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**File No. 6/34/2020-DGTR  
Government of India, Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
4th Floor, Jeevan Tara Building,  
5, Parliament Street, New Delhi – 110001**

**Dated: 30<sup>th</sup> September, 2020**

**INITIATION NOTIFICATION**

**Case No. AD (OI)-29/2020**

**Subject: Initiation of Anti-Dumping Investigation concerning imports of “Hydrofluorocarbon (HFC) Blends” from China PR.**

1. M/s. SRF Limited (hereinafter also referred to as “Applicant”) has filed an application seeking initiation of anti-dumping investigation concerning imports of “Hydrofluorocarbon (HFC) Blends”, originating in or exported from China PR (also referred to as “subject country”) before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with Customs Tariff Act, 1975 as amended from time to time (herein also referred to as the “Act”) and Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred to as the “Rules”).
2. The Applicant has alleged that material injury to the Domestic Industry is being caused due to dumped imports of HFC Blends from China PR and has requested for imposition of anti- dumping duty on the imports of the HFC Blends from subject country.

**Product under Consideration (PUC)**

3. The product under consideration is “Hydrofluorocarbon (HFC) Blends. All blends other than 407 and 410 are excluded”.
4. HFC blends R-407 and R-410 are colourless, odourless gases containing only hydrogen, fluorine, and carbon. They were developed as ozone-friendly replacements for CFCs and HCFCs, such as R-22, which deplete the ozone layer and are extensively used for refrigeration and air conditioning. These two major end uses are residential air conditioning and heat pumps, commercial air conditioning, commercial refrigeration,

transportation refrigeration, and process refrigeration e.g., food processing and chemical manufacturing. R-407 is mainly used in residential air conditioners, light commercial air conditioners and medium temperature commercial refrigeration system. The main end use of R-410 includes residential and commercial air conditioning system, chillers and heat pumps.

5. The product under consideration is classified under chapter 38 of the Customs Tariff Act under customs sub-heading no. 38247800. The Customs classification is, however, indicative only and in no way binding on the scope of the present investigation.

#### **Like Article**

6. The Applicant has claimed that that there is no known difference between the subject goods exported from the subject country and that produced by the domestic industry. Subject goods produced by the domestic industry are imported from subject country are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers use the two interchangeably. The Applicant has further claimed that the two are technically and commercially substitutable and, hence, should be treated as like article under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the Applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

#### **A Domestic Industry and Standing**

7. The Application has been filed by M/s. SRF Limited. A communication was sent to Gujarat Fluorochemicals Ltd. (GFL) – the only other domestic producer of the product under consideration in India. The company had responded, by supporting the application and providing information about their production. GFL has also stated that they have imported the product under consideration from China PR during the period of investigation. The Applicant has claimed that they have neither imported the subject goods from the subject country nor are related to any exporter or producer of subject goods in the subject country or any importer of the PUC in India. Considering the information on record, the Applicant accounts for a major proportion of the Indian production.
8. In view of the above and after due examination, the Authority notes that the Applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

### **Normal Value of China PR**

9. The Applicant has claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of paragraph-7 of Annexure I of the Rules. The Applicant has cited Para 8(2) of Annexure I of the Rules and has stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The Applicant has claimed that for China, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules. The prices or constructed value of the product under consideration in the appropriate market economy third country or the prices from such third country to other countries, including India, has neither been made available by the Applicant nor is this information available with the Authority from any public source. The normal value has been determined on the basis of price paid or payable in India, duly adjusted, after addition for selling, general & administrative expenses and reasonable profits.

### **Export Price**

10. The Authority has computed export price for subject goods for the subject country based on Directorate General of Commercial Intelligence and Statistics (DGCI&S), transaction-wise import data. Price adjustments have been made for ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges and VAT.

### **Dumping Margin**

11. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin is above the de-minimis level, and is significant in respect of the PUC from the subject country. There is sufficient prima facie evidence that the PUC from subject country is being dumped into the Indian market by the exporters from the subject country.

### **Injury and Causal Link**

12. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in the POI in absolute terms, price undercutting, and price suppressing effect on the domestic industry. The Applicant has claimed that its performance has been adversely impacted during the POI leading to decline in production, sales, capacity utilization and market share, negative return on capital employed (ROCE) and losses. There is sufficient

prima facie evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

### **Initiation of Anti-Dumping Investigation**

13. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, about dumping of the subject goods originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

### **Subject Country**

14. The subject country for this investigation is China PR.

### **Period of Investigation**

15. The period of investigation for the present investigation is 1<sup>st</sup> April, 2019 – 31<sup>st</sup> March, 2020 (12 months). The injury investigation period will cover the periods 1<sup>st</sup> April, 2016- 31<sup>st</sup> March, 2017; 1<sup>st</sup> April, 2017- 31<sup>st</sup> March, 2018, 1<sup>st</sup> April, 2018- 31<sup>st</sup> March, 2019 and the period of investigation.

### **Procedure**

16. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

### **B Submission of Information**

17. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in), [adv11-dgtr@gov.in](mailto:adv11-dgtr@gov.in), [dir14-dgtr@gov.in](mailto:dir14-dgtr@gov.in) and [jd13-dgtr@gov.in](mailto:jd13-dgtr@gov.in). It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.
18. The known producers/exporters in the subject country, their Government through their Embassy in India, the importers and users in India known to be concerned with the

subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.

19. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.
20. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.
21. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

#### **Time Limit**

22. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses mentioned above within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.
23. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

#### **Submission of information on confidential basis**

24. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.

25. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
26. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
27. The confidential version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
28. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority
29. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
30. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
31. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

**Inspection of Public File**

32. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

**Non-cooperation**

33. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.



**(B.B. Swain)**

**(Special Secretary & Designated Authority)**