



Australian Government
Department of Industry,
Innovation and Science

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Anti-Dumping
Commission

Exporter Questionnaire



Zinc Coated (Galvanised) Steel

Exported from The Republic of India, Malaysia and the Socialist Republic of Vietnam

Period of Investigation: 1 July 2015 to 30 June 2016

Response due by: **13 November 2016**

**Response to the subsidy investigation
extended to 12 December 2016**

Important note: The Commissioner will reject all requests for a longer period to provide a response to this exporter questionnaire received after this date. Extensions requested before this date will *only* be agreed to where necessary and reasonable.

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Anti-Dumping Commission website www.adcommission.gov.au

RETURN OF QUESTIONNAIRE DETAILS

Preferably by email to operations5@adcommission.gov.au

Or by mail (CD-ROM or USB): Director Operations 5
Anti-Dumping Commission
SAP House, Level 4, 224 Bunda Street
Canberra ACT 2600
Australia

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GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices and/or in receipt of subsidies, are:

Flat rolled iron or steel goods (whether or not containing alloys) that are plated or coated with zinc. The goods are also generically described as galvanised steel. Galvanised steel of any width is included in this application.

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (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 are 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).

Trade or further generic names often used to describe the goods the subject of the application 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

There are a number of relevant International Standards for zinc coated goods that cover BlueScope’s goods, including the recommended or guaranteed properties of each of these grades.

Relevant International Standards for galvanised steel are set out below:

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International Standards	Product Grade Names
General and Commercial Grades	
AS/NZS 1397	G1, G2
ASTM A 653/A 653M	CS type A, B and C
EN10346	DX51D, DX52D
JIS 3302	SGCC, SGHC
Forming, Pressing & Drawing Grades	
AS/NZS 1397	G3
ASTM A 653/A 653M	FS, DS type A and B
EN10346	DX53D, DX54D
JIS 3302	SGCD, SGCDD,
Structural Grades	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A 653/A 653M	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3302	SGC340, SGC400, SGC440, SGC490, SGC570 SGH340, SGH400, SGH440, SGH490, SGH570

Exclusion

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised steel, corrugated galvanised steel or aluminium zinc alloy coated or plated steel are excluded from the application.

Tariff classification (Schedule 3 of the Customs Tariff Act 1995)

Tariff code	Statistical code	Unit	Description
7210.49.00	55, 56, 57 and 58	Tonne	Flat-rolled products of iron or non-alloy steel, of width of 600mm or more, clad, plated or coated.
7212.30.00	61	Tonne	Flat-rolled products of iron or non-alloy steel, of a width of less than 600mm, clad, plated or steel coated. Otherwise plated or coated with zinc
7225.92.00	38	Tonne	Flat-rolled products of other alloy steel, of a width of 600mm or more. Otherwise plated or coated with zinc
7226.99.00	71	Tonne	Flat-rolled products of other alloy steel, of a width of less than 600mm

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**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:	Ridham Desai
Position in the company:	Joint General Manager - Commercial
Address:	15th Floor, Essar House 11, K.K.Marg, Mahalaxmi Mumbai – 400034 India
Telephone:	+91 022 6660 1100 Ext.: 1530
Facsimile number:	+91 022 6666 9511
E-mail address of contact person:	ridham.desai@essar.com

Factory:

Name:	Ridham Desai
Position in the company:	Joint General Manager - Commercial
Address:	27th km, Surat Hazira Road Surat – 394270 Gujarat India
Telephone:	+91 261 668 2400 Ext.5704
Facsimile number:	+91 261 668 5731
E-mail address of contact person:	ridham.desai@essar.com

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:

Name:	Charles Zhan
Organisation:	Moulis Legal

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Position:	Associate
Address:	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport ACT 2609 Australia
Telephone:	+61 2 6163 1000
Facsimile number:	+61 2 6162 0606
E-mail address of contact person:	charles.zhan@moulislegal.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.

All communications in relation to this matter should be directed to Moulis Legal in the first instance.

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.

The legal name of our business is Essar Steel India Ltd (“Essar Steel”).

Essar Steel is an unlisted public limited company and is privately held.

All products manufactured by the company are exported and sold under the name of Essar Steel India Ltd.

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).

The shareholding of Essar Steel as of 25 November 2016 is set out in Attachment 1. [CONFIDENTIAL ATTACHMENT]

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

Essar Steel is a subsidiary of [CONFIDENTIAL TEXT DELETED – identification of shareholder].

The principal shareholders of [CONFIDENTIAL TEXT DELETED – identification of shareholder] are set out in Attachment 2. [CONFIDENTIAL ATTACHMENT]

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

-[CONFIDENTIAL TEXT DELETED – identification of shareholder] % owned by [CONFIDENTIAL TEXT DELETED – identification of shareholder].

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

A diagram of the associated companies or affiliated companies of Essar Steel India as of November 2016, is set out in Attachment 3. [CONFIDENTIAL ATTACHMENT]

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

Yes.

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

Essar Steel is an integrated steel producer with operations including:

- pelletisation of iron ore to produce pellets;
- conversion of pellets into sponge iron/hot metal;
- production of liquid steel from sponge iron/hot metal; and
- casting and rolling to make value added finished flat steel products.

These products are distributed to end-users through Essar Steel's highly diversified distribution network.

Essar Steel has manufacturing facilities located in Hazira, Gujarat and Pune, Maharashtra on the western coast of India, where it produces the entire range of flat steel products including slabs, hot rolled, cold rolled, galvanized, pre-painted galvanized, heavy plates and SAW pipes.

Essar Steel also has access to an all-weather port with deep draft for berthing large scale sea going vessels. This enables cost effective raw-materials and finished goods handling.

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

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- export to countries other than Australia.

Essar Steel performs all of these functions in relation to the goods under consideration.

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

The organization chart of Essar Steel is set out in Attachment 4. [CONFIDENTIAL ATTACHMENT]

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

A copy of the annual report of Essar Steel India Ltd. for the Indian financial year 2015-2016 is provided in Attachment 5. [CONFIDENTIAL ATTACHMENT]

A-4 General accounting/administration information

1. Indicate your accounting period.

The accounting period for Essar Steel is the Indian corporate financial year of 1 April to 31 March.

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

The company's financial records are accessible from a number of locations. For any verification purposes the preferable location would be at the Hazira plant, 27th km, Surat Hazira Road, Surat-394270, Gujarat, 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;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- 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 consideration.

A copy of the audited annual report of Essar Steel India Ltd. for the Indian financial year 2015-2016 are provided at Attachment 5, [CONFIDENTIAL ATTACHMENT] audited annual report for financial year 2014-2015 is provided at Attachment 6. [CONFIDENTIAL ATTACHMENT]

A copy of the unaudited financial statement for the quarter of 1 April 2016 to 30

June 2016 is provided at Attachment 7. [CONFIDENTIAL ATTACHMENT]

A copy of the Chart of Accounts is provided at Attachment 8. [CONFIDENTIAL ATTACHMENT]

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.

Essar Steel is one consolidated company. Separate accounts are not maintained for each division.

Information for the divisions responsible for the production and sale of the goods under consideration at the correct level can be provided at the verification through internal MIS reports and from the accounts of various business areas in order to accurately establish the expenditure and revenue in respect of the goods.

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.

Essar Steel is required to have its accounts audited.

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

The accounting practices of Essar Steel are in accordance with the generally accepted accounting practices of India.

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);

Raw materials, production consumables, stores and spares are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products are expected to be sold above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct material, labour and a proportion of manufacturing and administrative overheads. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion

and cost to make the sale.

- 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.);

Allocation of costs shared between goods takes place on a fully absorbed basis using the appropriate method for the type of cost concerned.

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

Valuation is in accordance with GAAP at market price or cost of production, whichever is the lower.

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

Valuation is in accordance with GAAP at market price or cost of production, whichever is the lower.

- valuation and revaluation methods for fixed assets;

Tangible and intangible assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to the acquisition of fixed assets are also included to the extent they relate to the period until such assets are ready for their intended use.

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

Tangible assets are depreciated at the rates and in the manner specified in the Companies Act 1956 on written down value method, except for plant and machinery and railway sidings which are depreciated on a straight line basis, until March 2014. From April 2014, depreciation is to be calculated based on the useful life of the assets as prescribed by the law.

Depreciation on additions to/deletions from fixed assets is provided on pro-rata basis from the date of such addition and up to the date of deletion as the case may be.

Depreciation on additions to assets due to exchange variation is provided over the remaining useful life of the assets. Depreciation is provided on individual project only after commencement of commercial production from intended integrated facility, to which such project belongs.

The relevant depreciation table and the statutory method applicable for the financial year FY 2015-16 is set out in Attachments 9 and 10.

- treatment of foreign exchange gains and losses arising from transactions;

Exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

In other cases exchange differences are accumulated in a currency translation difference account in the financial statements and are amortised over the balance period of such long-term asset/liability but not beyond the accounting period ending on or before 31 March 2020.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the statement of profit and loss in the year in which they arise.

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

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

- inclusion of general expenses and/or interest;

Yes, these are included.

- provisions for bad or doubtful debts;

Provisions would be included in balance sheet accounting, and write-offs are included in the profit and loss statement.

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

Such expenses would be included in the profit and loss statement.

- costs of plant closure;

Not applicable in the investigation period.

- restructuring costs;

Not applicable in the investigation period.

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

Valuation is in accordance with GAAP at market price or cost of production, whichever is the lower.

- effects of inflation on financial statement information.

Not applicable in the investigation period.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

Please refer to 2.1(a) at page 48 of Essar Steel's annual report for FY2014-15 at Attachment 6. [CONFIDENTIAL ATTACHMENT]

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('*goods under consideration*' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

Prepare this information on a spreadsheet named "**Income statement**".

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.

Please see Attachment 11 – Income statement. [CONFIDENTIAL ATTACHMENT]

A-6 Sales

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, in the following format:

Prepare this information in a spreadsheet named "TURNOVER".

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

Also, 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.

See Attachment 12 - Turnover. [CONFIDENTIAL ATTACHMENT]

**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 FOB point, but the Commission may also compare prices at the ex-factory level.

*You should report prices of **all** goods under consideration (the goods) **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 question B4 below) and;*
- an alternative date should be used when comparing export and domestic prices*

*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 in the investigation period list:

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

Name	Address	Contact	Trade level
[CONFIDENTIAL TEXT DELETED – customer names and details]			

B-2 For each customer identified in B1 please provide the following information.

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

On the basis of an inquiry from the [CONFIDENTIAL TEXT DELETED – identification of types of customers], and following negotiations and commercial discussions, the order is finalised.

A contract is entered into between Essar Steel and the [CONFIDENTIAL TEXT DELETED – identification of types of customers] listing out the product to be supplied, quantity, quality and grade specifications, payment terms, shipment terms etc.

Once the order is confirmed, the same is placed in the relevant factory production system for producing the order. Each order is backed with a Mill Test Certificate which specifies [CONFIDENTIAL TEXT DELETED – product certification details].

The subject product is produced at our Hazira plant located in Gujarat as well as in Pune, Maharashtra. However, during the POI, the goods under consideration that were exported to Australia were only manufactured at the Hazira plant.

- (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.

Essar Steel is the manufacturer and exporter of the goods under consideration.

The [CONFIDENTIAL TEXT DELETED – identification of types of customers] place orders on Essar Steel and will open an LC towards the payment process. Essar Steel ships the material directly to the Australian port as specified in the LC, with the trader as the consignee of the material.

Our understanding is that the [CONFIDENTIAL TEXT DELETED – identification of types of customers] will clear the material, de-stuff the containers, transport it to their warehouse/s, stock it and then supply to their customers.

The export documentation for a large proportion of the sales to Australia during the POI involved [CONFIDENTIAL TEXT DELETED – internal corporate arrangements]

[CONFIDENTIAL TEXT DELETED – internal corporate arrangements for sales to Australia]

The price negotiated by Essar [CONFIDENTIAL TEXT DELETED – price setting and negotiation]

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

Essar Steel's exports to Australia during the POI were on [CONFIDENTIAL TEXT DELETED – trading terms] incoterms. Under such terms [CONFIDENTIAL TEXT DELETED – trading terms].

[CONFIDENTIAL TEXT DELETED – trading terms]

- (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).

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

- (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.

[CONFIDENTIAL TEXT DELETED – price setting and negotiation] Once the price offered is agreed, the order is booked. The sales contract is issued by Essar Steel

as exporter (beneficiary) and [CONFIDENTIAL TEXT DELETED – identification of types of customers].

Production of the order takes from 40 to 50 days [CONFIDENTIAL TEXT DELETED – identification of types of customers]. The goods are shipped once they are ready for shipment and the [CONFIDENTIAL TEXT DELETED – payment terms]. The material is shipped in containers to the Australian ports.

Invoices are raised on actual net weight basis. [CONFIDENTIAL TEXT DELETED – payment terms]

- (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).

Essar Steel is not related to any of the customers in relation to its Australian sales.

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

Please see Attachment 13 – Forward orders. [CONFIDENTIAL ATTACHMENT]

- 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.

[CONFIDENTIAL TEXT DELETED – identification of types of customers]

- B-4** Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

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
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Grade	Reports the steel grade of Galvanised steel. The steel grade determines the guaranteed or typical mechanical properties of the product. The Australian standard AS 1397 range of steel grades are noted in bold with the equivalent Japanese standard JIS 3302 steel grades noted alongside unbolded.
Base Steel (hot	Whether the galvanised steel substrate is a hot rolled base or whether it is

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rolled or cold rolled)	a cold rolled base (i.e. hot rolled further processed via pickling, side trimming and cold reduction).
Hot Dipped coating type	The type of zinc coating on the steel surface. This is either a hot dipped coating of zinc or a coating of zinc that has been converted to a zinc/iron alloy post the hot dip process (excludes electro galvanised steel). The common term for zinc/iron alloy galvanised steel is Galvanneal for this product.
Coating mass (weight)	The amount of zinc (Z) or zinc/iron (ZF) coating that has been applied to the base steel. This is expressed as the total (both top and bottom sides) in grams/square metre of surface area. The designated coating mass is a guaranteed minimum value. Note: JIS 3302 expresses coating mass in a shortened manner compared to AS 1397 (i.e. AS 1397 coating of Z275 (g/m2) = Z27 in the JIS 3302 standard and AS 1397 coating of ZF100 (g/m2) = F10 in the JIS 3302 standard).
Thickness (BMT)	The Base Metal Thickness (BMT) of the substrate steel before the zinc coating or the zinc/iron coating is applied. For galvanised steel of the same coating mass, the thinner the base metal, the more square metres per tonne and therefore more coating metal is required to be applied and higher the cost and selling price.
Width	The width of the galvanised steel. In general narrow steel product requires extra processing via a slitting operation and incurs a price extra.
Form (Coil or Sheet)	The final shape of the galvanised steel - either in coil form or in sheet form. Sheeted product requires extra processing via a shearing operation and incurs a price extra
Prime / Non Prime	Whether the product is prime or non-prime (secondary) product. Non-prime could also be described as not meeting the intended or applicable specification.
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 invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.
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

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	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 the 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.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board 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 & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & 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 question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** 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 spreadsheet.

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.

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

See Attachment 14. [CONFIDENTIAL ATTACHMENT]
[CONFIDENTIAL TEXT DELETED – information about prices]

B-5 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 question 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.

[CONFIDENTIAL TEXT DELETED – information about costs]

B-6 For each type of discount, rebate, 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 question B4. If they vary by customer or level provide an explanation.

[CONFIDENTIAL TEXT DELETED – information about prices]

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 question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED – information about prices]

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

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

[CONFIDENTIAL TEXT DELETED – trading terms]

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.

Please see Attachments 15 and 16 for two sample sets of documentation.
[CONFIDENTIAL ATTACHMENTS]

**SECTION H
SUBSIDISATION**

The applicant alleges that producers of galvanised steel in India have benefited from a number of subsidies granted by the Government of India (the GOI)¹, and that these subsidies are countervailable.

THE FOLLOWING PROGRAMS ARE BEING INVESTIGATED

Program no.	Program Title
1	Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)
2	Export Income Tax Exemptions in SEZs
3	Exemption in SEZs from Minimum Alternate Tax
4	Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material
5	Exemption in SEZs from Service Tax
6	Discounted Land Fees and Leases in SEZs
7	Discounted Electricity Rates in SEZs
8	Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments
9	Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)
10	Reimbursement to EOUs of Central Sales Tax
11	Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies
12	Credit for Service Tax paid by EOUs
13	Exemptions from Income Tax for EOUs
14	Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India
15	Assistance to States for Developing Export Infrastructure and Allied Activities
16	Market Access Initiative
17	Market Development Assistance
18	Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

¹ Meaning any level of government – refer to the Glossary of Terms for further information

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19	Brand Promotion and Quality
20	Test Houses
21	Focus Product Scheme
22	Rupee/Foreign Currency Export Credit & Customer Service to Exporters
23	Export Promotion Capital Goods Scheme
24	Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme
25	Duty Exemption/Remission Schemes – Advance Authorization Scheme
26	Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme
27	Duty Exemption/Remission Schemes – Duty Drawback Scheme
28	Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal
29	Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value
30	80-IB Income Deduction Program
31	80-IA Income Tax Deduction Program
32	Steel Development Fund Loans
33	Steel Development Fund R&D Grants
34	State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy
35	SGOM – Exemption from Electricity Duty
36	SGOM – Waiver of Stamp Duty
37	SGOM – Power Tariff Subsidy
38	SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)
39	SGOM – Special Incentives of the SGOM for Mega Projects
40	State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy
41	SGOG – Assistance to MSMEs – Quality Certification
42	SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods
43	SGOG – VAT Remission Scheme
44	SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions
45	SGOG – Critical Infrastructure Projects
46	State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed

	Capital Investment Subsidy
47	SGOC – Industrial Policy 2009-2014: Interest Subsidy
48	SGOC – Industrial Policy 2009-2014: Quality Certification
49	SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption
50	SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption
51	SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration
52	State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy
53	SGOJ – Stamp Duty and Registration
54	SGOJ – Incentive for Quality Certification
55	SGOJ – VAT and Tax Incentives

The Commission has categorised the alleged programs into following five categories.

CATEGORY H-1: PREFERENTIAL TAX PROGRAMS

Programs 1-14, 23-27, 30, 31, 35, 36, 37, 42, 43, 49, 50, 53 & 55

Please complete the following questions a spreadsheet named "**H-1.1 Income Tax Programs**".

1. Did your business or any company/entity related to your business receive any benefit² under the any of the above tax programs identified above during the investigation period (1 July 2015 to 30 June 2016).

Essar Steel has not availed itself of any benefit under any income tax programs.

Further, Essar Steel notes that, amongst the programs mentioned above, Programs 23-27 are more related to tariff rather than income tax. Essar Steel’s response to Programs 23-27 are provided below in relation to “tariff programs”.

2. It is our understanding that the general tax rate for enterprises in India from 1 July 2011 was 32.4%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in India from 1 July 2011, indicating any changes in the taxation rate over the period July 2011 – June 2016.

The basic rate for income tax is 30% since July 2011. However surcharges and other excises applied at variable rates in each year. Please see Attachment 17 – Corporate Tax for further details.

3. If your business currently pays corporate income tax at a rate less than 34% (or whatever the rate of general tax is as discussed above), or paid at a rate less than

² Refer to the Glossary of Terms for a definition of benefit in this context.

that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

[CONFIDENTIAL TEXT DELETED – corporate tax information]

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions 5 -18 below in relation to the income tax rate reduction.

The general income tax rates were applicable to Essar Steel during the investigation period. Essar Steel did not benefit from any income tax based programs. Accordingly, the following questions are not applicable.

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

5. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOI in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

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14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-1 to 4 above in relation to this program.
17. For each taxation year from 2011 to 2016, complete the "**H1.2 Preferential Tax Program**" tab
18. Provide a copy, bearing the official stamp of the appropriate level of the GOI of all
 - corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2011, 2012, 2013, 2014, 2015 and 2016 tax years; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2011, 2012, 2013, 2014, 2015 and 2016 tax years.

Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.

CATEGORY H-1: TARIFF PROGRAMS

It is our understanding that certain enterprises in India are eligible for exemption from the payment of import duty on imported inputs, technologies and machinery, and Duty exemption/Remission schemes, credit for Credit for Service Tax paid by Export Oriented Units (EOUs), Reimbursement to EOUs of Central Sales Tax on certain resources and goods.

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2005 to 30 June 2016, please answer the following questions.

For the following questions, please provide responses to questions in the "**H-1.3 Tariff Programs**"

Please see attached Attachment 18 – Tariff programs, [CONFIDENTIAL ATTACHMENT] and further details requested for each programs in the relevant worksheets in the same spreadsheet. Further supporting documents referred thereto are at Attachments 19 to 24. [CONFIDENTIAL ATTACHMENTS]

[CONFIDENTIAL TEXT DELETED – details about specific programs]

1. Did your company receive any benefit under the programs listed above or any other program related to exemptions/refunds/Duty drawback/Credit etc. for Service Tax paid exemptions or refunds?

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2. What type of benefit was received (provide a list), e.g. tariff exemption.
3. What was the amount of benefit received?
4. Was the benefit received as a lump sum payment or in multiple instalments?
5. Describe the application and approval procedures for obtaining a benefit under the program.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOI in relation to the program.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
9. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or
 - (d) the region in which your business is located.
10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
13. To your knowledge, does the program still operate or has it been terminated?
14. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
15. If the program terminated has been substituted for by another program, identify the program.
16. Were the materials and/or equipment that were entitled to a refund of Sales tax /State tax (or any other form of tax) used in the production of the goods during the investigation period? If yes, provide the following information for each item that received a refund:
 - (a) type of inputs;

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- (b) cost of inputs;
- (c) quantity of inputs; and
- (d) amount of VAT/Sales Tax refunded.

Essar Steel was not entitled to a refund of Sales tax /State tax (or any other form of tax) in relation to the material or equipment used in the production of the goods during the investigation period.

17. Has your company received exemption from payment of or refunds and/or exemption of import duty imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information for each transaction:

- (a) description of imported product;
- (b) country of origin;
- (c) quantity of imported product;
- (d) purchase price;
- (e) terms of purchase (e.g. FOB, CIF);
- (f) ocean freight;
- (g) value for duty of imported product;
- (h) regular rate of taxes and/or duties;
- (i) concessionary rate of taxes and/or duties;
- (j) amount of duties and taxes normally applicable;
- (k) amount of duties and taxes paid;
- (l) amount of duties and taxes exempt;
- (m) date of importation;
- (n) tariff classification number;
- (o) customs entry number; and
- (p) application fee.

Please see Essar Steel's responses for each question at Attachment 18 – Tariff programs. [CONFIDENTIAL ATTACHMENT]

In respect of the production of the goods under consideration during the POI, Essar Steel has not received any exemption from payment or refunds and/or exemptions of import duty on imported material inputs used in the manufacturing of the GUC.

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Essar notes that only the duty drawback scheme under Program 27 provided reimbursement of customs duty paid on raw material inputs for the manufacturing of the GUC during POI. Although the duty drawback is provided upon exportation of the GUC, the imported raw materials concerned are used in the production of both the GUC exported and those sold domestically, without any distinction in production arrangement.

A transaction by transaction record of the duty drawback received during the investigation period is provided at Attachment 18 – Tariff program – Program 27 POI detail. [CONFIDENTIAL ATTACHMENT] Please note that the record is based on the payment received during the POI, and includes relevant sales and production incurred prior to the POI.

For galvanised steel during the investigation period, the duty drawback was provided at 1.9% rate (of FOB value) until 22nd Nov 2015, and at a rate of 2%, with a value cap of INR1200 per tonne after 23rd Nov 2015.

For Programs 24 to 26, Essar Steel advises that no benefit was received in relation to the production or sales of the GUC during the investigation period.

18. Provide sample documents for two items from two different quarters in the investigation period included in your response to Question 17. The sample documents should include:
- (a) copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods,

Not applicable, in that the duty drawback was provided to Essar Steel on exportation of finished products containing materials inputs on which import duty has been paid. The drawback is not provided in relation to any specific importation of raw material inputs.

Please see Attachment 25 [CONFIDENTIAL ATTACHMENT] for copies of the importation entries showing payment of import duty.

- (b) any applications submitted to and/or approval document received from the GOI relating to the exemption from the payment of import duty and exemption of duty on imported inputs and in relation to the duty refunded on the exportation of the subject goods.

As indicated in Essar Steel's response in Attachment 18, no separate application procedure is required for the duty drawback scheme. Rather the drawback is provided in accordance with export shipments.

- (c) copies of reports and audits by the GOI authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

There is no such reports or audits by the GOI in relation to the duty drawback. The duty drawback is provided at prescribed rates and formula upon exportation.

CATEGORY H-2: FINANCIAL GRANT PROGRAMS

Programs 15-21, 33, 34, 38, 39, 41, 44-46, 48, 52 & 54

The Commission understands that the Government of India may be providing grants to enterprises in India including the above programs (as identified by the applicant).

For the following questions, please provide responses to questions in the "H-2 Grants".

Essar Steel has not received any financial grants from the GOI during 1 July 2011 to 30 June 2016. Accordingly the following questions are not applicable. In relation to Program 21, Essar Steel has provided the relevant information as part of the "tariff program" questions above. Please refer to spreadsheet H-1.3 Tariff Program for further details. [CONFIDENTIAL ATTACHMENT]

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 July 2011 to 30 June 2016**?
2. Did your business receive benefits under any other grant program during the period **1 July 2011 to 30 June 2016**?

For each program identified in your answer to 1 and 2 above, answer the following questions:

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
5. Describe the application and approval procedures for obtaining a benefit under the program.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of India in relation to the program.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
9. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or

- (d) the region in which your business is located.
10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
 11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
 12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
 13. To your knowledge, does the program still operate or has it been terminated?
 14. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-1 in relation to this programme.
 15. Identify the body responsible for administering the grant.
 16. Identify the date of approval of the grant and the date the grant was received.
 17. Indicate where the grant was accounted for on your business' financial statements.

CATEGORY H-3: PREFERENTIAL LOANS

Programs 22, 32, 40 and 47

It is our understanding that certain enterprises in India benefit from low (subsidised) interest rates from state owned commercial banks (SOCB) and government banks in accordance with the GOI policy to support and develop the expansion of the Indian steel industry.

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2011 to 30 June 2016, answer the following questions.

Essar Steel India Ltd. has not availed itself of any preferential loans with low interest rates from State owned commercial banks (SOCB) and government banks.

Essar Steel has a [CONFIDENTIAL TEXT DELETED – lending rates] based on assessment of the Central Bank of India. In any case, Essar is not aware of any subsidised interest rates provided to the Indian steel industry.

Accordingly, the following questions are not applicable to Essar Steel.

1. Provide give a general overview of how your company secures necessary financial resources on the financial market (e.g. Loans, issuance of bonds etc.)

Provide answers to the following questions in "**H-3 Preferential Loans**".

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation

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period.

3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc.), if the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.
4. Indicate whether each bank is Indian or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).
5. In the case of each loan from government-owned or controlled, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?
6. Explain how the decisions to grant the loan or its conditions are dependent on the purpose of the loan and give details on the process your company went through to apply for the loan. Please provide detail on what conditions or criteria your company needed to fulfil to be granted the loan.
7. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.

*Note: If your company has more than one loan from same bank/financial Institution which were not repaid by the end of the investigation period and the loan agreements for these loans are standardised, it is sufficient **at this stage** to provide an English translation for one of them only (e.g. If your company has multiple loans from one particular bank which only differ in amounts you only need to translate one of them into English for your questionnaire response. However it is necessary to translate all credit line agreements from which loans not repaid by the end of the investigation period were drawn.*

8. Please explain whether the granting of the specific loan depended on the link between the purpose of the loan and the goals specified in any government plan or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.
9. For each loan application, please explain the involvement of third parties such as government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.
10. In the ""H-3 Preferential Loans"" spreadsheet, provide the information requested on guarantees for the loans provided to your company.
11. Please give details of all loan applications during the investigation period which were refused; give the name of the bank, the amount of the loan requested and the reasons for refusal.

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12. Provide any other information you may deem necessary for the commission to make an assessment on the subsidisation of producers/exporters of the product under investigation. You may adjust the table in the “Loans” tab as necessary to include this additional information.

CATEGORY H-4: PROVISION OF GOODS

Programs 29 and 51

In relation to the above programs, provide the following information.

1. Describe the nature of your production process for galvanised steel, including an itemised list of all raw materials used by your company in the process.

Please see Attachment 26 – Production flow chart in relation to the production of galvanised steel. [CONFIDENTIAL ATTACHMENT]

The key materials used for the production of the goods are:

- iron ore fine
- coking coal
- metallurgical coke
- natural gas
- zinc
- ferroalloys

2. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 July 2011 to 30 June 2016**? If yes, provide details.

No

3. Does your business purchase any raw materials (e.g. HRC, iron ore, coking coal, coke, scrap, etc.) in the manufacture of galvanised steel?

Please see answers above at 1

Provide responses to this category in tables provided on the “**H-4 Raw Materials Purchases**”

Please see Attachment 27 – Raw material purchases, [CONFIDENTIAL ATTACHMENT] for a detailed list of Essar Steel’s purchase of iron ore, being the raw material input subject to investigation under Program 29.

4. Provide data on a transaction-by-transaction basis, for all purchases of raw materials during the period 1 July 2014 to 30 June 2015. This data should be provided for all purchases, not only those of Indian origin (i.e. include imported

materials as well). In the list, please be sure provide a contact name and address, of all your suppliers of raw materials and indicate whether the supplier is a SIE. Please add more space for additional suppliers and/or categories of product as required.

See Attachment 27. [CONFIDENTIAL ATTACHMENT]

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

No

6. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits.

Not applicable, in that Essar Steel did not receive any reduced price for the purchase of the raw material from commercial enterprises which may have State investment as compared to other enterprises.

7. If your business purchased imported raw materials, explain the reason/s for your business' decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

Iron ore fines purchased by Essar Steel during the POI was domestically sourced and not imported.

Further, Essar Steel advises that it has imported [CONFIDENTIAL TEXT DELETED – raw materials] during the POI. This is primarily due to the limited availability of such materials, both in terms of volume and in terms of the desired quality. As a result, Essar Steel imported i [CONFIDENTIAL TEXT DELETED – raw materials] from [CONFIDENTIAL TEXT DELETED – source], and metallurgical [CONFIDENTIAL TEXT DELETED –raw materials] from [CONFIDENTIAL TEXT DELETED – source].

Essar Steel also imported [CONFIDENTIAL TEXT DELETED –raw materials].

CATEGORY H-5: OTHER PROGRAM

Program 28 - Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

Not applicable. in that Essar Steel has not benefited from any such mining rights up to the date of this EQ response.

In the interests of full disclosure, Essar advises that during the investigation period, it was invited to bid for an allocation of "Ghoraburhani-Sagasahi Iron ore block" in Sundargarh district for "Mining Lease" under "Captive Use" category. This was in pursuance to the MMDR Amendment Act 2015 and The Mineral (Auction) Rules, 2015.

Essar's bid was successful and a letter of intent for the awarding of the block was issued to Essar Steel on 28 March 2016. Operations have not commenced on this iron ore block up to now, as Essar Steel still needs to go-through various regulatory procedures and obtain clearances such as forest and environment clearance etc.

The things to note about this are that (a) it was secured through competitive bidding, meaning that the market "priced in" the value of any benefit (ie any benefit was monetized and thereby negated); and (b) Essar Steel has not commenced any operations on the block and did not operate the block during the POI.

Provide answers to the following questions in relation to the above program in the "H-5 other program" tab

1. Indicate whether your company benefited from any of the listed programs.
2. If yes, indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of India in relation to the program.
5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or

- (d) the region in which your business is located.
8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
 9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
 10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
 11. To your knowledge, does the program still operate or has it been terminated?
 12. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? If the program terminated has been substituted for by another program, identify the program and answer all the questions in category H-5 in relation to this program.

CATEGORY H-6 ANY OTHER PROGRAMS

Provide answers to the following questions in the "H-6 Any Other programs" tab.

Essar Steel has not received benefit from the GOI under any programs other than those identified above. Accordingly, the Commission is respectfully requested to refer to such information provided by the GOI.

In relation to question 1 below, Essar Steel can advise that it does not have business operations in any "economic zones" in India.

1. Provide a list of all the economic zones in which you have business operations (including locations of factories, sales offices, or other places of business).
2. Are you aware of any programs of the Government of India, any of its agencies or any other authorised body, that benefits³ manufacturers of galvanised steel that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)
3. Indicate the location of the program by state, region, province or municipal level.
4. Indicate the type of program, for example:
 - (a) the provision of grants, awards or prizes;
 - (b) the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials (including, for example, zinc), transport);
 - (c) the reduction of tax payable including income tax, state tax and sales tax;

³ Refer to the Glossary of Terms for a definition of benefit in this context.

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- (d) reduction in land use fees;
- (e) loans from Policy Banks at below-market rates; or
- (f) any other form of assistance.

For **each program** that you have identified, answer the following.

5. Indicate whether your company benefited from any of the listed programs.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of India in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or
 - (d) the state in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? If the program terminated has been substituted for by another program, identify the program and answer all the questions in Category H-6 in

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relation to this programme.

**SECTION I
EXPORTER'S DECLARATION**

- I hereby declare that **Essar Steel India Ltd** 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.
- I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name Rishabh Bhandari
Signature *Rishabh*
Position in Company Deputy Manager
Date 12 December 2016



**SECTION J
CHECKLIST**

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	✓
Section B – export price	✓
Section C – like goods	N/A
Section D – domestic price	N/A
Section E – fair comparison	N/A
Section F – exports to third countries	N/A
Section G – costing information	N/A
Section H – Subsidisation	✓
Section I – declaration	✓

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	✓
TURNOVER – sales summary	✓
AUSTRALIAN SALES – list of sales to Australia	✓
DOMESTIC SALES – list of all domestic sales of like goods	N/A
THIRD COUNTRY – third country sales	N/A
PRODUCTION – production figures	N/A
DOMESTIC COSTS – costs of goods sold domestically	N/A
AUSTRALIAN COSTS – costs of goods sold to Australia	N/A
INCOME TAX PROGRAMS	N/A
PREFERENTIAL TAX PROGRAMS	N/A
TARIFF PRGRAMS	✓
GRANTS	N/A
RAW MATERIAL PURCHASES	✓
OTHER PROGARM	N/A
ALL OTHER PROGRAMS	N/A