

## NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD

### 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: Puspendu Narayan Chakraverty  
Position in the company: Vice President Exports  
Address: 7/5 South Tukoganj ,503MahakoshHouse,Indore-MP(India)  
Telephone: :- +91 -731-2518124  
Cell Number: - +91-97550-97562  
Facsimile number: +91-731-2518127  
E-mail address of contact person: antidumping@indiansteels.com

##### Factory:

Address: :- Survey No., 370, Near Bhimasar Railway  
Crossing, National Highway ,8A Village Bhimasartaluka,  
Anjar, District- Kutch ,Pin Code -370110, Gujrat, India.

Telephone: +91-2836285371  
Facsimile number: +91-2836285375  
E-mail address of contact person: ak\_rekhi@indiansteels.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:  
Organisation:  
Position:  
Address:  
Telephone:  
Facsimile/Telex number:  
E-mail address of contact person:

*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.*

Ans :- No, we have not appointed any representative other than as mentioned in A1.

#### 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.

Ans:- Indian Steel Corporation Limited and we are a Public Limited company (unlisted).

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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).

Ans:- Ruchi Group .(CONFIDENTIAL TEXT DELETED- Internal list of shareholders)

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

Ans :- No, our company is not a subsidiary co. of any another company.

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

Ans:- Not Applicable

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

Ans :- Not Applicable

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

Ans :- Not Applicable

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

Ans :- We are a manufacturer and trading company.

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

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

Ans :- We carry out all the above functions.

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

**Ans :- Please refer annexure A1 attached (Confidential Attachment )**

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

List of directors as on 1<sup>st</sup> September 2014.- (CONFIDENTIAL TEXT DELETED- Internal list Company's Directors).

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

Ans :- Attached (Annexure A3) for Annual report (2013-14) (**CONFIDENTIAL ATTACHMENT- Internal costing details**) and soft copy of the brochure attached (refer Annexure A5)

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

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

Ans :- Please refer note no 37 of Annexed Annual Report for the Financial Year 2013-14 **-(Confidential Attachment)**

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

1. Indicate your accounting period.

Ans :- April to March

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

Ans :- Address 1) Survery No. 370, Near Bhimasar Railway Crossing, National Highway 8A Village Bhimasartaluka, Anjar District, Kutch 370110 Gujrat, India  
Address 2) 11/5, Horizon, Nath Mandir Road, South Tukoganj, Indore (M.P) – 452001.

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 :

Ans :- Cash Book, Bank Book, Sales and Purchase Register, Journal Ledger and Stock Register, all books of accounts are maintained in and general through computer system.

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and
- Internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

These documents should relate to:

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

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Ans :- Attached Annual Report for two Financial Year 2012-13 and 13-14. Also annexed internal management report for the quarter ended 30<sup>th</sup> June 2014.– (Please refer Annexure A2 for 2012-13 and Annexure A3 for 2013-14) **(Confidential Attachment – A copy of the audited annual report of Indian Steel Corporation Ltd. For the financial year from April 2012- March 2013 & April 2013 – March 2014)**

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.

Ans :- Not Applicable. Our financial documents get audited on yearly basis.

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

Ans :- No, we follow generally accepted accounting principles of our country.

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);

Ans:- Inventories are valued at lower of cost or net realizable value, on FIFO basis except waste & scrap are valued at net realisable value. Cost of inventory generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as cost of finished goods, scrap is valued at net realizable value and goods in transit are stated at cost.

- 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.)

Ans :- Cost of inventory generally comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as cost of finished goods.

Direct costs that are attributed to outputs must be based on actual consumption. Pre-established bases or ratios may be used if departments are able to prove that these fully represent actual consumption.

Where services are provided to more than one output at the same time, the cost must be divided and allocated to each output in reasonable proportion to its actual consumption. Departments must allocate indirect cost pools to outputs by appropriately measuring resource consumption.

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

Ans :- Valued at net realizable value.

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

Ans :- Waste & scrap are valued at net realizable value.

- valuation and revaluation methods for fixed assets;

Ans :- Fixed assets are stated at cost of acquisition or construction net of tax and duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use; less accumulated depreciation (except free hold land).

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

Ans :- Depreciation on fixed assets is provided on straight line method as per the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/ disposal

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

Ans :- All transactions in foreign currency, are recorded at the rates of exchange prevailing on the date of transaction. Any gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.

Treatment of foreign exchange gains /losses arising from the translation of balance Sheet items

Ans :- Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of balance sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss

- inclusion of general expenses and/or interest

Ans:- The company follows mercantile system of the accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

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

Ans :- We had made provision of bad or doubtful debt in books of accounts for **(CONFIDENTIAL TEXT DELETED – The requested information is included in the balance sheet)** - till year ended 31-03-14-

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

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Ans :- Not Applicable

- costs of plant closure;

Ans :- The Financial statements are prepared as a going concern under the historical cost convention on an accrual basis of accounting and in accordance with the generally accepted accounting principles (GAAP) accounting standards issued by the institute of chartered accountants of India as applicable and the relevant provision of the companies act 1965

- restructuring costs;

Ans :- Not Applicable

- By-products and scrap materials resulting from your company's production process; and effect of inflation on financial statement information.

Ans :- The material cost of normal scrap/defectives which are rejects shall be included in the material cost of goods manufactured. The material cost of actual scrap/defective, not exceeding the normal shall be adjusted in the material cost of good production. Material cost of abnormal scrap/defectives should not be included in material cost but treated as loss after giving credit to the realisable value of such scrap/ defective.

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.

Ans :- No there is no change in accounting method in last two years.

### **A-5 INCOME STATEMENT**

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

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

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

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

Ans :- Attached along with section A- Please refer Annexure A4-1(**Confidential Attachment**).

### **A-6 SALES**

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

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

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

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

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

Ans :- Attached along with section A- Please Annexure A4-2.(**Confidential Attachment**).

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### **SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)**

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

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

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

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

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

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

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

Ans- Information furnished on detailed spread sheet please refer Annexure B1. **(Confidential Attachment)**

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

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

Ans-We have done all the shipments on **(CONFIDENTIAL TEXT DELETED - Shipment Terms)**

- 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.

Ans- We do not have any **(confidential text deleted –commercial arrangement)** for exports to Australia.

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

Ans- Our terms of exports are **(confidential text deleted- Shipment /Commercial Terms) basis** only. Any duties /surcharges /taxes at the port of loading is borne by ISC, whereas any duties/surcharges/levies taxes in the port of destination is borne by the LC opener / customer. Our terms of exports are



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not based on DDP basis.

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).

Ans- There is no **(confidential text deleted – internal company arrangement)** for Austrian exports. Each supply is specific and based on defined /mutually signed sales contract in between ISC and the LC opener / customer. We have no contract with the end customer based at Australia.

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.

Ans- It is a normal process by which buyer provides us their product requirement, & we quote prices in accordance. There after negotiation process takes place. We derive prices based on costing analysis. Based on mutual acceptance by the LC opener / customer, we issue sales contract to the buyer and buyer thereafter countersign as a token of acceptance. Based on mutually signed contract and there after receipt of LC, We advise plant to produce the contractual quantity. Material being manufactured and subsequently containerise and thereafter ship the cargo in accordance to sales contract and LC terms and condition.

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).

Ans– No, we are not related to **(Confidential Text Deleted- Customer Information)**. All our sales are to **(Confidential text deleted – Customer Information)** there has been no rebates or promotional subsidies and or involvement of free goods so far as export of ISC to **(Confidential Text Deleted – Customer Information)**

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

Ans- Detail Enclosed Please refers Annexure B2.**(Confidential Annexure)**

**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.

Ans :- We do not have **(Confidential Text Deleted – Company Internal Arrangement)**. All our exports to Australia are to **(CONFIDENTIAL TEXT DELETED – Customer Information)**.

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

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

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

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

<b>COLUMN HEADING</b>	<b>EXPLANATION</b>
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 (i.e. Base Metal Thickness, width, zinc coating mass, grade, finish)
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than the invoice date as being the date of sale.
Shipping terms	Delivery terms: e.g. CIF, C&F, FOB, DDP (in accordance with the Incoterms outlined in Appendix 1)
Payment terms	Agreed payment terms, for example 60 days=60 etc
Quantity	Quantity in units (as shown on the invoice). Show basis, e.g. kilograms.
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency, as it is entered in your accounting system
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale

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

**Notes:**

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

\*\* FOB export price and ocean freight:

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

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

Freight allocations must be checked for consistency.

Ans- Spread Sheet attached with all the relevant information as desired. Please refer Annexure B3 **Attached. -(Confidential Attachment).**

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**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 Section B-4) for each item and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

Ans – We have not incurred any other costs, charges, and or any expenses.

**B-6** For each type of discount, rebate or allowance offered on export sales to Australia: Provide a description; and

- Explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amount of these discounts , rebates etc are identified on the sales invoice, explain how you calculated the amount shown in your response to Section B-4, if they vary by customer or level provide an explanation.

Ans- No standard discount, rebates and allowances has been considered. Each contract has Been specifically manufactured and shipped. Hence the costing has been defined in Accordance.

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

Ans- There is no credit note (Direct /indirect) what so ever issued against any invoices.

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

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

Ans- Not applicable. Since our supplies were on **(CONFIDENTIAL TEXT DELETED)** basis only.

**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.

Ans- Soft copy attached Annexure B4.-(**Confidential Attachment**)

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### SECTION C - EXPORTED GOODS AND LIKE GOODS

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

Ans :- Please refer Annexure B3 attached.(**Confidential Attachment**)

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

Ans :- Please refer Annexure B3 attached –(**Confidential Attachment**)

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

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

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

Ans :- Please refer Annexure C1 Attached – **Confidential Attachment**

**C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Ans :- We do not have any sale of like goods in domestic market.

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### **SECTION D - DOMESTIC SALES**

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

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

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

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

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

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

**D-1** Please provide:

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

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

Ans :- There are three distribution channels through which Indian Steel Corporation limited carried out the sales in the domestic market.

- A) Ex Factory to Customer: - For OEM' and Trade Customers we dispatch the goods on Ex Factory Basis against the Sales Contract
- B) Through Depot's:- We have depots across the country and we will cater the region/ territory wise demand of goods through the indentified Depots.
- C) Through Dealers /Steel Zones :- We have set up of Steel Zones / Dealers region wise

They carry sufficient inventory to serve against the market demand time to time.

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

Ans :- The domestic prices vary according to customers category , Identified Geographical distribution channel and location. The Price's do vary time to time in Accordance to market conditions and raw material prices.-

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

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- Whether price includes the cost of delivery to customer.

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

Ans :- Please refer Annexure –D3 Attached & in addition also find enclosed marketing flow chart. **(Confidential Attachment)**

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

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

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

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

<b>COLUMNHEADING</b>	<b>EXPLANATION</b>
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems, show a customer code number and (in a separate table) list each code and name
Level of trade	The level of trade of your domestic customer
Model/grade/type	Commercial model/grade or type of the goods
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract or purchase order date
Order number	Show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale
Delivery terms	For example, ex-factory, free on truck, delivered into store
Payment terms	Payment terms agreed with the customer, for example 60 days=60 etc
Quantity	Quantity in units shown on the invoice, for example kilograms

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Gross invoice value	Gross value shown on invoice <i>in the currency of sale</i> , net of taxes
Discounts on the Invoice	The amount of any discount deducted on the invoice on each Transaction. If a %age discount applies show that %age discount applying in another column
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount
Packing*	Packing expenses
Inland transportation costs*	Amount of inland transportation costs included in the selling price
Handling, loading and ancillary expenses*	Handling, loading and ancillary expenses
Warranty and guarantee expenses*	Warranty and guarantee expenses
Technical assistance and other services*	Expenses for after sale services, such as technical assistance or installation costs
Commissions*	Commissions paid. If more than one type is paid, insert additional columns of data
Other factors*	<b>Any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required).  See Section D-5.

**Notes**

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

Ans :- Please refer Annexure D-4 Attached, **(Confidential Attachment)**.

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

Ans :- There are NO costs, charges or expenses what so ever involved in respect of Sales listed in D-4.

**D-6** For each type of commission, discount, rebate or allowance offered on domestic sales of like goods:

- provide a description; and
- Explain the terms and conditions that must be met by the customer to qualify for payment.

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



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

Ans :- Basic Feature of Quantity Discount is based on quantity thus achieved over and Above the set quantity target set for the particular month. The same has not been Featured in Annexure D-4.-

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There are two types of **(CONFIDENTIAL TEXT DELETED – Price and market Information)**  
1. **(CONFIDENTIAL TEXT DELETED.-Price and Market Information)**

The discount structure as follows.

Quantity Discount applicable for **(CONFIDENTIAL TEXT DELETED – Pricing Information)**.

Quarterly Quantity **(CONFIDENTIAL TEXT DELETED- Pricing Information)**.

**CONFIDENTIAL TEXT DELETED – Pricing and Market Information**

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

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

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

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

Ans :- Please refer Annexure Attached – D7 **(Confidential Attachment)**

## NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD

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

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

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

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

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

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

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

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

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

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Ans :- Please refer to Annexure F1 Attached.- (**Confidential Attachment**)

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

Ans :- Goods Exported to Third Countries are having different Grades, Specifications, and Properties market wise. Price of sales are also different for different markets in third countries that depending upon the market condition, terms of Trade and Demand and Consumption pattern of goods in to particular markets.

## **NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD**

### **SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE**

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

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

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

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

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

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

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

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

#### **G-1 PRODUCTION PROCESS AND CAPACITY**

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

Answer :-Production Process and flow of processes for the goods is as below-

**H R SLITTER** - Edges of H.R Coil is cut with proper plan as per requirement and the waste/scrap generated known as HR Trimming.

**PICKLING LINE** - The main role of this process is to remove rust or carbon from the surface of Coil and make Coil smooth for next process with the help of Hydrochloric Acid.

**ROLLING MILL** - Here the input is Pickled Coil & received from Pickling Line. The main role of rolling mill is to reduce thickness of Coil from hard surface to the cold one. HR Coils known as CR Coil after this process.

**CR REWINDING** - Input received from rolling mill as CR Coil. It gives tension to coil and it gets tight and fitted as per requirement. Trimming is performed here to achieve required width, scrap generated here is known as CR Trimming.

**CONTINUOUS GALVANIZING LINE** - Zinc coating on the top / bottom surface of the coil is performed on CR coil.

**PACKING** - Here the material is packed and ready to dispatch

## **NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD**

**Process flowchart attached please refer Annexure G3 Attached.(Confidential Attachment)**

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

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

Ans :- Please refer Annexure G2 Attached.(**Confidential Attachment**)

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

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

Answer : Company's cost accounting policies are as below :-

Material Cost : Taken as one-to-one co-relation of export quantity to the imported one. Total material cost is worked out as sum of basic amount, plus ground rent at port if any, transportation and handling, custom clearance charges to works, stamp duty if any. Input material cost is considered on gross material used, scrap realised out of input material is credited to material cost with average scrap rate.

Direct Labour Cost : Considered based on MHR for the processes involved in the goods manufactured.

Manufacturing Overheads : Total cost consists of utilities, consumables, power & fuel, repairs and maintenance, depreciation and other overheads.

Selling Cost : Consists of marketing salary and wages and insurance, allocated to products based on per tonne of sales quantity.

Admin Cost : Actual administration cost allocated to products based on actual cost per tonne of sales.

Delivery Expenses : Local inland transport cost considered on actual shipment wise basis.

Other Cost : Other cost consists of packing cost which is on actual cost.

Sales Value: Sales Value is arrived on the basis of (**CONFIDENTIAL TEXT DELETED- Contract Information**) of sales and applicable export incentive is also considered.

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

Answer :- Standard Cost is not maintained. All working is done on actual basis.

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

Answer :- (**CONFIDENTIAL TEXT DELETED –COST INFORMATION**)

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

Answer : Following Cost Centres are maintained-  
(**Confidential text deleted – internal cost policies**)

## **NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD**

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

Answer :- Direct cost pertaining to the cost center is booked in the relevant cost center and indirect cost is allocated through appointment.

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

Answer :- Main grades of finished goods are Galvanised Coil/Sheet, Cold Rolled Closed Annealed Coil/Sheet, Colour Coated Coil/Sheet.

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

Answer :- Product cost in cost records is not valued differently.

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

Answer :- It is a continuous process plant.

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

Answer :- Not applicable.

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

This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>1</sup>

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

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

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

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

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

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<sup>1</sup> The Commission applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in the ordinary course of trade. These provisions reflect the WTO Agreement – see Article 2.2.1.

## **NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD**

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

Answer :- Please refer Attached Annexure Domestic CTMS – **(Confidential Annexure Attached)**.

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

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

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

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

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

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

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

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

Answer :-The 'Cost to make and sell" sheet for goods sold in Australia in attached. Please refer Annexure G1 Attached.- **(Confidential Annexure Attachment)**

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

**Answer :- Since no like goods of that specification is sold in domestic market as sold in Australia, this section is not applicable.-**

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

Answer :- There is no difference.

## **NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD**

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

Answer :- It does not differ from the prior practice.

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

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices or actual cost of production).

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

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

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

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

**Answer :- (Confidential text deleted – information about suppliers)**



**NON- CONFIDENTIAL VERSION FOR PUBLIC RECORD**

**SECTION I - CHECKLIST**

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

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

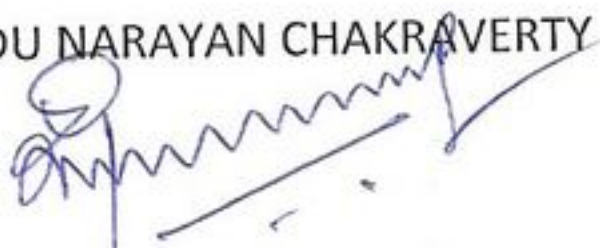
<b>ELECTRONIC DATA</b>	Please tick if you have completed worksheets
<b>INCOME STATEMENT</b>	✓
<b>TURNOVER</b> – sales summary	✓
<b>AUSTRALIAN SALES</b> – list of sales to Australia	✓
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	✓
<b>THIRD COUNTRY</b> – third country sales	✓
<b>PRODUCTION</b> – production figures	✓
<b>DOMESTIC COSTS</b> – costs of goods sold domestically	✓
<b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia	✓

**SECTION H –EXPORTER’S DECLARATION**

I HEREBY DECLARE THAT INDIAN STEEL CORPORATION LIMITED DID, DURING THE PERIOD OF INVESTIGATION EXPORTS THE GOODS UNDER CONSIDERATION AND HAVE COMPLETED THE ATTACHED QUESTIONNAIRE AND HAVING MADE DUE INQUIRY, CERTIFY THAT THE INFORMATION CONTAINED IN THIS SUBMISSION IS COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

NAME :- PUSPENDU NARAYAN CHAKRAVERTY

SIGNATURE



POSITION IN COMPANY –V.P. EXPORTS

DATE:- 01.09.2014