



Australian Government

Anti-Dumping Commission

INVESTIGATION NO. 301

ALLEGED DUMPING OF ROD IN COILS

EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

EXPORTER VISIT REPORT

JIANGSU SHAGANG GROUP

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF ANTI-DUMPING COMMISSION**


December 2015

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ABBREVIATIONS

\$ or AUD	Australian dollars
ABF	Australian Border Force
CFR	Cost and freight
China	People's Republic of China
CIF	Cost, Insurance & Freight
COGS	Cost of goods sold
CTM	Cost to make
CTMS	Cost to make & sell
EXW	Ex-works
FOB	Free-on-board
FY	Financial year
GAAP	Generally accepted accounting principles
GL	General ledger
GOC	Government of China
NIP	Non-injurious Price
NY	ET Energy Co., Limited
OCOT	Ordinary course of trade
PAD	Preliminary Affirmative Determination
RMB	Chinese Yuan Renminbi
SEF	Statement of Essential Facts
Shagang	Collectively <ul style="list-style-type: none"> - - - - - - - - - - - - 
The Act	<i>Customs Act 1901</i>
The Applicant	OneSteel Manufacturing Pty Ltd
The Commission	The Anti-Dumping Commission
The goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
The Minister	the Minister for Industry, Innovation and Science

The Parliamentary Secretary	the Parliamentary Secretary to the Minister for Industry, Innovation and Assistant Minister for Science
USD	United States dollars
YTD	Year-to-date

1 BACKGROUND AND PURPOSE

1.1 Background

On 23 June 2015, OneSteel Manufacturing Pty Ltd (OneSteel) lodged an application requesting that the Assistant Minister for Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science (the Parliamentary Secretary) publish a dumping duty notice in respect of certain of rod in coils exported to Australia from the People's Republic of China (China).

In the application OneSteel alleged that it had suffered material injury caused by certain rod in coils exported to Australia from China at dumped prices.

OneSteel claims that the Australian industry had been injured through:

- Price depression;
- Price suppression;
- Lost market share;
- Lost sales volume;
- Loss of profits;
- Loss of profitability;
- Loss of revenue;
- Loss of employment and wages; and
- Loss of assets employed in the production of like goods

On 12 August 2015, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of rod in coils (the goods) exported to Australia from China. A public notification of the initiation of the investigation was made in *The Australian* newspaper and was also published on the Commission's website.

1.2 Meeting

Following the initiation of the investigation, a search of the Australian Border Force (ABF) import database indicated that Jiangsu Shagang Group Ltd exported rod in coils from China to Australia during the period 1 July 2014 to 30 June 2015 (the investigation period).

The Commission provided an exporter questionnaire in respect of rod in coils to the company to complete. Shagang completed the exporter questionnaire, providing details regarding its company background, relevant domestic sales data, relevant exports to Australia, relevant other third countries data and relevant cost to make and sell expenses for each of the 12 related entities named below. A copy of public record version of the exporter questionnaire is at the Commission's website (www.adcommission.gov.au).

From the responses to the exporter questionnaire we noted that six related entities manufactured the goods and sold in the domestic market through 4 related trading and exported to Australia through 2 other related trading companies as detailed below:

Manufacturers:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]

Domestic sellers:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]

Exporters:

1. [REDACTED]
2. [REDACTED]

For the purpose of this report, all 12 related entities listed above are collectively referred to as Shagang.

1.3 Purpose of visit

The purpose of the visit was to verify information submitted in the exporter questionnaire response. Information verified during the visit has been used to make preliminary assessments regarding:

- like goods;
- who is the exporter and who is the importer;
- export prices;
- normal values; and
- dumping margins.

1.4 Meeting details

Company	Jiangsu Shagang Group Ltd
Dates of visit	2 December 2015 to 4 December 2015

The following personnel were present at various stages of the meeting:

Jiangsu Shagang Group Ltd	[REDACTED]	<ul style="list-style-type: none"> - Vice General Manager - Chief of Steel Trade Department - Sales Manager of [REDACTED] - Translator - Sales Accountant of [REDACTED] - Domestic Sales Manager - Cost Accountant of WR and Billet production
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	companies [REDACTED] - Sales Accountant of [REDACTED] [REDACTED] - Accountant of [REDACTED] [REDACTED] - Accountant of [REDACTED] [REDACTED] - Cost Accountant of molten Iron and sinter production companies [REDACTED] – Engineer
Consultants	Mr John Bracic – J.Bracic and Associates Michael Li – Lawyer Jonathan Xu – Lawyer Wu Yifan – Lawyer
Anti-Dumping Commission	Mr Sanjay Sharma - Manager, Operations 2 Mr Steven Spears – Manager, Operations 1

1.5 Investigation process and timeframes

At the visit we provided a summary of the investigation process and timeframes as follows:

- the investigation period is from 1 July 2014 to 30 June 2015;
- the injury analysis period is from 1 July 2011 for the purpose of analysing the condition of the Australian industry;
- a preliminary affirmative determination (PAD) was published on 1 December 2015;
- the Statement of Essential Facts (SEF) will be placed on the public record by 13 February 2016¹, or such later date allowed by the Parliamentary Secretary under section 269ZHI of the Act;
- the SEF will set out the material findings of fact on which the Commission intends to base its recommendations to the Parliamentary Secretary, and will invite interested parties to respond, within 20 days, to the issues raised therein;
- following receipt and consideration of the submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Parliamentary Secretary; and
- the final report is due on or before 29 March 2016, unless further extension to the SEF or final report is approved by the Parliamentary Secretary.

Shagang was co-operative and had most of the required information available for the meeting. At the meeting Shagang made a commitment to provide any further information required in a timely manner after our visit.

Shagang also confirmed that it has access to the Commission's electronic public record and is able to access relevant information regarding the investigation.

¹ Initial date for publishing the SEF was 30 November 2015

1.6 Visit report

We explained to the company that we would prepare a report of our visit (this report) and provide it to the company to review its factual accuracy, and to identify those parts of the report it considers to be confidential.

We explained that, in consultation with the company, we would prepare a non-confidential version of the report, and place this on the investigation's Public Record.

2 COMPANY INFORMATION

2.1 General

At the commencement of our meeting, Shagang made a powerpoint presentation about the company and its operations. A copy of the presentation is at **Confidential Attachments 1**.

Shagang stated that it is a privately owned, large scale vertically integrated group of companies that manufacture and supply a range of steel products, including rod in coils. Shagang sells its products both in the domestic and export markets. Shagang's organisational and operational structure comprises various entities that each performs a manufacturing or sales function. Therefore, each entity is treated as a manufacturing or a sales department within Shagang's integrated operations.

As discussed in section 1.2 of this report, Shagang has a total of twelve related separate legal entities involved in the manufacturing and sale of the goods in the domestic market and exports to Australia. Six manufacturing plants are involved in the production of the goods; four trading entities exclusively sell the goods domestic market while two other trading entities export the goods to Australia.

All manufacturing, administration and marketing functions are performed at Shagang's primary address in Jinfeng Town, Zhangjiagang City, Jiangsu Province (**Confidential Attachments 2 and 3 refers**).

2.2 Related Parties

As discussed above, the Shagang group of companies engage in related party transactions. At the visit we discussed these transactions and have assessed the reasonableness and impact of the related party transactions throughout this report.

2.2.1 Relationship with suppliers and customers

During the visit Shagang stated that its manufacturing plants within the group are related and that they [redacted] [production process].

Shagang stated that it is not related to any of its domestic and/or export customers. We are satisfied that while the related companies within the Shagang group engage in related party transactions, only commercial relationship exists between the Shagang and its unrelated domestic and export customers.

For the purpose of calculating normal value and export price, we eliminated all related party transactions from the data provided to us.

2.3 Accounting structure and details of accounting system

The Shagang group operate on a financial year of 1 January to 31 December.

For accounting purposes, Shagang use Chinese Yuan Renminbi (RMB) as their currency. The Shagang Group use a commercial accounting software program called UFIDA for all

its financial accounting, human resources, supply chain management, production and costing management. During the visit we sighted and collected numerous reports extracted from the UFIDA accounting system.

Shagang stated that for accounting purposes they use actual costs and their accounting practises are consistent with the generally accepted accounting principles (GAAP) in China. Furthermore Shagang stated that all its affiliated companies financial records are audited at the completion of each financial year. From Shagang's 2014 audited accounts, we noted the following opinion from its auditors;

"In our opinion, the Financial Statements of Shagang Group have been prepared according to the Enterprise Accounting System and present fairly in all important respects, the Financial Position Statement and of Shagang Group as of December 31st, 2014, and of its Financial Performance Statement and its Cash Flows Statement of 2014".

At the visit Shagang stated that [REDACTED] is incorporated in [REDACTED] and therefore its financial records are in compliance with [REDACTED] GAAP.

3 THE GOODS UNDER CONSIDERATION AND LIKE GOODS

3.1 The goods

The goods subject to the application (the goods) are:

Hot rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The goods covered by the application include all steel rods meeting the above description of the goods regardless of the particular grade or alloy content.

Goods excluded from this application include hot-rolled deformed steel reinforcing bar in coil form, commonly identified as rebar or debar, and stainless steel in coils.

3.2 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

Tariff classification (<i>Schedule 3 of the Customs Tariff Act 1995</i>) ²				
Tariff code	Statistic al code	Unit	Description	Duty rate
7213.91.00	44	Tonne	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel -- Of circular cross-section measuring less than 14mm in diameter	5% DCS: Free ³
7227.90.90	42 ⁴	Tonne	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel -- Other	5% DCS: Free

² As of the publication date of this report.

³ 'DCS' is a code applied to classes of countries and places in relation to which special rates apply as specified in Part 4 of Schedule 1 of the *Customs Tariff Act 1995*.

⁴ Statistical code 02 came into effect on 1 January 2015; prior to this, the relevant statistical code was 42.

7227.90.90	02	Tonne	<p>Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel</p> <p>--- Other</p> <p>Of circular cross-section measuring less than 14 mm in diameter</p> <p>(excl. those of stainless, high speed or silico-manganese steel & those of HTISCs 7227901069 and 7227909001)⁵</p>	<p>5%</p> <p>DCS: Free</p>
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3.2.1 Goods exported to Australia

Shagang manufactured and sold the goods in both the domestic market and exported to Australia during the investigation period.

3.3 Like goods – preliminary assessment

Shagang manufactures three different models of rod in coils.

- (i) [redacted] wired rod ([redacted] WR);
- (ii) [redacted] wired rod ([redacted] WR); and
- (iii) [redacted] Wired rod ([redacted] WR).

Shagang stated that negligible differences exist in the chemical and mechanical specification between these three models of rod in coils.

Furthermore, Shagang stated that for the model [redacted] that is exported to Australia, [redacted] which is generally not used in domestic like goods.

Although [redacted]
[redacted] [description of exported goods].

While all three models are sold in the domestic market, only [redacted] WR was exported to Australia during the investigation period.

We consider that the domestic sales of the goods falling within the goods description are like to goods exported to Australia. We consider the goods produced by Shagang for domestic sale have characteristics closely resembling those of the goods under consideration and are therefore 'like goods' in accordance with subsection 269T(1) of the Act.

⁵ Australian Bureau of Statistics, *International trade in goods and services, Australia* (Oct 2014 issue), refers.

3.4 Production process

3.4.1 Manufacturing

As discussed in section 1.2 of this report, Shagang manufacturing the goods in 6 different plants. Shagang being a fully integrated steel manufacturer that produces their own billet from iron ore through the operation of blast furnaces and from scrap metal through electric arc furnaces.

During the verification, we conducted an inspection of the facility and observed the manufacturing process as follows. A detailed production process is at **Confidential Attachment 10**.

The main raw material ‘Billets’ which are made through either the blast furnace operation or electric arc furnace are graded based on chemical composition and other physical properties. The graded billets are selected based on the requirements of the end-user customer.

The billets are first passed through a reheat furnace to ensure they reached sufficient temperature to pass through the rolling mills. Once reheated, the billets are fed through a series of rolling stands, which compress, shape, and lengthen the billet into a narrow rod.

At the visit we sighted one of the rolling mills ([REDACTED]) which produces steel rod in coil. We noted that once the billet has been rolled into the correct circular cross section size, it is dropped over a barrel roll which causes it to change from a straight length into a continuous coil. This continuous coil is cooled on a conveyor belt, and drops onto a compressing stand to be compressed and tied.

Shagang stated that once tied, the goods are moved to the dispatch yard and are transported to the customers by a truck or a barge.

3.5 Chemical composition

In its response to the Exporter questionnaire, Shagang submitted the following chemical composition used in its sales data (both export and domestic):

C	Si	Mn	P	S	B	Cr	Ni	Cu	N
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

A detailed chemical composition of each model is at **Confidential Attachments 11 and 43**.

corresponding figure in the A-5 income statement provided by Shagang as part of their response to exporter questionnaire (REQ).

The sales reconciliation contained a further breakdown of Shagang's total sales revenue for the investigation period, their domestic and export revenue for all products during the investigation period and a breakdown of their quarterly sales for the goods under consideration, which was further broken down into Australian sales and sales to other countries.

From the income statement and sales reconciliation reports, we were able to match Shagang's total sales revenue to the A-6 turnover statement provided by Shagang as part of its REQ. We noted a small variance between the figures relating to total export revenue of the goods from the sales reconciliation to the A-6 turnover statement. Shagang explained that the variance was due to a combination of the [REDACTED]. We are satisfied by Shagang's explanation.

For completeness, we matched the quarterly sales breakdown with the figure provided in the Australian sales report for and with the corresponding figure contained in the A-6 turnover statement. (**Confidential Attachment 20 refers**). No variance was noted.

Shagang provided us with a production report for the six manufacturing plants for the investigation period to ensure that all of the goods produced by the company that was intended for export had in fact only been exported by Shagang. From the worksheet provided we noted that a small variance (approximately [REDACTED]%) of the total export included domestic sale. Shagang stated that this was due to a sale that was made to an unrelated domestic customer who in turn exported the goods to the other third countries.

From the production report, we matched the total volume of the goods transferred to Shagang to the corresponding volume figure in the A-6 turnover of Shagang. No discrepancy was found (**Confidential Attachment 22 refers**).

4.2.2 [REDACTED] [Entity]

Shagang on behalf of [REDACTED] provided us with an income statement and sales reconciliation for the year ending 2014 and for the investigation period. We matched the total sales revenue figure for 2014 contained in the income statement to [REDACTED] 2014 audited financial report. We also matched [REDACTED] overall total sales revenue for the investigation period, the total sales revenue of the goods and the total sales revenue of sales to Australia to the corresponding figures contained in the A-6 turnover statement for [REDACTED] (**Confidential Attachment 21 refers**). No variance was found.

4.2.3 Completeness and relevance of sales

Based on the verification process discussed above, we are satisfied that the export sales listing submitted by Shagang is complete and relevant.

4.3 Verification of export sales to source documents

Shagang provided us with sales documentation for the ten transactions selected prior to the visit. For each of the selected transactions Shagang provided the following documents;

- Commercial invoice between Shagang and [REDACTED];
- the commercial invoice between [REDACTED] and the export customer;
- the packing list;
- the contract between Shagang and [REDACTED];
- the contract between [REDACTED] and the export customer;
- the handling invoice;
- proof of payment of the invoice; and
- the daily spot exchange rate.

The above documents are at **Confidential Attachment 23**.

We matched the sales documentation to the line by line sales information provided by Shagang in its revised (B-4) Australian sales.

4.3.1 Ocean Freight

From the data provided we noted that the export sales that were on CFR terms did not have any ocean freight allocated on a line by line basis. Shagang explained that they arrange ocean freight for their customers and are then invoiced directly from the supplier. Shagang stated that the cost of ocean freight is included in the total invoice price. We matched the container numbers contained in the ocean freight invoice from the supplier to the container numbers listed in the bill of lading for each of the selected transactions. No discrepancy was found.

4.3.2 Handling Fee

Contained in the sales documentation for the selected transactions was an invoice for "Handling Fees". Shagang stated that all export sales incur a handling fee consisting of inland transport, loading of the goods and agents fees. Shagang sources these services from an independent agent and is directly invoiced by the agent. Shagang further stated that the cost incurred for handling is contained in the full invoice price for each sale matched the contract numbers contained in the handling fee invoices to the contract numbers contained in the invoices for each of the selected transactions. No discrepancy was found.

4.3.3 Export sales – conclusion

We are satisfied that the invoiced amount for export sales of the goods is the price paid by export customers and this is accurately reflected in the B-4 export sales spreadsheet provided by Shagang.

We are also satisfied that the export sales records and export sales documentation provided by Shagang is complete and suitable for ascertaining an export price.

4.3.4 The exporter

At the visit we confirmed that [REDACTED] act as a trader and processes the paperwork relating to Shagang's export sales, therefore [REDACTED] is a trader.

Having verified the information provided by Shagang, we are satisfied that Shagang is the exporter of the goods because they are the principal located in the country of export, that being China and;

- purchases the goods from related producers;
- sets the price for the sale of the goods;
- understands that the goods are being produced for sale to Australia;
- packs the goods for shipment to Australia;
- paid inland freight, handling costs and ocean freight as required; and
- sent the goods for export to Australia and is aware of the identity of the purchaser of the goods.

4.3.5 The importer

During the visit we confirmed that all export sales made by Shagang are to one customer. We noted that this customer;

- negotiates directly with Shagang for the purchase of the goods;
- is named buyer on the contract of sale;
- is named consignee on the bill of lading; and
- take control of the goods on arrival and become the beneficial owner of the goods.

We consider that Shagang's one export customer is the beneficial owner of the goods at the time of importation and therefore are the importer of the goods exported by Shagang during the investigation period.

4.4 Arm's length

During the visit we confirmed that there was no consideration payable in respect of the goods by the buyer other than their price, the price of the goods is not influenced by any commercial or other relationship between the buyer and the seller and that the buyer or an associate of the buyer will not directly or indirectly be reimbursed the whole or part of the price paid for the goods.⁶ Therefore, we consider that all exports of the goods by Shagang to Australia during the investigation period were at arm's length.

4.5 Export price – preliminary assessment

During the investigation period Shagang exported the goods to an unrelated company listed in the B-4 Australian sales spreadsheet. We are of the opinion that;

- the goods have been exported to Australia otherwise than by the importer; and

⁶ *Customs Act 1901* (Cth) ss.229TA(1)(a) – (c).

- the goods have been purchased by the importer from the exporter.

However, due to the unit price mark-up made by [REDACTED] to cover the administration cost associated with issuing the export sale paper work, we recommend that the export price of the goods be established under subsection 269TAB(1)(c) of the Act, being a price that the Parliamentary Secretary determines having regard to all the circumstances of the exportation.

Export price calculations are at **Confidential Appendix 1**.

5 COST TO MAKE & SELL

5.1 Approach to verification

As discussed in Section 3.2.1 of this report, during the investigation period Shagang manufacture rod in coils and sold them in the domestic market and also exported to Australia.

At the visit, Shagang provided revised detailed cost to make and Sell (CTMS) information for each of its 6 manufacturing plants namely;

- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);

These documents are at **Confidential Attachment 29**.

Shagang also provided audited financial statements for FY2013 and FY2014 for each of the above entities along with the audited financial statements for FY2013 and FY2014 for the following related trading entities:

- Jiangsu Shagang Group Co., Ltd (Shagang Group);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]); and
- [REDACTED] ([REDACTED]).

Shagang provided unaudited financial statements for the FY2014 of [REDACTED] ([REDACTED]). Shagang stated that since [REDACTED] is a newly established entity, therefore at this stage its accounts were not audited. At the visit Shagang stated that [REDACTED] is incorporated in [REDACTED] and therefore its financial records are in compliance with [REDACTED] GAAP.

As discussed in section 2.1 of this report, Shagang is a large scale and highly vertically integrated group. As such, each entity is effectively treated as a manufacturing or sales unit/department within Shagang’s integrated operations. From the information provided in response to the exporter questionnaire, we noted that only three of the six manufacturing plants exported the goods to Australia during the investigation period as detailed below:

[CONFIDENTIAL TABLE DELETED]

Given that majority of the exports were from [REDACTED] and [REDACTED], we conducted a detailed cost verification of these two manufacturing plants as detailed below.

We noted that [REDACTED] manufactures rod in coils using blast furnace while [REDACTED] uses electric arc furnace. [REDACTED] [discussion of cost comparison]

As discussed in section 3.3 of this report Shagang produces three different models of Rod in Coils being:

- [REDACTED] wired rod ([REDACTED] WR);
- [REDACTED] wired rod ([REDACTED] WR); and
- [REDACTED] wired rod ([REDACTED] WR).

At the commencement of the visit, Shagang advised us that raw material information regarding iron ore was not submitted to the Commission in its response to the exporter questionnaire. Shagang provided this information at the visit.

5.2 Verification of production costs to audited financial statements

From the documents submitted in response to the exporter questionnaire, we noted that the financial statements dates for all entities were stated as 2011 to 2013. At this visit, we enquired and Shagang clarified that this was a typographical error and the correct dates were FY2013 and FY2014. We noted the information contained in the audited accounts related to FY2013 and FY2014.

Prior to the visit we selected the December 2014 quarter (October 2014 to December 2014) for [REDACTED] and [REDACTED] and asked the company to prepare all documents to demonstrate all cost elements for this quarter. While we focussed on [REDACTED] and [REDACTED] costs for the onsite verification, we collected costs documents and information for the other 4 manufacturing plants to verify the information provided in response to the exporter questionnaire.

At the visit for all models produced during the December 2014 quarter, Shagang provided us with [REDACTED] and [REDACTED] detailed the cost worksheet which contained the calculations that were used to prepare the CTMS spreadsheet submitted to the Commission, production cost report inventory sub-ledger and GL and income statement for the December 2014 quarter. From the GL provided we noted that quarterly income statement also contained year-to-date (YTD) information (**Confidential Attachments 12 and 13** refers).

We compared value and volume in the cost worksheet with the total CTMS spreadsheet and with the inventory sub-ledger for the December 2014 quarter. We also compared the value of the CTMS in the cost worksheet with the monthly GL and income statement for the month of December 2014 quarter. We noted that a variance of approximately [REDACTED] percent when we reconciling the GL to the CTMS spreadsheet provided to the Commission. Shagang explained that this was due to the adjustments made [REDACTED]. Having made the adjustment, we were able to match the records contained in the GL with the CTMS spreadsheet for each model.

We then compared the total YTD CTM (using the December 2014 quarter income statement) with the GL for FY2014 and with the audited income statement for the FY2014. We noted a minor variance of [REDACTED] percent where the audited accounts had a

higher value. Shagang explained the variance was due to [REDACTED]. Factoring in the other costs, we were able to reconcile the GL with the audited accounts.

At the visit Shagang provided us with half yearly GL accounts for [REDACTED] from 1 January 2014 to 30 June 2015 including working papers. Having been able to reconcile the records in the GL with the audited accounts, we then replaced the first 6 months of FY2014 with the 6 months accounts for FY2015. We were able to reconcile the COGS for each of the three models shown in CTMS spreadsheet to the GL account in the investigation period. We found no discrepancy (**Confidential Attachments 13 and 28** refers).

5.3 Verification of selling, general and administration expenses to audited financial statements

In response to the exporter questionnaire, Shagang provided quarterly CTMS for each of the 6 manufacturing plants and for the 6 related trading entities named in section 5.1 of this report.

From the data provided in CTMS spreadsheet, we noted that there was no difference in the CTM for the identical models of rod in coils that were sold in the domestic market and those that were exported to Australia. However, since the domestic sales were through four different related trading entities while the export sales were through two trading entities, we noted that the selling, general and administrative (SG&A) expenses were different for the identical models that were sold in the domestic market and those that were exported to Australia during the investigation period.

From the detailed selling process data submitted we noted that some SG&A costs were not related to the rod in coil sales. Shagang provided a revised SG&A eliminating any SG&A costs there were not related to the GUC. The revised SG&A calculation are at **Confidential Attachments 32 (from 32-a to 32-d)**.

5.4 Verification of production costs to source documents

At the visit we sought to verify the accuracy of the CTM data by reconciling it down to source documents and asked Shagang to demonstrate to us using [REDACTED] December 2014 quarter as an example.

From the CTMS spreadsheet, we noted that 'Billet' was the major raw materials used to manufacture rod in coils during the investigation period. Billet represents approximately 93% of the total CTM while ancillary materials, energy, salary and overheads collectively represented the remaining costs. We therefore conducted a detailed verification of cost for billets and its upstream raw materials as discussed below.

5.4.1 Major Raw Material

At the visit, Shagang provided us with a detailed production flowchart identifying all major upstream raw materials and its suppliers (**Confidential Attachments 9** refers). Shagang also provided us with its input production process (**Confidential Attachments 19** refers).

5.4.1.1 Billet

As noted above billet is a major raw material used to manufacture rod in coils. At the visit, we asked Shagang to provide the detailed working for the costs of billet for the December 2014 quarter for [REDACTED] (**Confidential Attachment 33** refers).

From the information provided, we noted that the cost of the billet was adjusted in the CTMS spreadsheet. The following adjustments were made:

- (i) [REDACTED];
- (ii) [REDACTED]; and
- (iii) [REDACTED].

Detailed calculation for these adjustments is at **Confidential Attachment 30**.

5.4.1.2 Suppliers of raw material

Shagang stated that [REDACTED] and [REDACTED] use billets to produce the goods. All of the billets are sourced from [REDACTED];

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

[REDACTED], [REDACTED], [REDACTED] and [REDACTED] use scrap steel and molten iron to produce the goods. All of the raw materials are sourced from [REDACTED]:

(i) Molten iron:

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

(ii) Scrap Steel:

- [REDACTED]
- [REDACTED]

(iii) Iron Ore

- [REDACTED]
- [REDACTED]

Detailed calculation for production cost for molten iron is at **Confidential Attachment 34**.

5.4.1.3 Selected invoices

Prior to the visit we selected the following ten invoices from the purchase of raw materials information provided in response to exporter questionnaire, and asked Shagang to describe the process of purchasing cells from various suppliers. We also asked Shagang to provide source documents to verify the accuracy of the data submitted, including

purchase order, commercial invoice and proof of payment, inland freight costs, packing and source documents for any other costs associated with purchase.

At the visit Shagang explained that to withdraw the billets from its warehouse, Shagang uses [REDACTED]

Shagang stated that the above methodology was used by all its entities for costing all raw materials used to manufacture the goods.

The following raw materials were selected for detailed verification:

[CONFIDENTIAL TABLE DELETED]

From the information provided, we noted that various entities were involved in the manufacture and/or purchase of different raw materials. Given that Shagang is a huge vertically integrated and that it uses both electric arc furnace and blast furnace methodologies to manufacture the goods, various related entities were involved to source and supply the raw materials.

At the visit Shagang provided us with a detailed cost worksheet that contained information about raw material withdrawal, allocation of cost using the above methodology. From this worksheet we were able to calculate the cost of raw materials used in the production of rod in coils. This was same as that contained in the revised CTMS provided to us at the visit.

At the visit, Shagang also provided the following source documents for each of the above transactions:

- commercial invoices;
- customs clearance documents, for those cells that were imported;
- logistics commercial invoice;
- packing list;
- payment slips (for some of the selected invoices); and
- purchase contracts.

These source documents are at **Confidential Attachment 35 and 35-a**.

From the information provided and verified, we are satisfied that the costs of the raw materials have been correctly calculated in the revised CTMS spreadsheet.

5.4.1.4 Iron Ore

At the visit, Shagang provided the detailed ledger for iron ore⁷ which is one of the major raw materials used to manufacture billet. We further selected the following 6 transactions and asked Shagang to provide us with the detailed calculation and source documents.

⁷ The [REDACTED]

Invoice date	Raw Material	Quantity (T)
July 2014		
July 2014		
July 2014		
July 2014		
July 2014		
June 2015		

Shagang provided the following source documents for each of the above transactions:

- commercial invoices;
- customs clearance documents, for those cells that were imported;
- logistics commercial invoice;
- packing list;
- payment slips (for some of the selected invoices); and
- purchase contracts.

These source documents are at **Confidential Attachments 36,37,38,39, 40 and 41.**

From the inventory ledger provided for the iron ore, we noted that



[Detailed explanation of costing methodology]



[Detailed explanation of costing methodology]



XXXXXXXXXXXXXXXXXXXXXXXXXXXX

To further satisfy ourselves, we asked Shagang to provide us with 6 monthly inventory ledger stating value and quantity on a 6 monthly period from January 2014 to June 2015.

We noted [REDACTED].
 (Confidential Attachment 42 refers).

Therefore based on the above analysis, we are satisfied that weighted average prices recorded in inventory output reflect the actual costs.

5.4.2 Manufacturing Overhead

We asked Shagang to demonstrate to us using [REDACTED] CTMS for the December 2014 quarter how it calculated the overhead expenses. Shagang stated that the overhead cost is allocated over [REDACTED] workshops (cost centres) and [REDACTED] supplementary workshops. While the [REDACTED] workshops costs are directly related to the goods, the supplementary workshops provide for the transformer and electricity consumption from the grid. The cost for each workshop is allocated to the goods by based on the unit of production.

Shagang provided detailed calculation and breakdown of the costs for [REDACTED] from the GL by each workshop for each model for each month for the December 2014 quarter. The detailed calculation and screenshots of the GL is at **Confidential Attachments 14 and 15**.

We were able to calculate the overheads costs for [REDACTED] for the December 2014 quarter. No discrepancies were found in the allocation methodology and/or in the calculation of overhead expenses.

We are therefore satisfied that the overhead costs has been correctly calculated and allocated to the goods in the investigation period as provided in the CTMS spreadsheet.

5.4.3 Selling General and Administration Expenses

As discussed in section 5.1 of this report, Shagang’s domestic sales of the goods were made through 4 different related trading entities namely:

- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);
- [REDACTED] ([REDACTED]);

While exports were through two related trading entities namely:

- [REDACTED] ([REDACTED]);; and
- [REDACTED] ([REDACTED]);.

At the visit, Shagang provided detailed SG&A calculations for [REDACTED] and GL supporting documents for all manufacturing plants (**Confidential Attachments 16, 17 & 18** refers).

A detailed SG&A expenses verification for each entity was undertaken as discussed below.

5.4.3.1 Domestic Sales

(i) Shagang Group

The Shagang stated that Shagang group's SG&A expenses are based on total sales revenue and are allocated to each individual SG&A cost that make up their SG&A categories. We were provided with a system generated report listing all SG&A items for the Shagang Group for the year ending 2014 and for the investigation period.

Shagang Group's categories of SG&A are selling, administration and financial costs. From the report the we matched the total SG&A cost for the year ending 2014 to Shagang Group's 2014 audited financial report and matched the SG&A figure for the investigation period to contained in the report to the corresponding figure in Shagang Group's A-5 income statement (**Confidential Attachment 32 refers**). No discrepancy was found.

(ii) [REDACTED]

Shagang on behalf of [REDACTED] provided us with a system generated summary report of all SG&A costs for the investigation period. The SG&A expenses are categorised by selling, administration and financial costs, which is consistent with the Shagang. We matched the total SG&A figure contained in the summary report to the corresponding figure in [REDACTED] CTMS data (**Confidential Attachment 32(d) refers**).

Inland transport

From the summary report the we selected the sub ledger relating to inland transport contained in the selling category and matched the total cost of inland transport for the investigation period to [REDACTED] D-4 domestic sales listing to ensure the correct unit cost had been allocated to each domestic sale. (**Confidential Attachment 32(d) refers**).

Quality inspection fee

For completeness, we requested the "quality assurance" sub ledger to establish whether this cost has been allocated to the goods. Shagang stated that this particular cost is only incurred for inspection of finished steel plate and for not the rod in coils. From the sub ledger we selected a transaction related to "quality assurance". Shagang provided us with the invoices and payment details for the selected transaction. We were able to match the invoices and payment details to the selected transaction from the "quality assurance" sub ledger. (**Confidential Attachment 32 refers**).

5.4.3.2 Export Sales

(i) [REDACTED]

[REDACTED] provided a summary report of the SG&A ledger for the investigation period. We noted that the cumulative figures for selling expenses, administration expenses and financial expenses did not match the figures contained in Shagang's CTMS spreadsheet. Shagang stated that the figures

used to populate the SG&A data in the CTMS came from the 2014 audited financial report. Those figures contained an audit adjustment. Shagang provided us with a report that demonstrated which adjustments had been made by the auditors. The figures contained in the audit adjustment report accounted for the variance between the summary SG&A ledger and the figures contained in the CTMS data provided by Shagang.

We then selected the ocean freight and exchange gain and loss sub-ledgers for the period of July 2014 to September 2014 to test that these SG&A expenses had been correctly allocated to the goods. Using the accounting system, Shagang filtered the sub-ledger reports in order to select individual transactions. In doing so Shagang demonstrated that SG&A costs relating to ocean freight and exchanges gains and losses are allocated directly to each individual sale. **(Confidential Attachment 32 and 32(c) refers).**

(ii)

provided a summary of its SG&A ledger for the investigation period. The cumulative figures for general selling and administration costs, finance costs and distribution and marketing costs for the investigation period matched the figures provided by in the CTMS data they provided.

Compensation fee

We noted that contained in the summary ledger was an expense titled “”. Shagang on behalf of stated that the expense related to the settlement of a dispute between and a supplier. As a result, . We noted that this expense was not related to the goods and a downward adjustment of the total amount of compensation paid by during the investigation period has been made to SG&A expenses **(Confidential Attachment 32(d) refers).**

Sales Commission

We noted in the summary ledger was an expense titled “sales commission”. Shagang on behalf of stated that due is only performing a ‘paperwork’ function relating the export sales, the expense had incorrectly been included in the summary ledger. We noted the explanation and a full downward adjustment relating to “sales commission” have been made to Xinsha’s SG&A expenses **(Confidential Attachment 32(d) refers).**

Following our visit, for each entity a revised SG&A calculation correctly reflecting the expenses and allocations was provided to the Commission **(Confidential Appendices 32-a to 32-d refers).**

5.4.4 Depreciation

From the CTMS spreadsheet we selected manufacturing overheads for the December 2014 quarter and noted the depreciation value was recorded as part of the manufacturing overhead. At the visit, Shagang provided us with asset register for December 2014 quarter.

We noted that the value of the depreciation expense calculated for the December 2014 quarter matched the records in the fixed asset register. From the fixed asset register, we noted that the depreciation schedule contained manufacturing assets depreciation, building depreciation, transport and machinery expense depreciation. We noted that Shagang used the straight line depreciation method to calculate the depreciation expenses. We also noted the depreciation were correctly calculated and allocated in the CTMS spreadsheet that was submitted to the Commission.

A copy of [REDACTED] asset register is at **Confidential Attachment 11**.

5.5 Costs to make and sell – conclusion

Having verified Shagang's CTMS for the rod in coils and being able to match the audited financial accounts for each of the entities involved in the production and sale of rod in coils in domestic market and exports to Australia and down to source documents, we are satisfied that it is complete, relevant and accurate.

Shagang's CTMS spreadsheet's are at **Confidential Appendix 3**.

6 DOMESTIC SALES

6.1 General

6.1.1 [REDACTED]

At the visit Shagang provided us with revised income statements and turnover data for [REDACTED] (**Confidential Attachments 7** refers).

[REDACTED] is responsible for all domestic sales for the group. The Shagang group uses three sales channels involving one, two or three traders for its domestic sales with [REDACTED] always being the final trader. A detailed domestic sales process is at **Confidential Attachment 8**.

At the visit we focussed on the domestic sales channel only involving [REDACTED], which accounted for the majority of the Shagang Group's domestic sales.

All domestic customers deal directly with [REDACTED] for all sales processes. However, [REDACTED] has many long term customers and in December each year these customers in conjunction with [REDACTED] prepare a purchase plan for the following year. All other customers place orders and negotiate price on a 'per order' basis. As discussed in section 4.1.2, [REDACTED]

[REDACTED] [domestic price negotiations and determinations] (**Confidential Attachment 27** refers).

6.1.2 Domestic customers

[REDACTED] purchases its products including the goods from related parties within the Shagang Group. [REDACTED] domestic customers are a mix of related and unrelated parties who are traders and/or end users.

6.1.3 Purchasing a product

When a customer places an order, [REDACTED] send those orders to the various manufacturing plants within the Shagang group. Choice of manufacturer is made based on capacity. Portions of total orders may be sent to separate manufacturing companies. Shagang stated that they hold a minimal amount of stock of their best selling products, otherwise all production is conducted on a made to order basis.

Shagang stated that delivery of the product to the customer takes approximately [REDACTED] days from the date of order confirmation. All customers place their orders by accessing [REDACTED] online ordering system. As part of the ordering process, all domestic customers make pre-payments via the online ordering system. The pre-payment amounts are agreed at the time of order being completed.

6.1.4 Verification to audited financial report

Shagang on behalf of [REDACTED] provided us with a domestic sales reconciliation for the investigation period derived from [REDACTED] income statements and sales sub-ledger.

From the sales reconciliation, we matched the figures for total revenue for the investigation period and total revenue for the goods during the investigation period to the corresponding figures contained in [REDACTED] A-6 turnover. For completeness we requested and Shagang provided us with income statement and the sales sub-ledgers for the goods for the investigation period. **(Confidential Attachment 31 refers).**

From the information provided, we noted that there are slight variances in the figures for total revenue and total volume contained in the income statement to the corresponding figures in [REDACTED] D-4 domestic sales spreadsheet. [REDACTED] stated that the figures are derived from the actual sales ledgers and erroneously contained a small amount of sales of [REDACTED], which was subsequently adjusted out. Shagang provided us with a report to reconcile the variance between the sale database and the sale ledger. The report demonstrated the various adjustments made by [REDACTED] and the corresponding accounting voucher numbers **(Confidential Attachment 31 refers).**

For completeness we requested and Shagang provided a production report to ensure that all like goods produced by the Shagang group were in fact sold domestically by [REDACTED]. The production report showed a slight variance (less than [REDACTED] % of total production) from the volume figure contained in [REDACTED] A-6 turnover. [REDACTED] explained that a very small amount of like goods are sold internally for internal construction projects or internal consumption. We consider the variance to be immaterial and are satisfied with the explanation.

6.1.5 Completeness and relevance of sales – conclusion

Based on the above, we are satisfied that the domestic sales listing submitted by Shagang is complete and relevant.

6.1.6 Verification of sales documents

Shagang on behalf of [REDACTED] provided us with sales documentation for the transactions selected prior to the verification visit. For each of the selected transactions the following documents were provided;

- The purchase invoice;
- the breakdown of the invoice;
- the order manifest;
- the proof of delivery document, stamped by the customer; and
- the proof of payment of the invoice.

The above documents are at **Confidential Attachments 25 and 26**

We matched the sales documentation to the line by line sales information provided by Shagang on behalf of [REDACTED] in its D-4 Domestic sales appendix. No discrepancy was found.

6.1.7 Inland Transport

At the visit [REDACTED] informed us that domestic sales are on delivered terms and not on an ex-works basis as earlier stated in the D-4 domestic sales. [REDACTED] stated that delivery to domestic customers is undertaken by either truck or barge. Consistent with the

process for ocean freight for export sales, [REDACTED] directly sources the inland transport for all its orders and is invoiced directly by the supplier. [REDACTED] stated that they allocate these costs by dividing the total cost of inland transport incurred during the investigation period by the total volume of domestic sales during the investigation period to obtain a unit cost. That unit cost is then multiplied by the actual weight of each sale to obtain an inland transport cost on a line by line basis in the D-4 domestic sales appendix. [REDACTED] provided us with an updated D-4 including amounts for inland transport on a line by line basis (**Confidential Attachment 25 refers**).

6.1.8 Domestic sales – conclusion

After reviewing the information contained in the source documents, we consider that the information provided by Shagang in the revised domestic sales (D-4) listing is complete and accurate.

6.2 Arm's length

During the verification we confirmed that there was no consideration payable in respect of the goods other than their price, the price of the goods is not influenced by any commercial or other relationship between the unrelated buyer and the seller and that the unrelated buyer or an associate of the buyer will not directly or indirectly be reimbursed the whole or part of the price paid for the goods.⁸

As such, domestic sales to unrelated customers can be treated as arm's length transactions under section 269TAA of the Act.

6.3 Ordinary Course of trade and sufficiency of volume tests

6.3.1 Ordinary course of trade

Section 269TAA provides that if like goods are sold in the country of export at a price less than the cost of such goods, and are unrecoverable within a reasonable period, then they are taken not to have been sold in the ordinary course of trade (OCOT).

In order to test whether the domestic sales are in the OCOT, we calculated the individual profitability of each unrelated sales transaction by comparing the unit selling price to the corresponding quarterly weighted average CTMS.

Where the volume of unprofitable sales exceeded 20% for the product code, we then tested the recoverability of the unprofitable sales by comparing the unit selling price to the corresponding weighted average CTMS over the whole investigation period. Those sales found to be unrecoverable were deemed not to be in the OCOT.

The OCOT calculation is at **Confidential Appendix 2**.

⁸ *Customs Act 1901 (Cth)* ss269TA(1)(a) – (c).

6.3.2 Sufficient volumes

Subsection 269TAC(2) provides that certain domestic sales may be unsuitable for use in determining normal values because of a factor in the market. One such factor is an absence, or low volume, of sales of like goods in the domestic market. Low volume is defined in subsection 269TAC(14) as less than 5% of the total volume of the goods that are exported to Australia by the exporter.

While three models of rod in coils were produced and sold in the domestic market, only one model ([REDACTED] WR) was exported to Australia. As discussed above, from our OCOT test, we noted that a sufficient volume of [REDACTED] WR were sold to the domestic market in the OCOT.

Therefore, we are satisfied that the prices paid in respect of domestic sales of [REDACTED] WR are suitable for assessing normal values under subsection 269TAC(1) of the Act.

6.3.3 Profit

We calculated the profitability of domestic sales in accordance with Regulation 45(2). We selected all models of rod in coils sold to unrelated customers that were in the OCOT and compared the selling price with the corresponding weighted average quarterly CTMS. The profitability of domestic sales for all models of rod in coils in the OCOT during the investigation period, as a percentage of revenue is [REDACTED] %.

The profit calculation is at **Confidential Appendix 2**.

7 THIRD COUNTRY SALES

In its response to the exporter questionnaire, Shagang provided a summary of exports of rod in coils to third countries.

We verified the information provided in response to the exporter questionnaire and the information provided at the visit to calculate the normal value for rod in coils using the cost data.

Therefore, while we verified the total volume and value of rod in coils sales to third countries as part of the sales reconciliation process, we did not undertake any further verification.

8 PARTICULAR MARKET SITUATION

In its application, OneSteel alleged that the GOC's involvement in the Steel industry has materially distorted competitive conditions in China. Onesteel alleged that the GOC's operation and administration of policies and related programs have distorted domestic selling prices of the goods in China and/or the purchase price of the major raw material inputs used in the manufacture of the goods. This has resulted in a particular market situation (market situation) making rod in coils prices in the Chinese domestic market unsuitable for the normal value purposes.

At the visit Shagang stated that it is a wholly private company, is not supervised or controlled by any external parties including the State-owned Assets Supervision and Administration Commission (SASAC).

Shagang also stated that it will be making a separate submission to the Commission regarding market situation claims.

9 ADJUSTMENTS

To ensure that the normal value was comparable to the Australian export price, the following adjustments were made.

9.1 Export inland freight

We noted that all sales in the domestic market were delivered to the customers, therefore we have made a downwards adjustment by eliminating the relevant inland freight expenses and then adding weighted average inland transport costs (per tonne) from the Australian export sales for each transaction during the investigation period.

9.2 SG&A

As discussed in section 1.2 of this report, all domestic sales has 4 different traders and /or channels of distribution of the goods from the manufacturing plants to the domestic customers while the exports to Australia were through 2 related traders.

While Shagang was able to identify manufacturing plant for the exports to Australia, it was not able to provide this information for the domestic sales. Shagang was also not able to identify which plant followed which distribution channel.

Therefore, based on the above, using the revised SG&A, we aggregated the SG&A of the 4 domestic traders and compared it with the SG&A of the 2 export traders. We noted that collectively the domestic SG&A was higher than exports. Therefore, a downward adjustment was made to ensure fair comparison to the export price during the investigation period

9.3 Value Added Tax (VAT)

From the information provided we noted that different rates VAT was applied to domestic sales and export sales in 2014 and 2015. At the visit Shagang provided us with a detailed VAT calculation (**Confidential Attachment 24** refers).

In accordance with the Commission's Dumping and Subsidy Manual, the Commission treats this VAT liability in export sales as having influenced the export price. Accordingly, where the normal value is calculated from VAT exclusive domestic sales prices, an upward adjustment is made in order to compare those domestic sales prices to the VAT-inclusive export sales prices." ⁹

Therefore, we calculated an upwards VAT adjustment as the difference between the VAT rates for normal supply and the rate of VAT rebate for export and applied this adjustment to ensure fair comparison to the export price during the investigation period.

⁹ Anti-Dumping Commission Dumping and Subsidy Manual (November 2015), p63

9.4 Start-up costs

Regulation 43(5) concerns start-up costs and provides that the Parliamentary Secretary must adjust the costs to take these circumstances into account.

In response to the exporter questionnaire Shagang stated that in the past 5 years, the following manufacturing plant had the start-up operations:

- [REDACTED] - [REDACTED] ;
- [REDACTED] - [REDACTED] ;
- [REDACTED] - [REDACTED] .

Shagang did not claim for any adjustments for the start-up costs. From the information provided, we noted that all the above 3 manufacturing were operating at their full capacity during the investigation period. Therefore, no start-up cost adjustment was made.

9.5 Level of trade

In response to the exporter questionnaire, Shagang did not claim that there was price differential on the sale of rod in coils to distributors and to the end-users. We found no evidence that suggested otherwise. Therefore no adjustment was made for level of trade.

9.6 Credit Terms

We noted that domestic sales by Shagang to unrelated customers, all payments were received before the goods were delivered. For all exports to Australia, payments were either by LC at sight or TT before the shipment. Since the credit terms were for the domestic market and exports were similar, no credit term adjustment has been made.

10 NORMAL VALUE

We found sufficient volumes of [REDACTED] WR model of rod in coils were sold to the unrelated customers in the domestic market in the OCOT and were arms length transactions. Therefore, we are satisfied that prices paid by the unrelated parties in respect of domestic sales of rod in coils are suitable for assessing normal values under subsection 269TAC(1) of the Act.

In calculating the normal values, we consider that certain adjustments, in accordance with subsection 269TAC(8), are necessary to ensure a fair comparison of normal values with export prices as discussed in Chapter 9 of this report.

The normal value calculations are provided at **Confidential Appendix 4**.

11 DUMPING MARGIN

In calculating the dumping margin, we compared the quarterly weighted average export price over the investigation period with the quarterly corresponding normal value for the corresponding model of rod in coils over the investigation period, in accordance with subsection 269TACB(2)(a).

The weighted average product dumping margin for rod in coils exported to Australia in the investigation period by Jiangsu Shagang Group is **10.4%**.

The dumping margin calculation is at **Confidential Appendix 5**.

12 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Australian sales
Confidential Appendix 2	Domestic sales
Confidential Appendix 3	CTMS
Confidential Appendix 4	Normal value
Confidential Appendix 5	Dumping Margin
Confidential Attachment 1	Copy of presentation
Confidential Attachment 2	Company Structure
Confidential Attachment 3	Organisation Chart
Confidential Attachment 4	Revised data – [REDACTED] included additional column and omitted book date sales
Confidential Attachment 5	Revised data – [REDACTED] Turnover – included bank charges
Confidential Attachment 6	Revised Income Statement & Turnover – [REDACTED]
Confidential Attachment 7	Revised Income Statement – [REDACTED]
Confidential Attachment 8	Domestic and export sales flowchart process
Confidential Attachment 9	Production flowchart – Raw material to final product
Confidential Attachment 10	Production process - diagram
Confidential Attachment 11	Like goods comparison table – Chemical composition
Confidential Attachment 12	Finished Goods GL all 6 producers
Confidential Attachment 13	General ledger for COGS [REDACTED] for FY2014 – screen shots
Confidential Attachment 14	Overhead breakdown – [REDACTED]

Confidential Attachment 15	Overhead by breakdown- [REDACTED] - Dec quarter working papers and reconciliation
Confidential Attachment 16	SG&A calculation by month and model – as per the CTMS – detailed for [REDACTED] (and GL for all 6 producers)
Confidential Attachment 17	Sales revenue ledger – all companies (Screen shots for all 6 companies)
Confidential Attachment 18	SG&A - Admin expenses details – Asset Register (Depreciations)
Confidential Attachment 19	Input production process clarification
Confidential Attachment 20	[REDACTED] – upward reconciliation
Confidential Attachment 21	[REDACTED] – upward reconciliation
Confidential Attachment 22	Finished product stock table for all 6 producers – sales to [REDACTED] (Domestic) and [REDACTED] (export) sales
Confidential Attachment 23	Export sales selected invoices
Confidential Attachment 24	VAT calculation explanation
Confidential Attachment 25	D-4 Revised
Confidential Attachment 26	Proof of payments for 1 selected domestic customer (Sample 6)
Confidential Attachment 27	Domestic price table (also used for export sale negotiations)
Confidential Attachment 28	Finished product ledger and COGS Ledger– ties to 12
Confidential Attachment 29	Revised CTMS for all 6 producers – includes breakdown of main materials
Confidential Attachment 30	Details and calculations for recycling deductions (CTMS for Dec quarter)
Confidential Attachment 31	Domestic sale upward reconciliation

Confidential Attachment 32-a	SG&A details and calculations – [REDACTED]
Confidential Attachment 32-b	SG&A details and calculations – [REDACTED]
Confidential Attachment 32-c	SG&A details and calculations – [REDACTED]
Confidential Attachment 32-d	SG&A details and calculations – [REDACTED]
Confidential Attachment 33	Production cost – Billet ([REDACTED])
Confidential Attachment 34	Production cost – Molten iron
Confidential Attachment 35	Raw material sampled - Production cost – Billet/ Molten iron & Scrap breakdown
Confidential Attachment 35-a	Raw material iron ore sampled – GL and invoices
Confidential Attachment 36	Production cost (Raw materials GL)– Molten iron for [REDACTED] - Iron Ore - Sinter - Imported Pellet
Confidential Attachment 37	Proof of payment for domestic sales
Confidential Attachment 38	Details of Sinter (Major raw material for molten iron) - Pelletizing powder (Stock Ledger - [REDACTED])
Confidential Attachment 39	Details of Sinter (Major raw material for molten iron) - Recycling powder
Confidential Attachment 40	Raw material - [REDACTED] copy (for iron ore) Selected iron ore for details – Screen shots and ledger
Confidential Attachment 41	[REDACTED] – imported raw material Purchase ledger
Confidential Attachment 42	Summary of Sinter imports and purchases during IP – ledgers (for quantity check)
Confidential Attachment 43	Chemical composition by model