the property of the Amalgamated Company with effect from the Appointed Date, without requiring any deed or instrument of conveyance for transfer of the same.
- (i) All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly



executed transfer forms or other documents as may be required) to Residual JSW Steel along with such other documents as may be necessary towards the end and intent that the property therein passes to Residual JSW Steel on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Residual JSW Steel accordingly. The investments held in dematerialized form will be transferred to Residual JSW Steel by issuing appropriate delivery instructions to the depository participant with whom Residual JSW Ispat and/or JSW Building have an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of JSW Ispat, JSW Building and JSW Steel or any Committee thereof, being a Date after the sanction of the Scheme by the High Court.

- (ii) The moveable assets, other than those specified in Clause 11.3 (i) above, including actionable claims, sundry debtors, outstanding loans and advances including tax incentives/benefits, indirect tax credits etc., if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of Residual JSW Steel. Residual JSW Steel may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Residual JSW Steel to recover or realise the same is in substitution of the right of Residual JSW Ispat or JSW Building, as the case may be, and that appropriate entry should be passed in their respective books to record the aforesaid charges.

Without prejudice to Clause 11.2 above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with buildings and structure standing thereon, whether freehold or leasehold, relating to Residual JSW Ispat and JSW Building and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into the Amalgamated Company, as of the Appointed Date. With effect from the Appointed Date, the Amalgamated Company shall be deemed to be accountable for ground rent and municipal taxes. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Residual JSW Steel.

- 11.5 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Residual JSW Ispat and JSW Building, shall, under the provisions of Sections 391 to 394 of the Act and without any further act or deed, be transferred to or be deemed to be transferred to Amalgamated Company so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause 11.5.

- 11.6 The merger of Residual JSW Ispat and JSW Building shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of Residual JSW Ispat and JSW Building, as the case may be, except to the extent modified in consultation with the lenders in favour of whom such Encumbrances have been created.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Residual JSW Ispat and JSW Building and the lenders of Residual JSW Ispat and JSW Building shall not get any further or additional security over the assets of Residual JSW Steel and the Amalgamated Company shall not be obliged to create any further or additional security after the Scheme has become operative.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Residual JSW Steel and the lenders of Residual JSW Steel shall not get any further or additional security over the assets of Residual JSW Ispat or JSW Building, received on merger and the Amalgamated Company shall not be obliged to create any further or additional security after the Scheme has become operative.

- 11.7 Where any of the liabilities and obligations attributed to Residual JSW Ispat and/or JSW Building on the Appointed Date has been discharged by Residual JSW Ispat and/or JSW Building respectively after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Amalgamated Company. Where Residual JSW Ispat or JSW Building has taken any further loans, liabilities or obligations, or provides any security on the existing loans of Residual JSW Ispat and/or JSW Building respectively, such further loan shall also be deemed to have been for and on behalf of the Amalgamated Company and the Amalgamated Company shall assume liability for the same.

- 11.8 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by Residual JSW Ispat and/or JSW Building, including but not limited to the relevant mining licenses or leases, mineral concessions, raw material sourcing arrangement/agreements, water supply/ environment approvals, factory licences, electricity permits, telephone connections, building and parking rights, all the incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by Residual JSW Ispat or JSW Building, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, and all other rights, title, interests, privileges and benefits of every kind, shall stand transferred to and vested into the Amalgamated Company, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of the Amalgamated Company. The benefit of all statutory and regulatory permissions including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Residual JSW Ispat and/or JSW Building shall vest into and become available to the Amalgamated Company pursuant to this Scheme.

11.9 Residual JSW Ispat and JSW Building may be entitled to various benefits under incentive schemes and policies, and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Residual JSW Ispat and JSW Building shall be transferred to and vested in the Amalgamated Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of / exemption from any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Residual JSW Ispat and JSW Building, to the extent statutorily available, shall be claimed by the Amalgamated Company, and these shall relate to the Appointed Date, subject to continued compliance by the Amalgamated Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to Residual JSW Ispat and JSW Building respectively.

11.10 The payment of taxes and duties (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise, by Residual JSW Ispat or JSW Building in respect of its profits or activities or operation after the Appointed Date, including any refund and claims are concerned, shall be deemed to be paid/be receivable by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

## 12 CONSIDERATION

### 12.1 MERGER OF RESIDUAL JSW ISPAT INTO RESIDUAL JSW STEEL

Upon the coming into effect of this Scheme, and in consideration of the merger of Residual JSW Ispat into Residual JSW Steel, the Amalgamated Company shall, without any further act or deed and without any further payment, issue and allot shares at par to each member, or its respective heirs, executors, administrators, legal representatives or other successors in title, of JSW Ispat (other than JSW Steel), determined as of the Record Date by the Board of Directors of Amalgamated Company, whose name is recorded in the Register of Members of JSW Ispat, or in the records of the depository, in the following proportion:

- (a) For every 72 (seventy two) fully paid-up equity shares of face value of Rs 10/- (Rupees Ten only) each held in JSW Ispat, 1 (one) equity share of face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid up, in the Amalgamated Company; and
- (b) For every 1 (one) fully paid-up 0.01% Cumulative Redeemable Preference Shares of face value of Rs 10/- (Rupees Ten only) each held in JSW Ispat, 1 (one) 0.01% Cumulative Redeemable Preference Shares of face value of Rs 10/- (Rupees Ten only) each, having the same rights and terms and credited as fully paid up, in the Amalgamated Company;
- (c) Equity shares of JSW Ispat, where calls are in arrears as of the Effective Date, will be reclassified as fully paid-up equity shares of JSW Ispat to the extent of aggregate amount paid-up on all partly-paid-up equity shares held by the particular shareholder, e.g. A shareholder holding 100 shares with Rs. 5 paid up will be considered to be holding 50 fully paid-up shares of Rs. 10 each. Such Shareholder will be entitled to equity shares in Amalgamated Company

as per the ratio in (a) above on the basis of equivalent revised number of fully paid-up shares and fraction, if any as per the aforesaid reclassification. Similarly, 0.01% cumulative redeemable preference shares of JSW Ispat with calls in arrears as of the Effective Date will be reclassified as fully paid-up 0.01% cumulative redeemable preference shares of JSW Ispat to the extent of the aggregate amount paid-up on all such partly-paid-up 0.01% cumulative redeemable preference shares held by the particular shareholder and such shareholder will be entitled to 0.01% cumulative redeemable preference shares in Amalgamated Company as per the ratio in (b) above on the basis of equivalent revised number of fully paid-up 0.01% cumulative redeemable preference shares and fraction if any as per the aforesaid reclassification.

- 12.1.2 No fractional shares shall be issued by the Amalgamated Company; however the Board of Directors (or its duly authorised committee) of the Amalgamated Company shall consolidate all fractional entitlement(s) and, without any further application, act, instrument or deed, allot equity shares in lieu thereof directly to a Trustee who shall hold the shares in trust, on behalf of the members entitled to such fractional entitlements, for the specific purpose of selling the same at such time or times and at such price or prices as the Trustee may in its sole discretion decide. The Trustee shall pay to the Amalgamated Company, the net sale proceeds thereof, whereupon the Amalgamated Company shall distribute such net sale proceeds, subject to taxes, if any, to the erstwhile members of JSW Ispat in proportion to their respective fractional entitlements.
- 12.1.3 On the Scheme becoming effective, the equity shares, if any, held by Residual JSW Steel in JSW Ispat shall stand cancelled and no consideration will be issued for such cancellation.
- 12.1.4 The equity/preference shares shall be issued in dematerialised form; provided that the shareholders provide details of their respective accounts with the depository participant and such other confirmations as may be required within such time as may be prescribed by the Board of Directors of Amalgamated Company, or by a committee created thereof. All those equity / preference shareholders who hold shares of JSW Ispat in physical form shall be issued equity/preference shares in dematerialised form, provided that they provide details of their respective accounts with the depository participant. The Shareholders who fail to provide such details shall be issued equity / preference shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Board of Directors of Amalgamated Company or by a Committee created thereof.
- 12.1.5 The equity shares to be issued by Amalgamated Company to the members of JSW Ispat pursuant to Clause 12.1.1 of this Scheme, in respect of any shares in JSW Ispat which are held in abeyance under the provisions of Section 206A of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by the Amalgamated Company
- 12.1.6 The Equity Shares to be issued to the members of JSW Ispat under Clause 12.1.1 shall be subject to the terms of the Memorandum and Articles of Association of the Amalgamated Company and shall rank *pari passu* with the existing equity shares of the Amalgamated Company in all respects including, but subject to the provisions of



Section 205 of the Act, in respect of dividend (including interim dividend) declared after the Effective date. The shareholders of JSW Steel and JSW Ispat shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of JSW Steel and JSW Ispat to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of JSW Steel and JSW Ispat and subject to the approval of the shareholders of JSW Steel and JSW Ispat.

12.1.7 It is clarified that until the coming into effect of this Scheme, JSW Steel, JSW Ispat, JSW Building and JSW Steel Coated shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

12.1.8 For the purpose of issue of equity / preference shares to the shareholders of JSW Ispat, the Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities and undertake necessary compliances for the issue and allotment by the Amalgamated Company of shares to the shareholders of JSW Ispat under this Scheme.

12.1.9 The issue and allotment of the equity / preference shares by Amalgamated Company to the shareholders of JSW Ispat as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by Amalgamated Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with. JSW Steel shall obtain the necessary approval from its shareholders, as required and as may be directed by the Court, in terms of the Scheme only, under and pursuant to provisions of Section 391 to Section 394 of the Act.

12.1.10 Subject to necessary approval from the relevant stock exchanges, the new equity / preference shares of the Amalgamated Company will be listed and/or admitted to trading on the BSE and on the NSE where the shares of JSW Steel are listed and/or admitted to trading. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

## 12.2 MERGER OF JSW BUILDING INTO RESIDUAL JSW STEEL

JSW Building is a wholly owned subsidiary of JSW Steel. Therefore, the Amalgamated Company shall not issue any shares to the shareholders of JSW Building upon the coming into effect of this Scheme, and in consideration of the merger of JSW Building into Residual JSW Steel.

## 13 ACCOUNTING TREATMENT IN THE BOOKS OF JSW STEEL

13.1 Upon the Scheme becoming effective, Amalgamated Company shall record all the assets and liabilities of Residual JSW Ispat and JSW Building, as of Appointed Date

and assets acquired thereafter, vested into it in pursuance to Part III of this Scheme, at their respective fair values.

- 13.2 Amalgamated Company shall credit the aggregate face value as per Clause 12.1 above, of the equity and preference shares issued by it to the members of JSW Ispat pursuant to Part III of this Scheme to its share capital account in its books of account.
- 13.3 Inter-company investments and balances, if any, between JSW Steel, JSW Building and Residual JSW Ispat, shall stand cancelled.
- 13.4 JSW Steel shall reduce the book value of assets and liabilities as on the Appointed Date forming part of Downstream Undertaking transferred to and vested in JSW Steel Coated as per Part II of this Scheme from its books of account.
- 13.5 The difference arising in the books of accounts of JSW Steel as a result of 13.1 to 13.4 above shall be credited by Amalgamated Company to its capital reserve account. The deficit, if any, shall be debited to its goodwill account.
- 13.6 In case of any differences in accounting policy between JSW Ispat, JSW Building and JSW Steel, the impact of such differences shall be quantified and adjusted in the capital reserve account of Amalgamated Company to ensure that the financial statements of the Amalgamated Company on the Appointed Date are on the basis of consistent accounting policy.
- 13.7 Notwithstanding the above, the Board of Directors of the Amalgamated Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

#### **14 CONDUCT OF BUSINESS OF RESIDUAL JSW ISPAT AND JSW BUILDING**

- 14.1 On and from the Appointed Date and until the Effective Date:
  - 14.1.1 Residual JSW Ispat and JSW Building shall be deemed to have carried on their business and activities and shall hold and deal with all respective assets and properties for and on account of and in trust for the Amalgamated Company.
  - 14.1.2 Any income or profit accruing or arising to Residual JSW Ispat and JSW Building and all costs, charges, expenses and losses incurred by Residual JSW Ispat and JSW Building shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Amalgamated Company.
  - 14.1.3 All assets acquired and all liabilities incurred by Residual JSW Ispat and JSW Building shall, without any further act, instrument or deed, stand transferred to and vested into or to be deemed to have been transferred to or vested into the Amalgamated Company upon the coming into effect of the Scheme;
  - 14.1.4 JSW Ispat and JSW Building shall not utilise the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of the Amalgamated Company.

14.1.5 Residual JSW Ispat and JSW Building shall carry on their respective businesses with reasonable diligence, in the ordinary course of business and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with their respective assets, save and except, in each case, in the following circumstances:

- (i) if the same is in the ordinary course of business as carried on by them as on the Appointed Date; or
- (ii) if the same is expressly permitted by this Scheme; or
- (iii) if the written consent of JSW Steel, as the case may be, has been obtained.

14.1.6 Pending sanction of this Scheme, JSW Ispat, JSW Building and JSW Steel shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub division or consolidation, reorganisation, or in any other manner, affect the reorganisation of capital herein, except as may be expressly permitted under this Scheme or as may be required to give effect to this Scheme.

14.1.7 Residual JSW Ispat and JSW Building shall not vary or alter, except in the ordinary course of their respective businesses and as may be required for reorganisation, the terms and conditions of employment of any of their respective permanent employees; and



14.1.8 Any of the rights, powers, authorities, privileges, attached, related or pertaining to Residual JSW Ispat or those attached, related or pertaining to JSW Building shall be deemed to have been exercised by Residual JSW Ispat or JSW Building, as the case may be, for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Residual JSW Ispat or those attached, related or pertaining to JSW Building that have been undertaken or discharged by Residual JSW Ispat or JSW Building, as the case may be, shall be deemed to have been undertaken for and on behalf of, and in trust for the Amalgamated Company.

14.2 Residual JSW Ispat and/or JSW Building and/or JSW Steel shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Amalgamated Company may require to own and carry on the business of Residual JSW Ispat and JSW Building.

## **15 EMPLOYEES OF RESIDUAL JSW ISPAT AND JSW BUILDING**

15.1 Upon the Scheme becoming effective, all permanent employees of Residual JSW Ispat and JSW Building in service on the Effective Date shall be deemed to have become the permanent employees of the Amalgamated Company without any interruption in their service as a result of the merger of Residual JSW Ispat and JSW Building with Residual JSW Steel, on the same terms and conditions of employment as were with Residual JSW Ispat and JSW Building respectively.

- 15.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund or any other special scheme created or existing for the benefit of the permanent employees of Residual JSW Ispat and JSW Building, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts, if any, created by Residual JSW Ispat and JSW Building for its permanent employees shall be transferred to the gratuity fund, provident fund and superannuation fund schemes created by JSW Steel on the same terms and conditions in relation to such respective permanent employees. With effect from the Effective Date but subject to getting the Scheme approved by relevant authorities, the Amalgamated Company shall make the necessary contributions for such permanent employees in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. Provided that the Amalgamated Company may continue to make contributions in the gratuity fund, provident fund and superannuation fund trusts, if any, created by Residual JSW Ispat and JSW Building for its respective permanent employees till such time as necessary statutory approvals are received by the Amalgamated Company for setting up its own gratuity fund, provident fund, superannuation fund or any other special fund.
- 15.3 In relation to the permanent employees engaged in Residual JSW Ispat and JSW Building who are not covered under the provident fund trust of Residual JSW Ispat and JSW Building as the case may be, and for whom Residual JSW Ispat and JSW Building as the case may be is making contributions to the Government provident fund, the Amalgamated Company shall stand substituted for Residual JSW Ispat and JSW Building as the case may be for all purposes whatsoever, including those relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc in respect of such employees.
- 15.4 In relation to any other fund created or existing for the benefit of the permanent employees engaged in Residual JSW Ispat and JSW Building, the Amalgamated Company shall stand substituted for Residual JSW Ispat and JSW Building as the case may be, for all purposes whatsoever, including those relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc in respect of such permanent employees.
- 15.5 The Amalgamated Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by Residual JSW Ispat and JSW Building. The Amalgamated Company agrees that, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees of Residual JSW Ispat and JSW Building shall also be taken into account, and agrees and undertakes to pay the same as and when payable under applicable law.

## **16 LEGAL PROCEEDINGS**

- 16.1 Upon the Scheme becoming effective on the Effective Date, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, including those relating to taxation laws, by or against Residual JSW Ispat and JSW Building in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date shall be continued and enforced by or against the Amalgamated Company in the manner and to the same extent as would have been continued and enforced by or against Residual JSW Ispat



and JSW Building, as the case may be. JSW Steel shall and may, if required, initiate any legal proceedings in relation to Residual JSW Ispat and JSW Building.

- 16.2 After the Appointed Date, if any proceedings are taken against Residual JSW Ispat and JSW Building in respect of the matters referred to in the Clause 16.1 above, Residual JSW Ispat and JSW Building as the case may be shall defend the same at the cost of Residual JSW Steel and Residual JSW Steel shall reimburse and indemnify Residual JSW Ispat and JSW Building as the case may be against all liabilities and obligations incurred by Residual JSW Ispat and JSW Building in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which Residual JSW Ispat and JSW Building may be called upon to pay or secure in respect of any liability or obligation relating to Residual JSW Ispat and JSW Building respectively.

- 16.3 The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against Residual JSW Ispat and JSW Building referred to in Clause 16.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company to the extent legally permissible after the Scheme being effective.

#### 17 CONTRACTS, DEEDS, ETC.

- 17.1 Notwithstanding anything else contained in this Clause 18, but subject to the other provisions of this Part III, all contracts, deeds, bonds, insurance policies of Residual JSW Ispat and JSW Building and to which Residual JSW Ispat and JSW Building is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Amalgamated Company, as the case may be, and may be enforced by or against the Amalgamated Company as fully and effectually as if, instead of Residual JSW Ispat and JSW Building, as the case may be, the Amalgamated Company had been a party thereto.



- 17.2 Without prejudice to Clause 18.1, on and from the Effective Date, and consequent to the cancellation of the share capital of Residual JSW Ispat on its amalgamation with Residual JSW Steel in terms of Part III, any agreements, memoranda, arrangements, or understandings pertaining to the outstanding program of GDRs issued by Residual JSW Ispat shall stand terminated.

#### 18 SAVING OF CONCLUDED TRANSACTIONS/ RESOLUTIONS

- 18.1 The transfer of properties and liabilities relating to Residual JSW Ispat and JSW Building pursuant to Clause 11 of Part III of this Scheme, and the continuance of proceedings by or against Residual JSW Ispat and JSW Building, as the case may be, under Clause 17 above shall not affect any transaction, resolutions or proceedings already concluded or approved, or liabilities incurred, or any liabilities discharged by Residual JSW Ispat and JSW Building, subject to the provisions of Clause 18 above, on or after the Appointed Date and until the Effective Date, to the end and intent that the Amalgamated Company shall accept and adopt all acts, deeds and things done and executed by Residual JSW Ispat and JSW Building in respect thereto as done and executed on behalf of itself.

19 AUTHORISED SHARE CAPITAL

- i. Upon the Scheme coming into effect, the authorised equity share capital of JSW Steel in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed, including payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs. 4,015 crores (Rupees Four thousand Fifteen crores only), and the authorised preference share capital of JSW Steel in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed, including payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs. 2,000 crores (Rupees Two thousand crores only), and the Memorandum of Association and Articles of Association of JSW Steel (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty shall be deemed to have been paid and JSW Steel shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

Accordingly, in terms of this Scheme, the authorised share capital of JSW Steel shall stand enhanced to an amount of Rs. 9,015 crores (Rupees Nine thousand Fifteen crores only) divided into (a) 601.5 crores equity shares of Rs. 10/- each and (b) 300 crores preference shares of Rs. 10/- each and the capital clause being Clause V of the Memorandum of Association of JSW Steel shall on the Effective Date stand substituted to read as follows:

*"V. The Authorised Share Capital of the Company is Rs. 90,15,00,00,000 (Rupees Nine thousand Fifteen crores only) consisting of 6,01,50,00,000 (Six hundred one crores and fifty lakhs only) equity shares of Rs. 10/- (Rupees Ten Only) each and 300,00,00,000 (Three hundred crore) preference shares of Rs. 10/- (Rupees Ten only) each, with power to increase or reduce its Share Capital from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Companies Act and the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges, conditions or restrictions in such manner as may be for the time being provided by the Articles of Association of the Company."*

Article 3 of the Articles of Association of JSW Steel shall, on the Effective Date, also stand substituted to read as follows:

*"3. The Authorised Share Capital of the Company is Rs. 90,15,00,00,000 (Rupees Nine thousand Fifteen crores only) consisting of 6,01,50,00,000 (Six hundred one crore and fifty lakhs only) equity shares of Rs. 10/- (Rupees Ten Only) each and 300,00,00,000 (Three hundred crore) preference shares of Rs. 10 (Rupees 10 only) each, with power to increase or reduce its Share Capital*

*from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions in accordance with the Companies Act and the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and to acquire, purchase, hold, resell any of its own fully/partly paid shares and for preference shares whether redeemable or not and to make any payment out of Capital or out of the funds at its disposal, for and in respect of such purchase, subject to the provisions of the Companies Act in force from time to time."*

- 20 Upon the Scheme becoming effective, the issued, subscribed and paid-up capital of JSW Steel shall stand suitably increased consequent upon the issuance of new equity shares and preference shares.

It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by JSW Steel separately in a general meeting for issue of shares to the shareholders of the JSW Ispat under this Scheme and on the members of JSW Steel approving this Scheme, it shall be deemed that they have given their consent to the issue of equity and preference shares of JSW Steel to the shareholders of JSW Ispat in accordance with and in terms of the Share Exchange Ratio.

## 21 DISSOLUTION OF JSW ISPAT AND JSW BUILDING

On the Scheme becoming effective, JSW Ispat and JSW Building shall be dissolved without being wound up.

### PART IV

## GENERAL/RESIDUARY TERMS AND CONDITIONS

## 22 APPLICATION TO HIGH COURT

- 22.1 JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel shall, with all reasonable dispatch, make all necessary applications under Sections 391 and 394 of the Act and other applicable provisions of the Act to the Court for seeking approval of this Scheme.

## 23 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 23.1 JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel by their respective Boards or any persons authorised by them, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose, or make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate to them in their sole discretion. JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel, by their respective Boards, be and are hereby authorised to take all such steps as may be necessary, desirable or proper for the purposes of implementing this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise,

howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith.

- 23.2 In the event of any of the conditions that may be imposed by the Court or other authorities which JSW Ispat, JSW Building, JSW Steel Coated or JSW Steel may find unacceptable for any reason, JSW Ispat, JSW Building, JSW Steel Coated or JSW Steel are at liberty to withdraw the Scheme.

#### **24 CONDITIONALITY OF THE SCHEME**

- 24.1 This Scheme is and shall be conditional upon and subject to:

- 24.1.1 The approval of the Stock Exchanges to the Scheme being obtained;
- 24.1.2 The approval of the Competition Commission of India to the Scheme being obtained;
- 24.1.3 The obtaining of statutory approvals under the Act, including that of shareholders, lenders and creditors of JSW Ispat, JSW Steel, JSW Building and JSW Steel Coated as may be required / directed by the Court;
- 24.1.4 The sanctioning of this Scheme by the Court, with or without any modifications or amendments;
- 24.1.5 The filing of a certified copy of the order of the Court with the Registrar of Companies, Mumbai by JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel; and
- 24.1.6 Any other sanctions and orders as may be directed by the Court in respect of this Scheme.

- 25 Each part of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by respective Board of Directors of JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel or any Committee constituted by such Board.

#### **26 EFFECT OF NON-RECEIPT OF APPROVALS**

- 26.1 In the event that this Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme are not obtained or complied with or for any other reason, the Effective Date does not occur on or before 31<sup>st</sup> Day of August, 2013 or within such further time as may be agreed to by the Board of Directors of JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel, the Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter se by the Parties or their shareholders or creditors or employees or any other person. In such an event, all the costs, charges and expenses in connection with this Scheme shall be borne equally by JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel, unless otherwise mutually agreed.



- 26.2 The non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Kalmeshwar Undertaking, the Downstream Undertaking, Residual JSW Ispat and JSW Building getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme if the Boards of JSW Ispat, JSW Building, JSW Steel Coated and JSW Steel so decide.

## 27 SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court or authority of competent jurisdiction or unenforceable under present or future laws, or in the event of non-receipt of any sanctions or approvals with respect to a particular asset or liability proposed to be transferred pursuant to this Scheme, then subject to the decision of JSW Ispat, JSW Steel, JSW Building and JSW Steel Coated, such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

## 28 COSTS, CHARGES & EXPENSES

All the costs, charges and expenses arising out of or incurred in connection with and in implementing this Scheme and matters incidental thereto, including those relating to transfer and vesting of all assets covered by and consequent to this Scheme, shall be borne by the Amalgamated Company.

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*Handwritten signature*

**TRUE-COPY**  
*Handwritten signature*  
24/05/2013  
**Mrs. K. M. RANE**  
COMPANY REGISTRAR  
- HIGH COURT (O.S.)  
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O O C J

COMPANY SCHEME PETITION NO 160 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 857 OF 2012

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Composite Scheme of Amalgamation and Arrangement

Amongst

JSW ISPAT Steel Limited ('The Transferor Company 1')

AND

JSW Building Systems Limited ('The Transferor Company 2')

AND

JSW Steel Coated Products Limited ('The Transferee Company 1')

AND

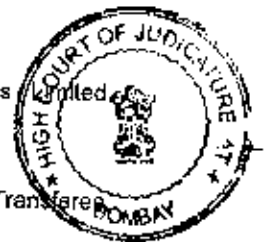
JSW Steel Limited ('The Transferee Company 2')

AND

Their respective shareholders and creditors

JSW Steel Limited ....Petitioner Company

AUTHENTICATED COPY OF ORDER DATED 3<sup>RD</sup> DAY OF MAY 2013 AND THE SCHEME ANNEXED TO THE PETITION



06/05/2013  
 22/05/2013  
 24/05/2013  
 24/05/2013  
 24/05/2013

IS

M/S HEMANT SETHI & CO  
 Advocates for the Petitioner Company  
 9820244453