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Supplementary Government Questionnaire

The Republic of India

Product: Zinc Coated (Galvanised) Steel

From: The Republic of India

Period of Investigation: 1 July 2015 to 30 June 2016

Response due by: ~~31 March 2017~~ 14th April, 2017

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Canberra ACT2600
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Attention: Director Operations 5

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ABBREVIATIONS

CIF	Cost, Insurance & Freight
EPZ	Export Processing Zones
FOB	Free On Board
GOI	Government of India
India	The Republic of India
SEZ	Special economic zone
SIE	State-invested enterprise
the Act	the Customs Act 1901
the Applicant or BlueScope	BlueScope Steel Ltd
the Commission	Anti-Dumping Commission
the goods	the goods the subject of the application (zinc coated (galvanised) steel)
the investigation period	1 July 2015 to 30 June 2016

BACKGROUND AND GENERAL INSTRUCTIONS

1. Purpose of the supplementary questionnaire

The purpose of this supplementary questionnaire is to seek further information regarding additional subsidy programs provided by the Government of India (GOI).

Please note that the subsidy sections of this questionnaire focus on identified programs that the Anti-Dumping Commission is specifically investigating at this stage. However, Commission may also investigate any additional subsidy program(s) that it considers may warrant investigation if additional information comes to light in relation to further programs.

Any additional questions may be posed to the GOI in the form of further supplementary questionnaires.

The GOI does not have to complete this supplementary government questionnaire. However, if the GOI does not respond, the Commission may be required to rely on information supplied by other parties (including information supplied by the Australian industry – the applicant for the countervailing measures).

Therefore, it is considered to be in the GOI's interests and the interests of Indian exporters of galvanised steel, to provide a complete response.

If the GOI chooses to respond to this questionnaire, the response is due by **31 March 2017**.

2. If you decide to respond

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

For official use only and public record

If the GOI chooses to respond to this supplementary questionnaire, you are required to lodge a “for official use only” and a “public record” version of your submission by the due date.

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

All information provided to the Commission “for official use only” will be treated confidentially. The public record version of your submission will be placed on the public record, which all interested parties can access.

Your public record submission must contain sufficient detail to allow a reasonable understanding of the substance of the “for official use only” version. If, for some reason, you cannot produce a public record summary, contact the case manager (see contact details on Page 1 of this questionnaire).

Declaration

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You are required to make a declaration that the information contained in the GOI's response is complete and accurate. You must return the signed declaration of an authorised GOI official at the last section of this questionnaire with the GOI's response.

Provision of documents

When providing documents, please indicate whether the documents:

- are currently in force;
- were in force during the investigation period; or
- have been repealed, revised or superseded.

Where the documents have been repealed, revised or superseded;

- indicate when this revision occurred;
- provide any notice of repeal;
- provide the revised version;
- provide the document that supersedes the requested document; and
- indicate whether the revised version was in force during the investigation period.

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire;
- be in English (with fully translated versions of all requested and other applicable documents submitted);
- list your source(s) of information for each question;
- identify all units of measurement used in any tables, lists and calculations;
- show any amounts in the currency in which they were originally denominated.

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

Lodgement

Lodgement by email is preferred. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email, you are still required to provide a "for official use only" and "public record" version of your submission by the due date.

You may also lodge your response by mailing it to the address shown on the front cover of this questionnaire. For questions requiring a response in a Microsoft Excel

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spreadsheet that cannot be emailed, please provide those spread sheets on a CD-ROM or on a USB device.

3. Future questions

Please note that after receiving the GOI response to this supplementary questionnaire, the Commission may seek additional information from the GOI.

ADDITIONAL SUBSIDIES

The applicant alleges that producers of galvanised steel in India have benefited from a number of subsidies granted by the GOI, and that these subsidies are countervailable. During the course of the investigation, additional subsidy programs were either disclosed by the cooperating exporters or identified by the Commission during the recent verification visits.

INVESTIGATED PROGRAMS

Table 1 below lists four additional countervailable subsidy programs (from programs 56 to 59) for galvanised steel. While these programs may have been identified and responses may have been provided in GOI's initial responses, the Commission understands that the names of these additional four programs may be slightly different and/or the assessment/implementation/application may be different.

Note: the below titles of programs are to the best of the Commission's knowledge and in some cases may simply be descriptions of the program. Consequently, the below titles may not exactly reflect any official titles that the GOI has in place.

The GOI is requested to provide information on each program, regardless of the year the benefit was granted by the GOI or the year that the benefit was received by the recipient company, as well as those further identified by the GOI, where the program benefits impact on the production and sale of galvanised steel during the investigation period.

Table 1: INVESTIGATED PROGRAMS

The following are the additional subsidy programs:

Program Number	Program Name
56	Merchandise Exports from India Scheme
57	Sales Tax Deferral Program
58	Electricity Duty Exemption
59	Interest free loan

In responding to this questionnaire, if the GOI is unfamiliar with the title given to a program, but is aware of the existence of a similar program or one that it appears is being referred to, please identify this program (including providing the official title of any such program) and respond to the questionnaire in relation to that program.

ANY OTHER PROGRAM NOT PREVIOUSLY ADDRESSED

If the GOI, any of its agencies, or any other authorised non-governmental body provides any other assistance programs not previously addressed (including market development assistance programs or any domestic support programs related to the manufacture of the subject goods) to manufacturers of galvanised steel in India,

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identify these program(s). Such assistance programs are those that constitute a subsidy as defined in the attached Glossary of Terms.

The GOI is requested to provide the information requested for each of the programs identified above and any additional programs the GOI has identified. In addition, please respond to the program-specific information requested.

1. For **all programs** provide any amendments to law, regulations or policy that makes a particular program redundant for this investigation. Provide all documentary evidence.

The following questions relate to Programs 56 -59 identified above.

2. Provide full details of the programs including the following.

A. Program No 56- Merchandise Exports from India Scheme

✓ The replies of Gol concerning MEIS are as follows;

(a) policy objective and/or purpose of the program.

- Objective of Merchandise Exports from India Scheme (MEIS) is to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness.

(b) legislation under which the subsidy is granted.

- In view of the objective stated in (a) above, Govt. of India considers that MEIS is not a subsidy under ASCM. However, for the purpose of better understanding, GOI would like to inform that scheme has been announced under the Foreign Trade Policy, which derives its power under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, as amended.

(c) nature or form of the subsidy.

- Entitlement is granted in the form of Duty Credit Scrip to the exporter on export of notified goods, which have been produced/ manufactured in India. The duty credit scrips can be used for payment of duties.

(d) when the program was established.

- W.e.f. 1.4.2015

(e) duration of the program.

- As of now, FTP and the schemes thereof is generally valid for 5-years. However, the scheme/Entitlement under the scheme

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may be withdrawn/alterd during this period. The present FTP is upto 31.3.2020.

(f) how the program is administered and explain how it operates.

- The programme is administered by DGFT and implemented by the Regional Offices of DGFT, operation of the program has been explained in reply to the question-8, below.

(g) to whom and how is the program provided.

- To the exporter on export of notified goods, by way of Duty Credit Scrips.

(h) the GOI department or agency administering the program.

- Administered by Directorate General of Foreign Trade, Department of Commerce, Government of India through its Regional Offices spread all over the India.

(i) the eligibility criteria in order to receive benefits under the program.

- Exports of notified goods/products with ITC[HS] code, to notified markets as listed in Appendix 3B, shall be entitled under MEIS. This is also subjected to submission of relevant documents to the Regional Offices of DGFT.

3. Provide translated copies in English of the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

- Please refer to the links provided for Foreign Trade Policy 2015-20 in the original response and the same is not repeated here for sake of brevity.

4. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

- The record for grant of MEIS is maintained centrally in the central server of DGFT. So far as its utilization is concerned the same are retained at the respective customs ports where the MEIS is registered. A record of soft copies of the shipping bills & bank realisation details, purpose copy of the Duty Credit Scrip are retained by the concerned Regional Authority of DGFT including the Duty Credit Scrip.

5. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as B-7 (or in a Microsoft Excel compatible format):

(a) the business' address (including the city, province and region);

(b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);

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(c) if the business is not an SIE, whether it is otherwise associated with the GOI;

(d) whether the entity produces galvanised steel.

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

- The information in this regard concerning Essar Steel India Ltd, POSCO Maharashtra Steel Pvt. Ltd and Jindal Steel Works is enclosed as **Exhibit-1** [Provided For Official Use Only as business sensitive information which is not amenable to any meaningful summary without disclosing any confidential aspect of it. Hence, no summary for PUBLIC RECORD is not provided] with this response. It may be noted that the enclosed information is the total value of the exported product and is not specific to the exports of product exclusively to Australia. Such specific information may be obtained from the concerned exporters. Other information concerning the said companies is provided in the original response and the same is not repeated here but reliance is placed on the said reply.

6. For each entity identified in your response to Question 5 above that is an SIE, answer the following questions regarding their performance and profits.

(a) How are the operations of the enterprise funded?

(b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOI holds an interest.

(c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.

(d) Provide details of any official reporting mechanisms that the enterprise must comply with.

(e) Over the past 10 years, has the GOI provided any payment or made any injection of funds to the enterprise, including but not limited to:

- grants;
- prizes;
- awards;
- stimulus payments and rescue type payments;
- injected capital funds;
- purchasing of shares.

(f) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

- The scheme is available for all exporters of notified goods to notified market. It does not differentiate between SIE and ordinary exporter. However, none of the companies identified above are SIEs.

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7. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:

- (a) Provide a list of functions the enterprise performs.
- (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOI.
- (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
- (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

➤ The exporters mentioned above are private business entities and not SIEs. Hence, GOI considers that the aforesaid questions are not applicable.

8. Describe the application process (including any application fees charged by the government agency or authority) for the program.

After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

- Procedure for grant of MEIS is relevant in this respect which is as follows;
- i. Policy for Merchandise Exports from India Scheme (MEIS) is given in Chapter 3 of FTP 2015-20.
 - ii. An application for claiming rewards under MEIS on exports (other than Export of goods through courier or foreign post offices using e-Commerce), shall be filed online, using digital signature, on DGFT website at <http://dgft.gov.in> with RA concerned in ANF 3A. The relevant shipping bills and e BRC shall be linked with the on line application.
 - iii. If application is filed for exports made through EDI ports, then hard copy of the following documents need not be submitted to RA: hard copy of applications to DGFT, EDI shipping bills, electronic Bank Realisation Certificate (e-BRC). The applicant shall submit the proof of landing in the manner prescribed under paragraph 3.03 of HBP.
 - iv. In case application is filed for exports made through non EDI ports, then applicant need to submit export promotion copy of non EDI shipping bills. The applicant shall submit the proof of landing in the manner prescribed under paragraph 3.03 of Handbook of Procedure (HBP). The applicant shall upload scanned copies of any other prescribed documents for claiming scrip unless specified otherwise. However applicant need not submit hard copy of applications to

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DGFT, electronic Bank Realisation Certificate (e-BRC) in this case also.

- v. RA shall process the electronically acknowledged files and scrip shall be issued after due scrutiny of electronic documents.
- vi. The documents which are not required to be submitted in original, shall be retained by the applicant for a period of 3 years from the date of issuance of scrip.
- vii. Regional Authority may call such documents in original at any time within 3 years. In case the applicant fails to submit the original documents on demand by Regional Authority the applicant shall be liable to refund the rewards granted along with interest at the rate prescribed under Customs Act, from the date of issuance of scrip.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- The scheme is available for all exporters for exports of notified goods/products with ITC[HS] code, to notified markets as listed in Appendix 3B subject to ineligible categories as listed in para 3.06 of FTP 2015-20.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2010 to 30 June 2016.

- Please refer to the enclosed Exhibit-1 concerning relevant information in this respect. Such information is not readily available to be given within the stipulated deadline of this response. Moreover, GoI feels that historical data for various industries that too region wise may not be relevant for the purpose of present investigation.

11. For all programs listed in Table 1, describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program

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has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

- None at this time.

B. Program Number 57-Sales Tax Deferral Program, Program Number 58- Electricity Duty Exemption, Program Number 59- Interest Free Loan

1. For **all programs** provide any amendments to law, regulations or policy that makes a particular program redundant for this investigation. Provide all documentary evidence.
2. Provide full details of the programs including the following.
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOI department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.
 - It may be noted in reply to the above questions that the schemes pointed out as Program number 57 to 59 above are not standalone schemes of the State Government of Maharashtra and the schemes are inter alia contained in the Package Scheme of Incentives-2007 and Package Scheme of Incentives 2013. The general details regarding Package Scheme of Incentives have already been provided to the Commission in the original response under SGOM schemes. Reliance is placed on said response in reply to the above general questions also and the same is not repeated for the sake of brevity.
3. Provide translated copies in English of the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.
 - Please refer to the scheme details provided as Package Scheme of Incentives-2007 and Package Scheme of Incentives 2013 as an annexure in the original response.

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4. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.
- Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.
5. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as B-7 (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOI;
- (d) whether the entity produces galvanised steel.

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

- POSCO Maharashtra Steel Pvt Ltd, Jindal Steel Works and Uttam Galva Steel are the units that have availed some of the scheme under PSI during the period under consideration. However, the details specific to the product under investigation is not readily available as the information maintained is unit specific and not product specific. GOI believes that ADC Australia, can obtain such information from the exporter concerned.

6. For each entity identified in your response to Question 5 above that is an SIE, answer the following questions regarding their performance and profits.
- (a) How are the operations of the enterprise funded?
 - (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOI holds an interest.
 - (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
 - (d) Provide details of any official reporting mechanisms that the enterprise must comply with.
 - (e) Over the past 10 years, has the GOI provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;

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- awards;
- stimulus payments and rescue type payments;
- injected capital funds;
- purchasing of shares.

(f) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

➤ None of the units mentioned above are SIE's. Hence, the questions are not applicable.

7. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:

(a) Provide a list of functions the enterprise performs.

(b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOI.

(c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.

(d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.

(e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.

(f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

➤ The exporters mentioned above are private business entities and do not carry out any function of Govt. stated above. Hence, the above questions are not applicable.

8. Describe the application process (including any application fees charged by the government agency or authority) for the program.

After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

➤ After obtaining offer letter issued by SGOM, unit has to apply in prescribed application form along with the documents required to fulfil the eligibility criteria and other required documents. After fulfilling the eligibility criteria and commencement of production, EC is issued to the unit with entitlement of incentives for the eligible period as per the offer letter.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

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- (f) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (g) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (h) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (i) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (j) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- No, eligibility for, or actual use of this program is contingent upon the conditions stated above. Hence, questions of contractual agreement on the aforesaid criteria does not exist.
- 10.** Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2010 to 30 June 2016.
- Gol considers that historical data for various industries that too region wise may not be relevant for the purpose of present investigation and such information is not readily available to be given within the stipulated deadline of this response.
- 11.** For all programs listed in Table 1, describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?
- No change is anticipated at this juncture.

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DECLARATION

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DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.


(Dona Ghosh) 13.4.07
Deputy Director
Govt. of India

DONA GHOSH
Dy. Director (F.T.)
Government of India
DGAD, Deptt. of Commerce
Ministry of Commerce & Industry
New Delhi

GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Enterprise

"Enterprise" includes a group of enterprises, an industry and a group of industries.

Government of India (GOI)

For the purposes of this questionnaire, GOI refers to all levels of government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed.

It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

Special Economic Zone (SEZ)

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOI (including central, provincial, municipal or county government) accrue to a company because of being located in such an area.

State Invested Enterprises (SIE)

For the purposes of this questionnaire, SIE refers to any company or enterprise that is wholly or partially owned by the GOI as defined above (either through direct ownership or through association) including.

- 'enterprises with state investment'
- 'state-owned assets'
- 'state-invested enterprises'

For the purposes of this questionnaire, SIE refers to any and all of the above types of enterprises.