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F. No. 06/34/2020-DGTR

**Government of India Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
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5, Parliament Street, New Delhi – 110001**

Dated: 27th September, 2021

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

Subject: Final Findings in anti-dumping investigation concerning imports of Hydrofluorocarbon (HFC) Blends, originating in or exported from China PR -reg.

A. BACKGROUND OF THE CASE

F. No. 6/34/2020-DGTR: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereafter also referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as “the Rules”) thereof.

1. The Designated Authority (hereinafter referred to as “the Authority”) received an application (also referred to as the petition) from M/s SRF Limited (hereinafter also referred to as the “applicant” or the ‘petitioner” or the “domestic industry”) requesting initiation of an anti-dumping investigation under the Act and the Rules on imports of “Hydrofluorocarbon (HFC) Blends” (hereinafter also referred to as the “product under consideration” or “PUC” or “subject goods”) originating in or exported from China PR (hereinafter referred to as the “subject country”). The applicant, namely, M/s SRF Limited has provided the prescribed information in the application.
2. The Authority, on the basis of prima facie evidence submitted by the Applicant, issued a public notice vide Notification No. 6/34/2020-DGTR dated 30th September, 2020, published in the Gazette of India Extraordinary, initiating the subject investigation in accordance with Section 9A of the Act read with Rule 5 of the Rules to determine the existence, degree and effect of the alleged dumping 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 alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the subject investigation:

- a. The Authority notified the Embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
- b. The Authority issued a public notice dated 30th September, 2020, published in the Gazette of India Extraordinary, initiating an anti-dumping investigation concerning the imports of the subject goods from the subject country.
- c. The Authority sent a copy of the initiation notification dated 30th September, 2020, to the Embassy of the subject country in India, the known producers and exporters from the subject country, known importers, importer/user Associations and other interested parties, as per the addresses made available by the applicant. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
- d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject country in India in accordance with Rule 6(3) of the Rules.
- e. The Embassy of the subject country in India was also requested to advise the exporters/producers from its country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to it along with the names and addresses of the known producers/exporters from the subject country.
- f. The Authority, upon request made by the interested parties, granted extension of time to the interested parties from time to time up to 20th December, 2020 to file their questionnaire response/submissions.
- g. The Authority sent questionnaires to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the Rules:
 - i. M/s Zhejiang Yonghe Refrigerants Co. Ltd.
 - ii. M/s The Chemours 3F Fluorochemicals (Changshu) Co. Ltd.
 - iii. M/s Ninhua Group Co. Ltd.
 - iv. M/s Sinochem Environmental Protection Chemical (Taicang) Co. Ltd.
 - v. M/s Zhejiang Sanmei Chemical Ind Co. Ltd.
 - vi. M/s Zibo Feiyuan Chemicals Co. Ltd.
 - vii. M/s Sinochem Environmental Protection Chemical Co. Ltd.
 - viii. M/s Jinhua Yonghe Fluorochemical Co. Ltd.
 - ix. M/s Hangzhou Juming Imp/Exp Co. Ltd.
 - x. M/s Dongyang Weihua Refrigerants Co. Ltd.
 - xi. M/s Zhejiang Quzhou Lianzhou Refrigerants Co. Ltd.
 - xii. M/s Lu Xi Chemical (Hong Kong) Co. Limited.
 - xiii. M/s The Chemours Chemical (Shanghai) Co. Ltd.
 - xiv. M/s Daikin Arkema Refrigerants Asia Limited.
 - xv. M/s Zhejiang Lantian Environmental Protection Fluoro Material Co. Ltd.
 - xvi. M/s Fluo Shanghai International Trade Co. Ltd.
 - xvii. M/s Beijing Straget Chemicals Co. Ltd.
 - xviii. M/s Zibo Feiyuan Chemical Co. Ltd.
 - xix. M/s Zhejiang Fotech International Co.

- xx. M/s Sinochem Lantian Fluoro Materials Co. Ltd.
- xxi. M/s Zhejiang Orient Multitex I/E Co. Ltd.
- xxii. M/s Ace Prosper Corporation.
- xxiii. M/s Dyaninc Limited.
- xxiv. M/s Daikin Fluorochemicals (China) Co. Ltd.
- xxv. M/s Jiangxi Lee & Man Chemical Limited.
- xxvi. M/s Sc Ningbo International Ltd.
- xxvii. M/s Shandong Huaan New Material Co. Ltd.
- xxviii. M/s Liancheng Ruijin (Hong Kong) Co. Limited.
- xxix. M/s Zhejiang Quhua Fluor-Chemistry Co. Ltd.

h. In response to the above notification, the following exporters/ producers and their related exporters/traders have responded and submitted/filed exporter's questionnaire responses and/or legal submissions:

- i. M/s. Zibo Feiyuan Chemical Co. Ltd. (Producer)
- ii. M/s. Zhejiang Quzhou Lianzhou Refridgerants Co. Ltd. (Producer and Exporter)
- iii. M/s. Shandong Dongyue Chemical Co. Ltd. (Producer and exporter)
- iv. M/s. Sinochem Lantian Trading Co. Ltd. (Trader)
- v. M/s. Sinochem Lantian Fluoro Materials Co. Ltd. (Producer and exporter)
- vi. M/s. Sinochem Environmental Protection Chemicals (Taicang) Co. Ltd. (Producer and exporter)
- vii. M/s. Zhejiang Sanmei Chemical Ind. Co. Ltd. (Producer and exporter)
- viii. M/s. Fluo Shanghai International Trade Co. Ltd. (Exporter)

i. The Authority sent questionnaires to the following known importers and users of the subject goods in India, calling for necessary information in accordance with Rule 6(4) of the Rules.

- i. M/s Gorakhram Haribux.
- ii. M/s Kiro Refrigerants Private Limited.
- iii. M/s Stallion Enterprises.
- iv. M/s Mangali Petrochem Ltd.
- v. M/s Ajay Air Products (P) Ltd.
- vi. M/s Gujarat Fluoro Chemicals Ltd.
- vii. M/s Stallion India Fluorochemicals Pvt. Ltd.
- viii. M/s Coolmate Refrigerants Pvt. Ltd.
- ix. M/s Chillaire Solutions.
- x. M/s Mihama India Pvt. Ltd.
- xi. M/s Value Refrigerants Private Limited.
- xii. M/s MPCL Industries Limited.
- xiii. M/s Navin Fluorine International Limited.
- xiv. M/s Vijay Petrochem Private Limited.
- xv. M/s Shravan Engineering Enterprises P. Ltd.
- xvi. M/s Sikelan Chemicals India Pvt. Ltd.
- xvii. M/s Refex Industries Limited.
- xviii. M/s Mexfluor India Private Limited.
- xix. M/s T.T. International Co. Ltd.
- xx. M/s Weitron International Refrigeration Equipment (Kunshan) Co. Ltd.
- xxi. M/s Aone 9 Star Future Pvt. Ltd.
- xxii. M/s Unique General Trader.

- xxiii. M/s Karthik Traders.
 - xxiv. M/s Hindustan Refrigeration Stores.
 - xxv. M/s Cool Chem (Opc) Private Limited.
 - xxvi. M/s Koolane Refrigerants.
- j. In response, the following importers or the users have responded and submitted the importer/user questionnaire responses/legal submissions:
- i. M/s. MPCL Industries Limited (Importer)
 - ii. M/s. Stallion India Fluorochemicals Private Limited (Importer)
 - iii. K.D.Sons
- k. The Authority made available non-confidential version of the evidence presented by various interested parties. A list of all the interested parties was uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all the other interested parties since the public file was not accessible physically due to restrictions on physical movements owing to the ongoing global Covid-19 pandemic.
- l. The period of investigation for the purpose of present investigation is 1st April, 2019 to 31st March, 2020 (12 months). The injury examination period is the period 1st April 2016-31st March 2017, 1st April 2017 -31st March 2018, 1st April 2018-31st March 2019 and the period of investigation.
- m. The Authority obtained transaction-wise import data from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) for the subject goods for the injury period, including the period of investigation, and analysed the data after due examination of the transactions.
- n. Verification of the data provided by the domestic industry and the responding exporters was concluded to the extent considered necessary for the purpose of the present investigation.
- o. The non-injurious price (hereinafter referred to as 'NIP') based on the cost of production and reasonable profits for the subject goods in India, having regard to the information furnished by the domestic industry in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove the injury to the domestic industry.
- p. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing held through video conferencing on 30th June, 2021. The parties, that presented their views in the oral hearing were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The parties shared their non-confidential submissions with other interested parties and were advised to offer their rebuttals.
- q. In accordance with the Rules, the Authority disclosed the essential facts of the case that would form the basis of its findings in the form of a disclosure statement on 10.09.2021 and the interested parties were allowed time up to 16.09.2021 to comment on the same. The comments of the interested parties, to the extent

relevant, have been considered by the Authority and have been addressed in this finding.

- r. The submissions made by the interested parties, arguments raised and the information provided by the various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been considered in this final finding notification.
- s. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties which forms the basis of this final findings, to the extent possible, and verified the data/documents submitted by the domestic industry to the extent considered relevant.
- t. The information provided by the interested parties on confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- u. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such party as non-cooperative and recorded the present final finding on the basis of the facts available.
- v. ‘***’ in this final finding notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- w. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs. 71.65.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. At the stage of initiation, the product under consideration was defined as-

“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.”

C.1. Submissions of the other interested parties

5. The other interested parties have made the following submissions with regard to the scope of the product under consideration and the like article:
 - a. No methodology has been provided by the domestic industry for selection of the narrowest group/range of products for injury analysis. The product under consideration in investigations on “HFC Component” and “R-134a” are also refrigerant gases which can be categorized as “narrowest group/range of products”.
 - b. Annual Report 2019-20 shows that 13% of customer complaints were in the fluorochemical business, which includes the product under consideration and demonstrates that the product is of poor quality, thereby preventing them from producing quality grades and speciality grades of the product under consideration.
 - c. Packed and unpacked forms of the PUC have a cost and price difference of 20-30%. No such differentiation is made for goods while claiming dumping and injury in the petition. The Authority should compare them separately and separate margins should be determined.

C.2. Submissions of the domestic industry

6. The domestic industry has made the following submissions with regard to the scope of product under consideration and the like article:
 - a. All other blends, other than 407 and 410, are excluded.
 - b. The major raw materials used in the production of R-407 and R-410 are R-32, R-125 and R-134a.
 - c. The two HFC Blends should be considered as a single article. The US authorities, in a previous investigation, had considered HFC Blends as one product.
 - d. The applicant has produced the like article to the imported products.
 - e. As regards the argument of selection of the narrowest group/range of the products, the injury information provided by the domestic industry pertains only to the subject goods and the argument is beyond the legal prescription.
 - f. A mere statement in the Annual Report which covers numerous products, even within the fluorochemical business, cannot be a ground to establish that the product produced by the domestic industry is of inferior quality. The respondents have not provided any evidence as to how the imported product under consideration is of superior quality than the product under consideration produced by the domestic industry.

C.3. Examination by the Authority

7. The product under consideration in the present investigation is “Hydrofluorocarbon (HFC) Blends. All blends other than 407 and 410 are excluded”.
8. HFC Blends are colourless, odourless gasses containing only hydrogen, fluorine and carbon and are used as low-to-medium temperature refrigerants in residential and commercial air conditioning systems. The two major end uses are in residential air conditioning and heat pumps, commercial air conditioning, commercial refrigeration, transportation refrigeration, and process refrigeration, e.g., food processing and chemical manufacturing. The HFC Blends are considered as a single article for the purpose of the investigation.

9. The product is classified under Customs Tariff heading no. 38247800. The Customs classification is, however, indicative only and in no way binding on the scope of the present investigation.
10. As regards the selection of the narrowest group/range of the products by the domestic industry, the Authority notes that the present investigation concerns only with HFC Blends R-407 and R-410. The domestic industry has provided adequate and accurate information for the injury analysis pertaining to HFC Blends R-407 and R-410 and the same has been considered by the Authority.
11. As regards the inferior quality of the product produced by the domestic industry as compared to the imported product under consideration, the Authority notes that the other interested parties have not provided adequate information to establish the same. Also, in DSM Idemitsu vs DA [(2000(119) E.L.T.308], the Hon'ble Tribunal has noted that the difference in quality cannot be the relevant criteria for considering imported product as different from the domestic like product.
12. As regards the argument of separate dumping margin of packed and unpacked product under consideration, it is noted that the Authority has determined separate margins for unpacked forms as the exports have come in unpacked forms.
13. It is seen from the information available on record that the product produced by the domestic industry is like article to the product under consideration imported from the subject country. The product produced by the domestic industry and imported from the subject country are comparable in terms of physical & chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably. The Authority, therefore, holds that the subject goods produced by the domestic industry are the like article to the product imported from the subject country in terms of Rule 2(d) of the AD Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY & THE STANDING

D.1. Submissions of the other interested parties

14. The following submissions have been made by the other interested parties regarding the scope and standing of the domestic industry:
 - a. The share of the domestic industry in the total production has not been provided even in the range. Mere statement that they constitute major proportion in the absence of details does not establish standing.
 - b. No data or documents have been provided by the supporter. Mere letter of support is not sufficient. The information as per Trade Notices 13/2018 and 14/2018 required to be provided by GFL has not been filed. Para 4.9.20 of the Manual of Operating Practices is also relied upon.

D.2. Submissions of the domestic industry

15. The domestic industry has made the following submissions with regard to the scope of the domestic industry and standing:

- a. The applicant, namely, M/s SRF Limited, account for a ‘major proportion’ in the Indian production for the subject goods in India and, therefore, constitutes eligible domestic industry.
- b. Gujarat Fluorochemicals Limited has supported the application and has provided the information concerning their production as per the Initiation Notification.
- c. The applicant has not imported the subject goods in the period of investigation from the subject country.
- d. The applicant is not related to any exporters in the subject country or importers of the subject goods in India.

D.3. Examination by the Authority

16. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as under:
“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term ‘domestic industry’ may be construed as referring to the rest of the producers”.
17. The application has been filed by M/s SRF Limited. There is one another producer of the subject goods, i.e., M/s Gujarat Fluorochemicals Ltd. (GFL). 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. The Authority notes that based on the records, the applicant constitutes the domestic industry and accounts for a major proportion of the Indian production, as can be seen from table below:

Particular	Production in POI	Share in production (%)	Share in production Range)
Total HFC Blends (R-407C & R-410A)			
SRF (Petitioner)	***	***	55-65
Gujarat Fluorochemicals Limited	***	***	35-45
Total Indian Production	***	100%	100%

18. The applicant has certified that neither it has imported the product under consideration from the subject country in the period of investigation nor is it related to any exporter or producer of the product under consideration in the subject country or any importer of the product under consideration in India.
19. The Authority holds that the applicant constitutes domestic industry under Rule 2(b) of the Rules and considers that the application satisfied the criteria of standing in terms of Rule 5(3) of the Rules.

E. CONFIDENTIALITY

E.1. Submissions by the other interested parties

20. The other interested parties have made the following submissions with regard to the confidentiality:

- a. The non-confidential version of the petition violates requirements of the Rules, relevant trade notices and the rights of defence of the interested parties by not furnishing any information in response to Annexure A (Injury Statement) and Annexure 4 (Costing Information).
- b. The respondents are unable to make any observations on the cost and other details of the DI due to extreme confidentiality. NCV of the DI's petition is not a replica of the confidential version. Due to gross violation of the AD law, the investigation should be terminated. DI has filed an incomplete petition as Part VI of the application proforma is missing in entirety. The DI has claimed excessive confidentiality on the related party transactions.
- c. The domestic industry has kept lots of information confidential without legitimate reasons and in violation of the Rules and the procedure of the Authority. The item-wise details of the normal value, the evidence of adjustments for the export price, profit/loss and the return on capital employed in percentage terms, the price underselling and the injury margin, the share in total production, the details of wages have been kept confidential.
- d. The respondents have not claimed excessive confidentiality and confidentiality has only been claimed as permitted. The confidentiality claimed is permissible under the Rules by providing reasons which are not disputed by the DI. Zibo Feuyuan has provided cost and price and PBIT of the export to India has been provided in the confidential version.
- e. The DI's objections to the confidentiality are without a proper review of questionnaire response. The DI has also claimed manufacturing process as confidential.

E.2. Submissions by the domestic industry

21. The domestic industry has made the following submissions with regard to the confidentiality:
 - a. Shandong Dongyue Chemical Co. Ltd., Sinochem Lantian Trading Co. Ltd., Sinochem Environmental Protection Chemicals (Taicang) Co. Ltd. and Sinochem Lantian Fluoro Materials Co. Ltd. have claimed information on their related parties as confidential, thereby preventing the domestic industry from examining them and bringing relevant non-cooperative parties to the Authority's notice.
 - b. All the responding exporters have violated Trade Notice 10/2018, failed to provide reasonable information of the information claimed confidential, failed to disclose information in the public domain, failed to respond to all the questions in the questionnaire response and have provided responses contradictory to the information in the public domain.
 - c. The exporters have failed to abide by the procedure and the practice of the Authority, thereby undermining the entire investigation process.
 - d. Though K.D. Sons, Stallion India Fluorochemicals Private Limited and MPCL Industries Limited fulfilled the formality of registering themselves, they failed to circulate the non-confidential version of their submissions/questionnaire response to the domestic industry, thereby violating the rules and the practice of the Authority as well as the principles of natural justice and, therefore, should not be considered as interested parties.
 - e. Costing information is a business proprietary information and is not amenable to summarization. The domestic industry has referred to and relied upon CESTAT orders in Anwar Jute Spinning Mills Ltd. v. Union of India/DA and Nitro Chemical Industry Ltd. v. DA. The exporters are arguing for its disclosure when they themselves have not disclosed the same.

- f. The non-confidential version of the petition, including Annexure A, is as per Rule 7, Trade Notices 1/2013 and 10/2018.
- g. DGCI&S data is the third-party data which the DI is not authorized to disclose. The same may be obtained following Trade Notice 7/2018. The final finding in the investigation on 'PET Resin' from China is relied upon. There is no obligation on the DI to provide both sorted and unsorted data to all the interested parties.

E.3. Examination by the Authority

22. With regard to the confidentiality of the information, the Rule 7 of the Rules provides as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule12, sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.”

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

23. The Authority examined the confidentiality claims of the opposing interested parties and the domestic industry and on being satisfied allowed the claim on confidentiality. The Authority considers that an information which is by nature confidential (for example, its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, should be treated as such by the Authority. Such information cannot be disclosed without the specific permission of the party submitting it.
24. The Authority has considered the claims of confidentiality made by the applicants and the opposing interested parties and on being satisfied about the same, the Authority has allowed the claim on confidentiality. The Authority made available to all the interested parties the non-confidential version of the evidence submitted by the various interested parties.
25. As regards the submission of the importer's questionnaire response by Stallion India Fluorochemicals Pvt. Ltd. and MPCL Industries Limited, it is seen that these companies have not provided a meaningful summary of the confidential submissions in the form of non-confidential version.
26. With regards to the DGCI&S data, the Authority notes that the data has been shared with the interested parties relating to the volume & the value of the imports from the exporting countries into India. Further, the applicant has provided a complete list of the transaction

wise import data. It is also noted that any interested party can obtain data independently from the DGCI&S and lodge its own counter claim based on the data so received. The Authority holds that procedure for sharing and procuring the import data has been laid down in the Trade Notice 07/2018 dated 15th March, 2018. It provides that (i) the sorted import data relied upon by the domestic industry can be shared in hard copy & (ii) the interested parties can seek authorization from the Authority for seeking the raw transaction by transaction import data from the DGCI&S. Due to Covid-19, a scanned copy of the sorted import data was made accessible to the interested parties based upon the declaration/undertaking as per the prescribed format. The Authority thus notes that the procedure now being applied is consistent, uniform across parties and investigations and provides adequate opportunity to the interested parties to defend their interests.

27. The Authority notes that both the sets of the interested parties have claimed similar information as confidential and have yet pointed out at the confidentiality claimed by the other interested parties on similar information. The Authority notes that the information claimed confidential by these interested parties on these accounts are normally allowed to be filed on confidential basis. Since the Authority has allowed confidentiality on such information in the past, the same has been allowed in the present case as well.

F. MISCELLANEOUS SUBMISSIONS

F.1. Submissions by the other interested parties

28. The other interested parties have made the following miscellaneous submissions:
- a. Abetting monopolistic practices by the domestic industry is not the purpose of the anti-dumping duty and will allow the domestic industry to increase the prices.
 - b. The domestic industry uses trade remedy as a strategic decision to offset their immense increase in the costs during the period of investigation and the same should be examined.
 - c. The petitioner has been seeking undue protection from the Authority for 12 years to attack the producers and exporters in China PR, maximise profits and gain monopolistic advantage. Reference has been made to AD and SSR investigations on R-134a and AD investigation on imports of HFC component R-32.
 - d. The requirement of Rule 5(3) has not been met. “Prima facie” and “sufficient” are two completely different terms and are not interchangeable. Only the evidence of adequate quality constitutes ‘sufficient evidence’. The petition is largely based on the estimates and the assumptions and fails to draw a logical conclusion and, therefore, the initiation is bad in law. Reference has been made to Panel Report in Mexico-Pipes and Tubes, US-softwood lumber from Canada and Guatemala – Cement II.
 - e. The petition filed by the domestic industry shows that the domestic industry increases the capacity in the injury period and the period of investigation to establish artificial injury and obtain undue protection.
 - f. The imposition of the anti-dumping duty will affect the end-users and the downstream industry who are dependent on the internationally competitive raw material to manufacture the value-added products that can compete with the other countries. It would cause tremendous loss of the livelihood, the reduction in the exports by the MSMEs, the market asymmetry between the manufacturers and the limited availability of the superior quality of the goods.
 - g. The public interest should be considered before the imposition of the duty, if any. The public interest is in favour of the non-imposition.

- h. SRF is using the AD and the other unfair trade remedies to attack the producers and the exporters from China PR to maximize the profit and have a monopolist advantage. They are already enjoying the undue protection on the various products.
- i. The related parties of Sinochem Lantian have submitted the questionnaire responses complying with guidelines in the Trade Notice 5/2018.
- j. The domestic industry has provided the import data for only 11 months and not the entire period of investigation. Since the DGCI&S data and the sorted import data is not being provided to the interested parties, it is very easy for the domestic industry to manipulate the import data.

F.2. Submissions by the domestic industry

29. The domestic industry has made the following miscellaneous submissions:
- a. The related parties who responded in the US investigation have deliberately chosen not to respond in the present investigation and, therefore, the responding parties, i.e., Shangdong Dongyue Chemical Co. Ltd., Zhejiang Sanmei Chemicals Ind. Co. Ltd. and Sinochem Lantian Fluoro Materials Co. Limited must be held non-cooperative, denied individual margins and their related parties should not be allowed to file questionnaire responses at a belated stage.
 - b. The imposition of the anti-dumping duties is to remove the trade distortion and establish a level playing field. It will not restrict the imports from the subject country in any way or affect the availability of the product to the consumers.
 - c. The minimal participation from the registered interested parties and the absence of significant participation from the users and the user Associations shows that they do not consider any adverse impact if duties are imposed. The cost of the product under consideration in the final product is minimal and has almost no effect on the end-users.
 - d. The Applicant is a responsible and fair player and can be trusted to not take advantage of the remedies available and has rarely approached the Authority seeking the imposition of the anti-dumping duties. It would be seen that out of around 71 products manufactured by the domestic industry, the domestic industry has the anti-dumping duty protection on only 4 products till date
 - e. The applicant started production before the injury period and has been struggling to find a foothold in the market due to the presence of the dumped imports and is fully within its rights to approach the Authority. The Chinese producers enjoy a level of dominance in the market and intend to eliminate the competition in India to gain total monopoly, after which the consumers will be completely at the mercy of the foreign producers.
 - f. The present situation is a duopoly market where only China PR and the domestic industry is competing and hence any unfair pricing by China PR will directly impact the domestic industry.
 - g. The Authority has initiated investigations only after prima facie being satisfied on the claims of the petitioner.
 - h. As regards the 11-months data, the DGCI&S had not released the data of March, 2020 at the time of filing of the petition.
 - i. The requirements of the Rules 5 and 6 have been adequately met. It is a well-established principle that the quantity and the quality of the evidence improves as an investigation progresses. The information sufficient for the purpose of initiation may not be sufficient for the purpose of determination. At the same time, the information required for the determination need not be insisted upon at the time of the initiation. Further, the respondents have omitted to quote the finding of the Panel in Mexico-Steel Pipes and Tubes on the issue.

- j. As regards the increase in the capacity to establish the artificial injury, no company will invest to establish the artificial injury for an anti-dumping case.

F.3. Examination by the Authority

30. The Authority considered the submissions of the parties and determines as follows:

- a. As regards the establishment of the artificial injury and the non-fulfilment of the requirements under the Rules by the domestic industry, the Authority notes that the present investigation has been initiated only after examining the facts and being satisfied about the accuracy and the adequacy of the prima facie evidence furnished by the domestic industry. Further, it is also noted that the opposing interested parties have not sufficiently substantiated their claims of the artificial injury caused by the domestic industry.
- b. As regards the argument regarding the impact of the anti-dumping duty on the user industry, it is noted that the interested parties have not demonstrated how the anti-dumping duty will impact the consumers. On the other hand, the domestic industry has submitted the information showing that the impact of the proposed antidumping duty on the user industry would be miniscule. The domestic industry submitted that the cost of the product under consideration in the final product is very minimal and will have almost no effect on the end-users. For example, assuming that an air conditioner of a capacity of 1 Ton costs around Rs. 40,000, the amount of HFC Blends used in the air conditioner would be less than 1 kg. Assuming that 1 kg of HFC Blends costs around Rs. 200, the cost of the product under consideration on the end-consumer of the final product is meagre.
- c. It is, thus, noted that while the interested parties have not established the impact of the proposed ADD on the user industry with verifiable information, even if it is considered that the imposition of ADD might affect the price levels of the product manufactured using the subject goods, it is noted that the impact of the antidumping duty on the eventual product would be grossly insignificant. Further, the fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the ADD is restricted to an amount necessary to redress the injury to the domestic industry. The objective of the imposition of the anti-dumping measure is to remove the unfair advantages gained by the dumping practices, to prevent the injury to the domestic industry and help maintain availability of a wider choice to the consumers of the subject goods.
- d. As regards the excessive protection to the domestic industry, the Authority notes that the recommendation for the imposition of the duty is made only when the requisite legal requirements are met. There is no bar on the number of times a duty can be imposed or extended on a given product.
- e. As regards the use of only 11 months data by the domestic industry in filing their petition, the Authority has considered the import data for the entire POI (12 months) in their assessment of the export price, resultantly the dumping margin and injury parameters in the present determination.
- f. As regards the argument that the anti-dumping duty will create a monopoly for the domestic industry, the Authority notes that the PUC is produced globally, including in China, US, India and Japan. The product can be freely imported from the various countries. The imposition of the anti-dumping measures would not restrict imports

from China in any way, and therefore, would not affect the availability of the product to the consumers. The purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The imposition of the anti-dumping duties, therefore, would not affect the availability of the product to the consumers.

G. ASSESSMENT OF DUMPING – METHODOLOGY AND PARAMETERS

Normal Value, Export Price and Determination of Dumping Margin

G.1. Submissions of the other interested parties

31. The following submissions have been made:
- a. Though an insignificant share of the exports were also made through an unrelated exporter, the share of exports through the co-operating exporter is more than the threshold for the individual margin determination.
 - b. The export price and the dumping margin should be determined as per the actual data provided by the respondents. A separate comparison of the packed and the unpacked forms should be undertaken.
 - c. The surrogate country methodology should not be used in calculating the normal value for this case, regardless of whether China is treated as a market economy country. India has no basis for calculating the normal value using the non-market economy methodology.
 - d. China must be treated in the same way as any other WTO member for the anti-dumping investigations, a view that was shared by the US and the EU until recently. The Authority is requested to grant market economy status to China, conduct the normal value calculation as per Art. 2 of the ADA and apply the data on the costs and the prices for the determination of the normal value rather than applying the analogue country data in this investigation.
 - e. The domestic industry has arbitrarily constructed the normal value without following the due procedure as per para 7 of Annexure I of the AD Rules and the same is inflated due to the non-utilization of the optimum capacity by the domestic industry. The reference has been made to SC decision in Shentang Matsushita wherein it was held that proceedings cannot continue in view of the absence to follow the mandatory procedure. The claims of the dumping margin by the DI is a result of the constructed normal value to inflate it.

G.2. Submissions of the domestic industry

32. The following submissions have been made by the Domestic Industry:
- a. The Authority shall follow Para 1-6 of Annexure I for the determination of the normal value only if the responding Chinese companies establish that their costs and the price information is such that individual normal value and the dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and the price information can be adopted, the Authority shall reject the claim of individual dumping margin.
 - b. Since the Chinese producers are not entitled to market economy treatment, Para 7 of Annexure I may be followed to determine the normal value.
 - c. Since the normal value could not be determined on the price or the constructed value in a market economy third country for the reason that the relevant information is not publicly available, the applicant claims the determination of the normal value for China on the basis of price payable in India, duly adjusted.

- d. For the determination of the normal value in the subject country, the applicant has taken the cost of the production of the domestic industry, duly adjusted, and after adding the selling, general and administrative expenses and the reasonable profit margin.
- e. The applicant has taken the CIF price and adjusted the same for the ocean freight, inland freight, marine insurance, port expenses, commission, bank charges and VAT to determine the export price.
- f. The dumping margin is not only significant but also substantial for the subject country.
- g. The share of the exports through non-cooperative unrelated exporter should be examined and if found to be significant, the responding producer should be held non-cooperative, in accordance with paragraph 16.26 of the Manual of Operating Practices. If share is less than the threshold, the export price should be calculated for all the sales and the adverse facts should be applied for the missing volumes.
- h. The export price and the dumping margin can be determined based on the actual data provided by the exporters after ensuring adequacy and accuracy of such information and the comments of the domestic industry.
- i. Since no exporters have claimed the market economy status, the normal value should be based on the information provided by the domestic industry.
- j. China PR has failed to fulfill its obligations under the Accession Protocol and failed to remove the distortions to allow the prices to be set by the market. It for this reason that other WTO members, including USA and the European Union, have also continued to treat China as a non-market economy.
- k. The domestic industry has followed the due procedure as per para 7 of Annexure I of the AD Rules. The opposing interested parties have not provided any information to dispute the claim of the normal value of the domestic industry or an alternate methodology for the calculation of the normal value.

G.3. Examination by the Authority

33. Under section 9A (1) (c), the normal value in relation to an article means:

- i) *The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
- ii) *When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*
 - (a) *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);
 - (b) *Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.*

34. The Authority had sent questionnaires to the known producers/exporters from the subject country, advising them to provide the information in the form and manner prescribed by the Authority. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses:
- a. M/s. Zhejiang Quzhou Lianzhou Refridgerants Co., Ltd. (producer and exporter)
 - b. M/s. Zibo Feiyuan Chemical Co., Ltd. (producer)
 - c. M/s. Shandong Dongyue Chemical Co., Ltd. (producer and exporter)
 - d. M/s. Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd. (producer and exporter)
 - e. M/s. Sinochem Lantian Fluoro Materials Co., Ltd. (producer and exporter)
 - f. M/s. Sinochem Lantian Trading Co., Ltd. (trader)
 - g. M/s. Zhejiang Sanmei Chemical Ind. Co., Ltd. (producer and exporter)
 - h. M/s. Fluo Shanghai International Trade Co., Ltd. (exporter)
35. The normal value and the export price for all the producers/exporters from the subject country have been determined as below.

G.4 Market Economy Status for the Chinese Producers

36. Article 15 of China's Accession Protocol in WTO provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated

provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

37. It is noted that while the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO, read with obligation under 15 (a) (i) of the Accession Protocol, require the criterion stipulated in Para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that since the responding producers/exporters from China PR have not submitted response to questionnaire in the form and manner prescribed, the normal value computation is required to be done as per the provisions of Para 7 of Annexure I of the Rules.
38. The normal value and the export price for all the producers/exporters from the subject country have been determined as below.

G.5 Normal Value for all producers in China PR

39. Para 7 of Annexure I of the Rules reads as under:

In case of imports from non-market economy countries, normal value shall be determined on the basis if the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

40. The Authority notes that the prices or the constructed value of the product in an appropriate market economy third country or the prices from such third country to other countries, including India, have neither been made available by the applicant or an interested party, nor are available with the Authority from any public source. The Authority notes that the Authority is required to select an appropriate country on the basis of information and evidence brought on record by the interested parties. It is also noted that the interested parties have not provided any verifiable information which could have been adopted by the Authority. Further, it is noted that the import of the PUC in the POI from the other countries is nil, which shows that the PUC is primarily manufactured in India and China PR. Thus, the Authority is of the opinion that the only option available is to determine the normal value considering the price actually paid or payable in India for the like article. Therefore, the normal value has been determined considering the optimised cost of production in India, after addition for the selling, general & administrative expenses and the reasonable profits. The normal value so determined is given below in the dumping margin table below.

G.6. Determination of the export price

Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd. (Producer/Exporter)

41. Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd. (“Lianzhou”) is company limited by shares under the Company Law of China PR and is a producer of subject goods in China PR. The company has provided all the relevant information in requisite formats. During the POI, Lianzhou has exported *** MT of subject goods in unpacked form directly to the unrelated Indian customers. Lianzhou has claimed adjustments on accounts of ocean freight, insurance, inland transportation, port and other related expenses, bank charges and credit cost, which have been allowed by the Authority. Lianzhou has provided the separate information for R407C and R410A. The weighted average ex-factory export price as determined is given in the dumping margin table below.

Zibo Feiyuan Chemical Co., Ltd. (Producer/Exporter)

42. During the POI, Zibo Feiyuan Chemical Co., Ltd., China, has directly exported the two grades in unpacked form. In total, the company has exported a quantity of *** MT. The exporter has claimed adjustments on account of ocean freight, marine insurance, inland transportation, port and handling expenses, credit cost and bank charges, which have been allowed by the Authority. The weighted average ex-factory export price as determined is given in the dumping margin table below.

Shandong Dongyue Chemical Co., Ltd. (Producer/Exporter)

43. During the POI, Shandong Dongyue Chemical Co., Ltd., has directly exported *** MT of PUC to India in unpacked form. Shandong Dongyue Chemical Co., Ltd., has claimed adjustments on account of ocean freight, insurance, inland transportation and port and other related, which have been allowed by the Authority. Accordingly, the PCN-wise net export price at ex-factory level for Shandong Dongyue Chemical Co., Ltd., has been determined and same is shown in dumping margin table below.

Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd. (Producer/Exporter), Sinochem Lantian Fluoro Materials Co., Ltd. (Exporter/Trader) and Sinochem Lantian Trading Co., Ltd. (Domestic Seller)

44. During POI, Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd., China PR, has directly exported *** MT to India in unpacked form. It is further noted that Sinochem Lantian Fluoro Materials Co., Ltd., a related company of Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd., has directly exported *** MT to India in unpacked form. Adjustments have been claimed on account of ocean freight, insurance, inland transportation, credit cost and bank charges, which have been allowed by the Authority. Accordingly, the PCN-wise net export price at ex-factory level for Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd., and Sinochem Lantian Fluoro Materials Co., Ltd., have has been determined and same is shown in dumping margin table below.

Zhejiang Sanmei Chemical Ind. Co., Ltd. (Producer/Exporter) and Fluo Shanghai International Trade Co., Ltd. (Related Exporter)

45. During the POI, the subject goods produced by Zhejiang Sanmei Chemical Ind. Co., Ltd. have been exported to India both directly by Zhejiang Sanmei Chemical Ind. Co., Ltd. as well as by its related exporter, namely, Fluo Shanghai International Trade Co., Ltd. During

the POI, Zhejiang Sanmei Chemical Ind. Co., Ltd has exported *** MT of the subject goods to India directly and *** MT through its related exporter Fluo Shanghai International Trade Co., Ltd. All the exports are in unpacked form. Adjustments have been claimed on account of ocean freight, inland transportation, marine insurance and bank charges, which have been allowed by the Authority. Accordingly, the net export price at ex-factory level for the group has been determined and same is shown in dumping margin table below.

Non-cooperative exporters from China PR

46. The export price in respect of any other exporters from China PR has been determined as per the facts available in terms of Rule 6(8) of the Rules. For the purpose, the Authority has considered the imports as reported in the DGCI&S data and the questionnaire response of the producer and the exporters.

G.7 Determination of the dumping margin

47. It is noted that in the subject investigation, many cooperating producers and the exporters are related to each other and form a group of related companies. It has been the consistent practice of the Authority to consider the related exporting producers and the exporters as one single entity for the determination of the dumping margin and, thus, to establish one single dumping margin for them. This is because calculating the individual dumping margins might encourage the circumvention of the anti-dumping measures, thus, rendering them ineffective by enabling the related exporters/producers to channel their exports to India through the company with the lowest individual dumping margin.

48. In accordance with the above, the related producers and the exporters have been regarded as one single entity and attributed one single dumping margin which was calculated on the basis of the weighted average of the dumping margin of the cooperating related producers and the exporters.

49. Considering the normal value and the export price for the subject goods, the dumping margins for the subject goods from the subject country has been determined as follows:

Dumping Margin Table

SN	Producer	CNV (US\$/MT)	NEP (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin (%)	Dumping Margin (Range %)
1.	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	***	***	***	***	100-110
2.	Zibo Feiyuan Chemical Co. Ltd.	***	***	***	***	60-70
3.	Shandong Dongyue Chemical Co., Ltd.	***	***	***	***	50-60
4.	M/s Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd. and	***	***	***	***	70-80

	Sinochem Lantian Fluoro Materials Co., Ltd.					
5.	Zhejiang Sanmei Chemical Industries Co., Ltd.	***	***	***	***	75-85
6.	All Others	***	***	***	***	100-110

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1. Submissions of the other interested parties

50. The following submissions have been made by the other interested parties with regard to the injury and the causal link:
- a. The domestic industry has performed extremely well in the POI compared to the previous year and has not suffered any injury. Claims on the dumping and the fall in landed price has no meaning when seen in the context of the import of the subject goods in India and the performance of the domestic industry amid alleged dumping.
 - b. The petitioner's claim on increase in the basic raw material price (fluorspar) needs scrutiny. The exaggerated numbers are apparently used to inflate the dumping margin and have no basis. The information on fluorspar delivered price in East China as available shows a movement from 2600 Yuan/MT in the 2016-17 period to 2700 Yuan/MT in the 2019-20 period whereas the domestic industry has claimed 100% increase in fluorspar prices. Since the two by-products are produced on the production of hydrogen fluoride from fluorspar, the changes in fluorspar prices do not directly affect the prices of the subject goods. The position of the prices of fluorspar and the subject goods is the same as that of the DI. The DI itself has not stated that it uses fluorspar as the raw material.
 - c. The import trend for China does not reflect the pressure of excess capacity. The imports declined in relation to the demand. The market share of the imports declined while that of the domestic industry increased significantly, even when the price undercutting claimed is very significant and the increase in the domestic sales is much more than the import volumes.
 - d. If the Chinese producers had a compulsion to dump, the DI would not have achieved the increase in the market share, the volume and the profitability parameters in the POI compared to the previous year.
 - e. The decline in the landed price is not actionable and the discrimination between the domestic and the export markets causing the injury to the domestic industry is the question.
 - f. The domestic industry did not have the economies of scale to meet any reasonable part of the demand during the injury period. There is no volume effect as the imports have not increased in relative terms and have only been to meet the demand beyond those supplied by the domestic industry. The loss of the market share before enhancement of the capacity cannot be factum for the material injury.
 - g. The capacity expansion by the domestic industry in the period of investigation shows their strength and is no sign of injury. The decline in the capacity utilization is due to the capacity additions in 2017-18 and the period of investigation.
 - h. The relation between the cost and the price in the POI and the previous year shows the domestic industry was in control of their prices. The profits and the ROCE improved in the same period. There is an inverse relationship between the landed

price and the alleged injury in terms of the profitability, the profits and the ROCE. The domestic industry increased its volumes and the profitability when the price undercutting was significant. There is a disconnect with the performance of the domestic industry.

- i. The exporters have not undertaken any discriminatory pricing as alleged and do not create unfair competition. The decline in the landed price is due to the release of the stock in the POI and the global supply met the global demand. The Chinese prices followed the global trend. India has huge demand-supply gap for the subject goods. The DI is engaged in the trade restrictive practices by not supplying the refillers and hence, they are forced to import.
- j. The profitability of the domestic industry could have been much higher had there been no fixed per unit cost of the domestic industry on account of the non-utilization of the optimum capacity and the increase in the depreciation costs, the interest, the wages and the overheads due to the two new plants.
- k. The Authority should examine the extent of the decline in the captive consumption and the reason for the same. If such decline in the captive consumption impacted the overall performance of the DI, the same should not be attributed to the subject imports.
- l. The Authority should clarify whether several expenses not allowed under Annexure III (advertising, other admin overheads, other selling and distribution overheads, commission on sales, discount/ rebate on sales, freight outward, and export related expenses) for calculation of the NIP have been considered. The NIP should be considered at the ex-factory level.
- m. As per the CESTAT order in *Bridge Stone Tyre Manufacturing (Thailand) v. Designated Authority*, the increase in the inventories should be seen in relation with the increase in the sales. In the present case, the inventories increased with the sales volume.
- n. The productivity of the DI increased in the POI compared to the base year and shows no injury. The number of employees and the wages remained constant throughout the injury period, thereby, showing that the domestic industry has not sustained injury due to the imports.
- o. The DI is able to increase the selling price more than the cost of sales and hence, there is no price suppression. When costs declined in the POI, selling price increased leading to decline in losses. The reason for the decline in the profit per unit and the consequent alleged injury is the substantial increase in the depreciation and the interest. The Authority should examine the divergent trends in the capacity, NFA, WC, depreciation and the interest costs.
- p. The Annual Report 2019-20 mentions a temporary shutdown in the Dahej site due to COVID -19 which the petitioner failed to mention in the petition. The injury to the domestic industry is due to the prolonged and severe slowdown in the auto sector as mentioned in the Annual Report and, therefore, the present investigation should be terminated.
- q. The PBIT of the chemical segment of SRF Limited shows that the petitioner has been continuously making profits since 2016 which was the highest in March, 2020. The statement of CEO of SRF Limited shows that the SRF's chemical business witnessed a robust growth of 23 % year on year to achieve the record revenues and they are planning to invest in capital expenditure, which would not be possible if they were incurring losses.
- r. The positive price undercutting cannot be regarded as a factor for the injury. Reference had been made to Gypsum Plaster Board wherein it was held that mere existence of the positive price undercutting, the injury margin per subject exporter does not imply that the domestic industry has suffered injury.

- s. The increase in the imports is not a factor of the injury as it is not related to the performance of the domestic industry. The import prices have no bearing on the domestic prices and the performance of the domestic industry as the applicant is in a dominant position in the market. The DI has not passed down cost reduction to their buyers and dictates their prices.
- t. The non-attribution analysis should be made in view of the high fixed costs due to the investments by the domestic industry in new plants during the injury period. A rational and prudent Authority would not make a determination on existence of the causal link in the current investigation.
- u. With regard to the argument on the surplus capacity in China, the DI has not provided any evidence for the same and the methodology of calculation of the surplus capacity is flawed and has no merit unless corroborated with the attractiveness of the Indian market. The allegation is also immaterial since the source of the information has not been disclosed. It is irrelevant in an original investigation. As held in *Indian Spinners Association v. Designated Authority*, mere surplus capacity cannot be seen as a foreseen and imminent threat of injury to the DI.
- v. The imposition of ADD in the US is not relevant to the present investigation. The likelihood of future imports is not relevant to the original investigations. The DI was themselves investigated for circumvention. Hence, DI has no locus to rely on the argument. The imports are to meet demand-supply gap in India. ADD in the US has not led to a spike in the imports and the DI only bettered profitability over the years.
- w. The exports from China or the excess capacity or the increase in the capacity do not necessarily mean dumping. Nothing concrete has been placed on the record by the DI. It is seen that the exports to the third countries have also increased and some producers/exporters have not even exported to India in the POI.

H.2. Submissions of the domestic industry

51. The following submissions have been made by the domestic industry with regard to the injury and the causal link:
 - a. China has surplus capacities in excess of the total global consumption. Since the biggest foreign market, i.e., the United States of America has imposed a high quantum of duties on the subject goods, India becomes an attractive market for dumping the product under consideration. The pressure of excess capacity in China is not only impacting the Indian producers but the producers in third countries as well.
 - b. There is significant decline in the landed price of the imports despite the increase in the international and Chinese prices of fluorspar, a major input of the product under consideration and the consequent increase in the cost of production.
 - c. The exporters have enhanced their capacities despite the surplus capacities available in China. The exporters have reduced their selling prices and are selling at losses in India, despite the increase in the fluorspar prices. The exporters have been able to increase their export volumes into India in the period of investigation by foregoing the revenues over the injury period and the period of investigation.
 - d. The imports from the subject country constitute 100% of the imports of the subject goods to India. The imports have increased in absolute and relative terms. The imports are undercutting and suppressing the prices of the domestic industry. The production, sales, capacity utilization and the market share of the domestic industry declined in the period of investigation despite the capacity additions. The inventories increased in 2018-19 and in the period of investigation. The domestic industry is suffering financial losses, cash losses and negative returns on the investment due to the dumped imports. The growth is negative in almost all the

injury parameters and the ability of the domestic industry to raise the capital has weakened.

- e. The establishment of a new plant during the period of investigation has not contributed to the injury suffered by the domestic industry as majority of the sales were from the old plant. The increase in the interest cost has no impact on the injury suffered by the domestic industry.
- f. As regards the fluorspar prices, the interested parties provided the information based on East China fluorspar prices without giving the source of the information. Such prices do not reflect the prices prevailing in China. Chinese producers are operating in non-market economy conditions. The decline in the landed price despite the increase in the fluorspar prices by 80% has not been disputed by the interested parties.
- g. The significant decline in the landed price of the subject imports has allowed the subject country to become the sole source of the imports of the subject goods into India in the POI as no other producers globally are able to match the Chinese prices.
- h. The domestic industry has sufficient capacities to meet the entire domestic demand.
- i. The capacity additions are not the immediate decisions taken for achieving short terms goals but to rather keep up with the increasing domestic demand and making India Atmanirbhar.
- j. The domestic industry has provided the data considering maximum capacity utilization and most parameters still show deterioration. Further, the new plant accounts for less than 5% of the total domestic sales of the domestic industry and, therefore, has not impacted the performance of the domestic industry.
- k. The decline in the captive consumption in the period of investigation as compared to the base year is only 8% and thus has not impacted the performance of the domestic industry.
- l. The capacity additions do not necessarily increase the cost of production and reduce the returns. By achieving the economies of scale, the cost per unit can actually decline, leading to higher profitability and returns. Though this was the trend during the capacity additions in 2017-18, the same is not seen in the POI due to the dumping of the subject goods from China.
- m. As regards statements in Annual Reports, the respondents are selectively reading the Annual Reports and twisting the facts in their favour. Further, the Annual Report is for the company as a whole and not for the product under consideration and does not provide any guidance with regard to the deterioration in the performance over the injury period. The period of shutdown due to COVID-19 in the POI is only 8 days and cannot be a reason for overall deterioration. The Annual Report does not go into reasons for the dumping.
- n. The interest and the depreciation cost have increased due to the increase in the capacities. Further, the interest cost has declined during the period of investigation as compared to 2017-18 and 2018-19 whereas the depreciation cost has declined during period of investigation as compared to 2017-18.
- o. The landed price of the subject imports needs to be seen in comparison with the selling price of the domestic industry. The landed price is constantly below the selling price and the cost of the domestic industry throughout the injury period and the period of investigation. The domestic industry is not able to compete with the price level of the imports despite reducing its prices.
- p. The price undercutting and the positive injury margin is one of the factors to determine whether the dumped imports are causing the injury to the domestic industry. Further, almost all the economic parameters indicate injury to the domestic industry. The respondent is trying to mislead the Authority by only highlighting the portion of the finding that is favourable and twisting the same in its favour.

- q. Fluorspar is used in the production of hydrogen fluoride, which is one the major raw materials used to produce R-32, which, in turn, is a major raw material to produce R-407 and R-410. If by-products are generated in the process of manufacturing the product under consideration, then such cost shall also impact its prices.

H.3. Examination by the Authority

52. The submissions made by the domestic industry and by the interested parties with regard to the injury and the causal link related issues have been examined.
53. As regards the submission that alleged injury to the domestic industry is due to the other reasons and there is no injury as per statements in the Annual Reports of the domestic industry, the Authority notes that the injury analysis carried out hereunder is self-explanatory to establish that these alleged other factors are not the cause of the injury found by the Authority.
54. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve the examination of the factors that may indicate the injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...". In considering the effect of the dumped imports on the prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree or prevent the price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as the production, the capacity utilization, the sales volume, the inventory, the profitability, the net sales realization, the magnitude and the margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.

H.3.1. Volume effect of dumped imports on domestic industry

a. Assessment of demand / apparent consumption

55. The Authority has taken into consideration, for the purpose of the present investigation, the demand or the apparent consumption of the product in India as the sum of the domestic sales of Indian producers and the imports from all the sources.

Demand in India	Unit	2016-17	2017-18	2018-19	POI
Sales of Domestic Industry	MT	***	***	***	***
Trend	Indexed	100	559	372	270
Sales of Other Producer	MT	***	***	***	***
Trend	Indexed				
Subject Country- China	MT	***	***	***	***
Trend	Indexed	100	87	114	136
Imports from Other Countries	MT	15	165	194	0
Trend	Indexed	100	1100	1293	0
Total Indian Demand	MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>115</i>	<i>144</i>	<i>146</i>

56. It is seen that there is a significant increase in the demand for the product over the injury period. The Authority notes that the products are consumed in the commercial and the residential air conditionings and the demand for the R-410 has increased because the product has replaced R22 which is gradually being phased out.

b. Import Volumes from the subject country

57. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to the production or the consumption in India. For the purpose of the injury analysis, the Authority has relied on the transaction wise import data procured from the DGCI&S. The factual position is as follows.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Subject Country- China	MT	4,840	4,192	5,516	6,580
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>87</i>	<i>114</i>	<i>136</i>
Subject Country Imports in relation to					
Total Imports	%	100%	96%	97%	100%
Indian Production	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>14</i>	<i>17</i>	<i>37</i>
Consumption	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>75</i>	<i>79</i>	<i>93</i>

58. The is seen that:
- The volume of the imports from the subject country declined in 2017-18 but increased thereafter over the injury period. The subject imports constitute 100% of the total imports of the subject goods into India in the period of investigation.
 - The imports from the subject country in relation to the Indian production and the Indian consumption had declined in 2017-18 but increased thereafter in 2018-19 and the period of investigation.

H.3.2. Price effect of the dumped imports

59. With regard to the effect of the dumped imports on the prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress the prices or prevent the price increase, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to the price undercutting, the price suppression and price depression, if any. For the purpose of this analysis, the cost of production and the selling price of the domestic industry have been compared with the landed price of the imports of the subject goods from the subject country.

a. Evolution of the import prices over the injury period

Month	Rate (Rs/MT)
2016-17	1,87,206
2017-18	2,51,090
2018-19	2,96,398
Apr'19	2,52,714

May'19	2,36,455
June'19	2,16,122
Jul'19	2,20,133
Aug'19	2,19,193
Sep'19	1,95,807
Oct'19	1,85,944
Nov'19	1,65,583
Dec'19	1,75,993
Jan'20	1,63,617
Feb'20	1,56,581
Mar'20	1,65,460

60. It would be seen that the import price of the product under consideration had declined over the injury period. Further, the import price from the subject country has declined on monthly basis as well.

b. Price undercutting

61. For the purpose of the price undercutting analysis, the selling price of the domestic industry has been compared with the weighted average import price from the subject country. Accordingly, the undercutting effects of the dumped imports from the subject country work out as follows: -

62. The Authority has calculated the separate price undercutting for the packed and the unpacked forms in view of the submissions made by the interested parties and the significant difference in the costs of the packed and the unpacked product.

Price Undercutting – POI	Unit	Total	Unpacked	Packed
Net Selling Price of DI	₹/MT	***	***	-
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>100</i>	-
Landed price (Subject Country China PR)	₹/MT	2,10,519	2,10,519	-
Price undercutting	₹/MT	***	***	-
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>100</i>	-
Price undercutting	%	***	***	-
Price undercutting	<i>Range</i>	<i>35-45</i>	<i>35-45</i>	-

63. It is seen that there are no imports of the product under consideration in the packed form. Further, the Chinese imports are undercutting the prices of the domestic industry. The extent of the price undercutting is quite significant.

c. Price suppression and depression

64. In order to determine whether the dumped imports are depressing or suppressing the domestic prices and whether the effect of such imports is to suppress the prices to a significant degree or prevent the price increase which otherwise would have occurred in the normal course, the changes in the costs and the prices over the injury period have been examined. The table below shows the factual position.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales – Domestic Industry	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>74</i>	<i>98</i>	<i>83</i>

Net Selling Price - Domestic Industry	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	121	126	104
Landed Price	₹/MT	2,01,668	2,70,487	3,20,851	2,10,519
<i>Trend</i>	<i>Indexed</i>	100	134	159	104

65. It is seen that-
- The landed price of the imports increased over the injury period but declined in the period of investigation.
 - Whereas the cost of sales of the domestic industry declined in 2017-18, it increased in 2018-19 and declined again in the period of investigation.
 - Throughout the injury period, the landed price of the imports has been below the cost of production in India. Resultantly, the domestic industry was forced to reduce its selling price below the cost of sales.
66. It is thus noted that subject imports are suppressing and depressing the prices of the domestic industry in the market.

H.3.3. Economic parameters of the domestic industry

67. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all the relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in the sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of the dumping; actual and potential negative effects on the cash flow, inventories, employment, wages, growth and the ability to raise the capital investments. The various injury parameters relating to the domestic industry are discussed below:
68. The Authority has examined the injury parameters objectively, taking into account the various facts and arguments made by the interested parties.

i. Production, capacity, capacity utilization and sale

69. The capacity, production, sales and the capacity utilization of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Capacity	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	127	127	216
Production Quantity PUC	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	344	230	218
Capacity Utilization	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	270	181	101
Domestic Sales	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	558	372	269

70. It is seen that:
- The domestic industry has two plants for the manufacturing of the product under consideration. The manufacturing of HFC Blends in Bhiwadi Plant was commenced in the year 2016-17 which is the base year of the injury period and the production at

Dahej Plant started during the period of investigation. The installed capacity of the domestic industry was increased in 2017-18 and further again in the period of investigation.

- b. The domestic industry has expanded the capacity and submitted that the same was in view of the present and potential demand for the product in the country. However, the capacity expansion has been undertaken in Dahej. Further, whereas the Bhiwadi plant was of *** MT annually, the Dahej plant has been set up with a capacity of almost *** MT annually since it started the commercial production since November, 2019 ($*** / 12 * 5 = ***$ MT for POI).
- c. The capacity utilization increased in 2017-18 but declined thereafter over the injury period and the POI. It has been significantly low throughout the injury period.
- d. The company commenced commercial production on 27th March, 2016. The production was quite low in 2016-17; increased in 2017-18 but declined thereafter despite capacity additions in the period of investigation. The capacity utilization, however, declined once again in the period of investigation.
- e. The domestic sales of the domestic industry increased in 2017-18 and declined significantly thereafter.

ii. Market share in Demand

71. The market share of the domestic industry is shown in table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Domestic Industry	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	484	257	185
Other Indian producer	%	-	***	***	***
<i>Trend</i>	<i>Index</i>	-	100	246	64
Imports from China PR	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	75	79	93
Other Countries	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	964	907	0
Total	%	100	100	100	100

72. It is seen that the market share of the domestic industry increased in 2017-18 and declined thereafter in 2018-19 and further in the period of investigation. The market share of the imports from the subject country declined in 2017-18 but increased thereafter. The market share of the imports has remained significantly high throughout the injury period. The imports from the subject country have captured the market share of the domestic industry.

iii. Inventories

73. The inventory position with the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Opening Stock	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	247	190	195
Closing Stock	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	77	79	121
Average Stock	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	126	111	142

74. It is seen that the inventories with the domestic industry have increased in 2017-18, declined in 2018-19 and increased significantly thereafter in the period of investigation.

iv. Profitability, cash profits and return on capital employed

75. The profitability, the cash profits and the return on investment of the domestic industry over the injury period is given in the table below. Further, in view of the arguments of the interested parties that profits have declined due to increase in the interest and the depreciation costs, the profitability has also been examined by considering the profit before interest and the depreciation. The Authority notes that while increase in the interest and the depreciation might lead to decline in the net profit, the profit before interest and the depreciation cannot get impacted by the alleged increase in the interest and the depreciation. Further, the Authority examined the reasons for the increase and the depreciation and whether the costs on these accounts are significantly high when compared to the gross cost of production.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Profit/(Loss) per unit	₹/MT	(***)	***	(***)	(***)
<i>Trend</i>	<i>Index</i>	-100	3	-52	-50
Profit/Loss	₹ Lacs	(***)	***	(***)	(***)
<i>Trend</i>	<i>Index</i>	-100	19	-195	-134
Cash Profit	₹ Lacs	(***)	***	(***)	(***)
<i>Trend</i>	<i>Index</i>	-100	38	-189	-122
PBIT	₹ Lacs	(***)	***	(***)	(***)
<i>Trend</i>	<i>Index</i>	-100	33	-198	-129
Return on Capital Employed	%	(***)	***	(***)	(***)
<i>Trend</i>	<i>Index</i>	-100	31	-169	-25

76. It is seen that –

- The domestic industry has been suffering losses throughout the injury period. The profitability has been negative throughout the injury period.
- The domestic industry suffered financial losses, negative PBIT, cash losses and negative return on the capital employed throughout the injury period and the period of investigation.
- The profit before tax declined in the POI and the domestic industry suffered financial losses.
- The return on the capital employed was negative in the period of investigation. It is seen that the performance of the domestic industry declined in respect of the profit after interest and profit before interest and depreciation. It is thus evident that the decline in profits, cash profits and ROI is not largely due to increase in the interest and the depreciation.
- The Authority examined the reasons for so significant decline in profits, cash profits and ROI. It is noted that while some marginal decline could be attributed to increase in the interest and the depreciation costs, the decline in profits, cash profits and ROI is primarily due to the decline in the selling prices.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Selling price - Domestic	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	121	126	104

Cost of sales – Domestic	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	74	98	83
Profit/(Loss) per unit	₹/MT	(***)	***	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	-100	3	-52	-50
Depreciation	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	101	119	184
Interest	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	49	59	98

v. Employment, wages and productivity

77. The employment, the wages and the productivity of the domestic industry over the injury period is given in the table below-

Particulars	Unit	2016-17	2017-18	2018-19	POI
Wages	₹ Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	205	184	167
Employment	Nos.	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	84	73	72
Wages Per Unit	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	60	80	77
Productivity per Employee	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	407	313	303
Productivity per day	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	344	230	218

78. It is seen that

- The wages paid increased in 2017-18 but declined thereafter over the injury period and the POI.
- The number of employees has been continuously declining over the injury period.
- The productivity per employee increased in 2017-18 and declined thereafter in 2018-19 and in period of investigation. The productivity per day increased in 2017-18 but declined thereafter over the injury period and the POI.

79. The domestic industry has submitted that these parameters are not reflective of the impact of dumped imports on the domestic industry.

vi. Growth

80. The growth of the domestic industry in terms of the production, the capacity utilization, the domestic sales volume, the inventories, the profits, the cash profits and the return on investment is as per given in the table below-

Particulars	Unit	2016-17	2017-18	2018-19	POI
Production	Y/Y	-	244%	-33%	-5%
<i>Trend</i>	<i>Indexed</i>		100%	-14%	-2%
Domestic Sales	Y/Y	-	458%	-33%	-27%
<i>Trend</i>	<i>Indexed</i>		100%	-7%	-6%
Profit/Loss	Y/Y	-	-119%	-1147%	-31%
<i>Trend</i>	<i>Indexed</i>		100%	964%	26%

ROCE	Y/Y	-	-131%	-650%	-85%
Trend	Indexed		100%	496%	65%

81. It is seen that the growth of the domestic industry was negative in almost all the macro injury parameters during the POI. Further, the growth of the domestic industry in respect of the volume parameters was below the optimal levels considered by the Authority. The Authority has determined the NIP of the domestic industry by considering the capacity utilisation of 100%. The domestic industry has however achieved a capacity utilisation of only 13% in the period of investigation.

vii. Magnitude of Dumping Margin

82. The magnitude of dumping is an indicator of the extent to which the imports are being dumped into India. The investigation has shown that the dumping margin is positive and significant in the investigation period.

viii. Ability to raise capital investment

83. It is seen that the domestic industry has faced financial losses, cash losses and a negative return on the capital employed in the POI, which has weakened its ability to raise the capital investment.

ix. Factors affecting domestic prices

84. Whereas the landed price of the imports increased till 2018-19, the same has declined in the period of investigation. Further, the selling price of the domestic industry has also declined in the period of investigation. It is thus seen that the import prices are directly affecting the prices of the domestic industry in the market. It is also seen that the landed value of the subject goods is below even the cost of production of the domestic industry. The domestic industry submitted that it was not able to retain even the current prices in view of the lower price of the imports and resultant increasing imports. The price depression or suppression suffered by the domestic industry is due to the lower price of the imports. Therefore, it is concluded that the principal factor affecting the domestic prices is the dumped imports of the subject goods from the subject country.

x. Magnitude of price underselling/injury margin

85. The Authority has determined the NIP for the domestic industry on the basis of the principles laid down in the Anti-Dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing accountant for the period of investigation. The NIP has been considered for comparing the landed price from the subject country for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials and the utilities have been considered over the injury period. The best utilisation of the production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and is being followed.

86. The landed price for the cooperating exporters has been determined from the CIF export price determined for the purpose of the dumping margin determination. The applicable customs duties have been added to determine the landed price of the imports. For all the

non-cooperative producers/exporters from the subject country, the Authority has determined the landed price based on the facts available.

87. Based on the landed price and the NIP determined as above, the injury margin for the producers/exporters has been determined by the Authority and the same is provided in the table below:

Injury Margin Table

SN	Producer	NIP	Landed price	Injury margin	Injury margin	Injury margin
		(US\$/MT)	(US\$/MT)	(US\$/MT)	(%)	(Range)
1.	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	***	***	***	***	85-95
2.	Zibo Feiyuan Chemical Co., Ltd.	***	***	***	***	50-60
3.	Shandong Dongyue Chemical Co., Ltd.	***	***	***	***	45-55
4.	M/s Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd. and Sinochem Lantian Fluoro Materials Co., Ltd	***	***	***	***	65-75
5.	Zhejiang Sanmei Chemical Industries Co., Ltd.	***	***	***	***	65-75
6.	All Others	***	***	***	***	90-100

H.3.4. Analysis of Injury

88. The examination of the imports of the subject goods and the performance of the domestic industry clearly shows that the volume of the dumped imports from the subject country has declined in 2017-18 but increased thereafter in absolute terms and has remained significant in relative terms over the injury period. The imports from the subject country are undercutting the prices of the domestic industry. The imports from the subject country are suppressing the prices of the domestic industry. The capacity utilization of the domestic industry has declined significantly in the POI. The domestic industry has been suffering significant financial losses, cash losses and the negative return on the capital employed. In view of the foregoing, the Authority concludes that the domestic industry has suffered the material injury.

I. CAUSAL LINK AND THE NON-ATTRIBUTION ANALYSIS

89. The Authority has examined any known factors other than the dumped imports which at the same time might have been injuring the domestic industry so that the injury caused by these other factors, if any, is not attributed to the dumped imports. The factors which are relevant in this respect include, inter alia, the volume and the prices of the imports not sold at the dumped prices, the contraction in demand or the changes in the patterns of the consumption, the trade restrictive practices of and the competition between the foreign and the domestic producers, the developments in the technology and the export performance and the productivity of the domestic industry. The Authority examined whether factors other than the dumped imports could have contributed to the injury to the domestic industry.

- a. **Volume and value of imports not sold at dumped prices**
90. The imports from China PR constitute 100% of the total imports of the subject good into India in the POI. There are no other countries exporting the subject good to India during the POI.
- b. **Contraction in demand**
91. The demand of the subject good has consistently increased during the injury period and the period of investigation. In fact, considering the present and potential demand for the product in the country, the company has announced further expansion of the production capacities. The Authority notes that the domestic industry is fully capable of meeting the demand for the product in the country.
- c. **Changes in pattern of consumption**
92. There has been no material change in the pattern of consumption of the product under consideration. Rather, the pattern of consumption is improving in favour of the product as is evident from the rising consumption in the country and accelerated phase down of the earlier used refrigerant (HCFC-22). Hence, the changes in the pattern of consumption have not caused injury to the domestic industry.
- d. **Conditions of competition and trade restrictive practices**
93. The Authority notes that the investigation has not shown that conditions of competition or the trade restrictive practices are responsible for the claimed injury to the domestic industry.
- e. **Developments in technology**
94. No evidence has been brought forward by any interested parties about the existence of significant changes in the technology that could have caused injury to the domestic industry. Further, the domestic industry has set up first plant in 2016 and second plant in 2019.
- f. **Export performance of the domestic industry**
95. The Authority has considered the data for the domestic operations only for the injury analysis. Therefore, the export performance is not the cause for the injury to the domestic industry.
- g. **Performance of other products**
96. The domestic industry has provided the injury data of the PUC's performance and the same has been adopted by the Authority for the purpose of the injury analysis. Therefore, the performance of the other products produced and sold by the applicant is not a possible cause of the injury to the domestic industry.
97. The Authority, thus, concludes that there exists a causal link between the dumped imports of the subject goods and the injury to the domestic industry.

Conclusion on the Injury and Causal Link

98. The Authority determines to conclude that the domestic industry has not suffered injury in the POI due to the other factors. Further, the following factors show that the injury to the domestic industry is due to the subject dumped imports:
- a. The import price for the product under consideration increased between 2016-17 to 2018-19. The import price, however, declined steeply in the period of investigation. As a result of the steep decline in the import price, the selling price of the domestic

industry increased in 2018-19 and then declined in the POI. As far as the selling price of the domestic industry in 2016-17 is concerned, the Authority notes that the volume of sales was quite low and constituted primarily the initial pricing offered by the domestic industry.

- b. Despite the price reduction by the domestic industry, the imports are undercutting the prices of the domestic industry. The landed price of imports is not only below the selling price of the domestic industry but also the cost of sales.
- c. The imports have a significant suppressing effect on the prices of the domestic industry.
- d. The adverse impact of the imports on the selling price of the domestic industry has led to a significant decline in the profitability. Resultantly, this has caused a significant deterioration in the profits, the cash profits and the return on the capital employed. The domestic industry is suffering the financial losses, the cash losses and the negative returns in the POI.
- e. The growth of the domestic industry has become negative in several economic parameters.

99. The Authority, thus, concludes that there exists a causal link between the dumped imports of the subject goods and the injury to the domestic industry.

J. POST DISCLOSURE STATEMENT SUBMISSIONS

J.1. Submissions by the other interested parties

100. The submissions of the other interested parties are as follows:

- a. All volume parameters of the domestic industry have shown stupendous growth which are commensurate with the increase in the capacity and the demand for the product. Thus, the imports did not create any volume injury.
- b. The domestic industry suffered financial losses throughout the injury period and the POI except in 2017-18. The reduced loss in the POI as compared to the previous year vitiated the claims of material injury due to the subject imports. The losses in an improving trajectory of performance cannot be considered as a ground to establish the material injury.
- c. The ROCE and profitability parameters recorded growth during the POI over the previous years. As such, the DI did not suffer injury during the POI. Rather the situation was improving with DI's enhanced capacity. The improvement in volume and price parameters during the POI over the previous year indicate a breach of causal link, as robust growth is recorded during the POI.
- d. The name of the producer is Zibo Feiyuan Chemical Co., Ltd., and requires correction in the dumping margin and injury margin tables.
- e. No examination/analysis or finding has been made on the NCV petition of the domestic industry not being a replica of the confidential version and failing to meet the obligation under Trade Notice No. 1 of 2019 or on using the import data for 11 months of the POI. The import data for the POI and other parameters should be corrected by considering it for the whole POI of 12 months.
- f. Despite repeated requests, the DGCI&S data has not been provided to the interested parties.
- g. Disregarding the details of the Chinese companies when determining the normal value will nullify the provisions of the Article 15 (a) (ii) of China's Accession Protocol. The normal value for the respondent company should be determined on the basis of costs submitted by them which reasonably reflect the costs associated with the production

- and sale of the product under consideration. No details regarding the proposed determination of normal value for Chinese producers has been disclosed or provided.
- h. There is no objective examination of the material injury caused to the domestic industry in the current investigation. All the submissions on how the domestic industry has not suffered any injury due to the alleged imports have not been included, examined, or analysed in the disclosure statement.
 - i. The figures of interest and depreciation have not been given in the disclosure statement whereas they are part of the application proforma.
 - j. Absence of examination or analysis on the submissions on non-attribution analysis in the disclosure statement leads to the conclusion that injury is not due to the alleged imports but due to the impact of the other factors. There is no causal link between the alleged imports and the injury to the domestic industry. There is no causal link between the alleged imports and the injury to the domestic industry.
 - k. The disclosure statement overlooked the post-COVID situation where there have been significant changes in the market conditions leading to imbalance in the demand and the supply. The subject imports were in sync with the trends of consumption, and the recovery of demand in the Indian market led to increase in the subject imports.
 - l. The import price from China in June, 2021 is higher than the peak price of the POI. The increase in the imports post POI proves that despite doubling the Indian capacity during the POI, there is a demand-supply gap in the post POI period.
 - m. The positive performance of SRF Limited as evidenced by the financial results for Q4 of 2020 and FY21 demonstrates that the DI is not suffering from any injury.
 - n. There are inconsistencies and errors in the trend of Indian production in the disclosure statement, leading to wrong determination. There is significant inaccuracy in the company-wide economic parameters provided by SRF Limited in HFC R-32 and HFC Blends investigation.
 - o. The dumping and injury margin determined are inflated and no appropriate comparison has been made between the Export price- Normal value and Non-Injurious Price-Landed value. It is requested that a bulk-to-bulk comparison be made to determine the margins with separate analysis for packed and unpacked forms of the PUC.
 - p. The constructed normal value and the NIP is excessively high and undue/inflated dumping and injury margin will lead to monopolistic market that harm the competitive environment and deprive the domestic chemical industry of competitively priced, good quality of the product under consideration.
 - q. The weightage average ex-factory export price and landed value computed for Sinochem group is incorrect. The ex-factory export price and landed value for both the participating producers/exporters is to be computed separately and then the weightage average ex-factory export price and landed value is to be computed for Sinochem group.
 - r. The dumping margin and the injury margin should be determined based on quarterly analysis of the prices, due to significant fluctuation in the prices in different quarters of the period of investigation. The quarterly analysis for determination of the dumping and injury margin was conducted in the Sunset Review of anti-dumping duty on Viscose Staple Fibre from China PR and SSR investigation on Phenol from EU and Singapore.
 - s. The respondents exported to India only in the second and third quarter of the POI and, therefore, reflect a lower export price. The current determination of the Authority does not reflect a fair comparison due to the absence of the quarterly analysis.
 - t. The rate of increase in the imports from China PR is much lower than the rate of increase in the demand. There is improving trend in the injury parameters of the domestic industry including production, sales volume, capacity, and capacity utilisation. The increase in the inventory is insignificant considering the increase in overall sales volumes of the domestic industry.
 - u. The trend of overall increase in the interest cost and depreciation has not been disclosed in the disclosure statement. The increase in depreciation cost and finance cost is the

primary reason for decline in the profitability of the domestic industry. Reference is placed on the Safeguard investigation finding on Cold Rolled Flat Products of Stainless Steel of 400 Series and Anti-subsidy investigation on the imports of Viscose Rayon Filament Yarn above 60 deniers.

- v. The decreased import price in the POI is because of consistent reduction of the Respondents' cost of sales during the injury investigation period.

J.2. Submissions by the domestic industry

101. The submissions made by the domestic industry are as follows:

- a. The questionnaire responses/submissions filed by Stallion India Fluorochemicals Pvt. Ltd., MPCL Industries Ltd. and K.D. Sons should be disregarded as they failed to provide any non-confidential version and the parties should be held non-cooperative.
- b. As regards the constructed normal value, wherever captive inputs are involved, reasonable profits are to be added to the captive inputs. The international raw material price may also be adopted.
- c. Since no users or OEM or user associations have filed any verifiable information shows that there will be no significant or adverse impact on them.
- d. The imposition of the duties will arrest the decline in the performance of the industry, redress the injury suffered and enable the domestic producer to remain viable and competitive and, therefore, in the interest of the consumers and the public at large.
- e. If the current situation continues, the industry will face further injury and eventually be wiped out, giving Chinese producers' increased leverage, and the consumers will be left at their mercy. The procurement from the domestic industry is advantageous to consumers in terms of lower inventory levels and better after-sales service.
- f. China's obligations to fulfil its commitments to the Kigali Amendment to the Montreal Protocol even before India's timelines only provides more incentive for China to dump the product under consideration so as to build a higher baseline before the phasing down begins.
- g. The domestic industry has increased the capacities to cater to the existing demand and has also planned to install more capacities to meet the rising demand. Anti-dumping duty will provide a level playing field not only to the domestic industry but also encourage the imports from USA and Japan, leading to healthy competition.
- h. The imposition of the duties is also consistent with the policy of the Government of India as the Central Government has been promoting the domestic manufacturing of air conditioners in the country through various policy measures.
- i. The increase in the investments by the domestic industry will only lead to more employment, thereby benefitting the Indian economy as a whole. Further, it is of strategic importance for the country to have the viable and environment friendly substitutes before the phase down of HFCs starts in the year 2032, which will only be possible if the industry is protected from dumping.
- j. It is in the country's interest as a whole to balance development within the country while also achieving its sustainable development goals. The failure to protect the domestic HFC industry will leave a weak link in the AC manufacturing supply chain and is likely to be exploited by the Chinese manufacturers.
- k. Indigenous manufacturing helps ensure price stability of the product in the market, seamless supply, dependability on a reliable partner, import substitution, reduced foreign trade risk and growth of the downstream industries.
- l. Due to the widening trade deficit and dwindling forex reserves, it is important to rely more on the domestic production capacities and reduce the import dependence. India's

trade balance already shows a deficit. If duty is not imposed, the imports will increase and thus further negatively impact the foreign exchange reserves of India.

- m. The domestic industry is backward integrated and has made significant investments in the product under consideration. Therefore, there is a significant value addition done in the captive inputs.
- n. Since the normal value is based on the data of the domestic industry, the same should be disclosed. The Authority should disclose the non-confidential version of the communication sent to the participating exporters and replies, if any, post filing of the questionnaire responses and the verification reports.

J.3. Examination by the Authority

102. The Authority has examined the post disclosure submissions made by the other interested parties and notes that some of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and considered relevant by the Authority are examined below:

- a. As regards the argument on injury, confidentiality, the DGCI&S data and the market economy status of China PR, the same is addressed by the Authority in the relevant paragraphs of these findings.
- b. As regards the argument of post COVID impact, the Authority notes that the period of investigation in the present investigation is April, 2019 to March, 2020 which is a period not impacted by COVID-19. The present case being a fresh investigation, the Authority has analysed the dumping and injury for the period of investigation only.
- c. As regards the argument on the statements in the annual reports, the Authority notes that SRF manufactures around 71 products. The consolidated statement in the annual report is not reflective of the performance of the product under consideration. Further, the injury analysis carried out in the relevant paragraphs of these findings is self-explanatory to establish that the dumping has caused continued injury to the domestic industry. Further, the public statements like the annual reports of the company do not alter the conclusion that dumping of the product has caused injury to the domestic industry
- d. As regards the argument of the errors in the trend of Indian production, the Authority notes that there is no error in the figures. The opposing interested parties are comparing imports in relation to the total Indian production with growth in Indian production, which cannot be similar.
- e. As regards the argument of inaccuracy in the company-wide economic parameters provided by SRF Limited in HFC R-32 and HFC Blends investigation, the Authority notes that the injury analysis is based on the verified information of the domestic industry.
- f. As regards the comparison on packed and unpacked forms of the PUC, the Authority notes that dumping margin and injury margin has been compared for packed and unpacked forms.
- g. As regards the arguments by the interested parties regarding the calculation of the normal value, the Authority notes that the normal value for China PR has been

constructed in accordance with Para 7 of Annexure I of the Rules. Further, none of the interested parties during the investigation provided any alternative methodology for calculation of the normal value.

- h. As regards the calculation of weightage average ex-factory export price and the landed value computed for Sinochem group, the Authority notes that the same has been calculated as per the Rules laid down and the prevailing practice of the Authority.
- i. As regards the quarterly examination, it is noted that the mere decline in the selling price does not mean a need for quarterly determination. The interested parties have to establish that the normal value has also materially changed with time period. As regards the disclosure of interest and depreciation, it is noted that interest and depreciation are mandatory injury parameter under Annexure II. With regard to the argument that the reasons of decline in the profitability is due to increase in interest and depreciation costs, it is also seen that the performance of the domestic industry declined in respect of profit before interest (ROI) and profit before depreciation (cash profits).
- j. As regards the inability of the domestic industry to meet the demand-supply gap in the country, the Authority notes that the domestic industry has increased capacity from *** MT during 2016-17 to *** MT during period of investigation as against the demand of *** MT. There is no demand supply gap in the country. Further, the capacity utilization of the domestic industry is low in the period of investigation and it declined as compared to the preceding year. The domestic industry had the potential to cater to the much higher degree of demand in India. However, due to dumping of the product under consideration, the domestic industry was faced with unutilized capacity and had a much smaller share in the domestic market as compared to the Chinese imports. In any case, a possible demand-supply gap does not justify dumping of the product under consideration, particularly when such dumping is causing injury to the domestic industry.
- k. The name of Zibo Feiyuan Chemical Co., Ltd. has been corrected in the dumping margin and injury margin table in these final findings.
- l. As regards the calculation of NIP, the Authority notes that the determination has been made as per the Rules laid down and the prevailing practice of the Authority.
- m. M/s MPCL Industries Ltd and M/s Stallion India Fluorochemicals Pvt. Ltd. failed to circulate the non-confidential version of their responses/submissions to the other interested parties. However, the Authority has considered the arguments of all the interested parties in the present finding. As regards K.D. Sons, the party has failed to establish whether its participation in the present investigation is as a user or as an importer.

K. INDIAN INDUSTRY INTERESTS AND OTHER ISSUES

103. The Authority recognizes that the imposition of the anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of the anti-dumping measures. On the contrary, the imposition of the anti-dumping measures would remove the unfair advantages gained by the dumping practices, prevent the decline of the domestic industry and help maintain the availability of wider choice to the consumers of the subject goods. The purpose of the anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The imposition of the anti-dumping duties, therefore, would not affect the availability of the

product to the consumers. The Authority notes that the imposition of the anti-dumping measures would not restrict the imports from the subject country in any way and, therefore, would not affect the availability of the product to the consumers.

104. The Authority considered whether the imposition of the ADD shall have adverse public interest. For the same, the Authority examined whether the imposition of the anti-dumping duty on the imports of the product under investigation would be against the larger public interest. This determination is based on the consideration of the information on record and the interests of the various parties, including the domestic industry, the importers and the consumers of the product.
105. The Authority issued gazette notification inviting views from all the interested parties, including the importers, the consumers and the other interested parties. The Authority also prescribed a questionnaire for the consumers to provide the relevant information with regard to the present investigations, including possible effect of the ADD on their operations. The Authority sought information on, inter-alia, interchange ability of the product supplied by the various suppliers from different countries, ability of the domestic industry to switch sources, the effect of the ADD on the consumers, the factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the ADD.
106. Two importers, namely, M/s MPCL Industries Ltd. and M/s Stallion India Fluorochemicals Pvt. Ltd. have responded to the present investigation. M/s MPCL Industries Ltd. and M/s Stallion India Fluorochemicals Pvt. Ltd. failed to circulate the non-confidential version of their responses/submissions to the other interested parties. However, the Authority has considered the arguments of all interested parties in the present finding. As regards K.D.Sons, the party has failed to establish whether its participation in the present investigation is as a user or as an importer. None of the users, OEMs or user Associations have opposed to the present investigation. Nor these parties have claimed that there shall be adverse effect of the proposed ADD on the public at large, or even their operations. As already noted in these findings, none of these importers have provided any verifiable information to demonstrate the effect of the anti-dumping duty on the consumers. Further, in this regard, the Authority re-iterates that the imposition of the anti-dumping measures would not restrict the imports from the subject country in any way and, therefore, would not affect the availability of the product to the consumers.
107. Even though the Authority has prescribed the formats for the users to quantify the impact of the ADD and elaborate how the imposition of the ADD shall adversely impact them, it is noted that none of the interested parties have provided the relevant information. It is, thus, noted that the interested parties have not established the impact of the ADD on the user industry with verifiable information. Further, the domestic industry has quantified the impact of the recommended anti-dumping duty on the consumer industry and submitted that the impact is meagre.
108. The Authority notes that the domestic industry has provided evidence in their post oral hearing written submissions that the inputs for producing the PUC are produced globally. It is noted that the product is under free category and, therefore, can be freely imported from the various countries. The imposition of the anti-dumping measures would not restrict the imports from China in any way and, therefore, would not affect the availability of the product to the consumers. The imposition of the anti-dumping duties, therefore, would neither affect the availability of the product to the consumers nor create monopoly.

109. USA has also investigated the imports of the product under consideration into USA from China PR. USA imposed a significant quantum of the duties on the said imports, on finding that the imports are causing material injury to their domestic industry.
110. The Authority notes that the product is consumed mainly in residential and commercial air conditioning and the domestic industry has stated that a surge is projected in the domestic AC production and India is likely to witness a robust growth in HFCs in the next decade due to robust growth in Air Conditioner market, coupled with substitution of HCFC 22 with HFC 32 & HFC 410A. The domestic industry has increased the capacity from *** MT during 2016-17 to *** MT in 2018-19, *** MT as of March 2020. There is no demand supply gap in the country.
111. India is in the process of phasing out HCFC-22 which is likely to be replaced by the product under consideration which has a zero-ozone depleting potential (ODP). In addition, India has also approved the ratification of the Kigali Amendment to the Montreal Protocol, which aims at phasing down HFCs, which are regulated products under the Protocol and thereby reducing carbon footprint. As per the Protocol, India is not allowed to install any new HFC capacity beyond the year 2023. Further, India is not required to begin the phasing down before 2032. However, the demand for the product is expected to grow at a healthy pace for the next 10-12 years. In view of the rising demand for HFCs and restriction imposed under the Protocol for expansion after 2023, there is an immediate need to add fresh capacities in the country. The failure to add sufficient capacities during the next two years will force the domestic consumers and the domestic industry to become dependent on China for all the time to come. Thus, the Indian industry will have to complete any capacity expansion before these deadlines. Fair market opportunities are not only necessary but also desirable on this account.
112. Further, the capacity utilization of the domestic industry is low in the period of investigation and it declined as compared to the preceding year. The domestic industry had the potential to cater to the much higher degree of demand in India. However, due to the dumping of the product under consideration, the domestic industry was faced with unutilized capacity and had a much smaller share in the domestic market as compared to the Chinese imports. The Authority also notes that even when there are significant capacities in US and Japan, there are no imports from these countries in the POI. The domestic industry contended that the dumping by the Chinese producers has prevented these countries from selling in the Indian market.
113. It is noted that the interested parties have not demonstrated how the prices of the subject goods have adversely impacted the consumers. On the other hand, the domestic industry has submitted quantified information showing that the impact of the proposed antidumping duty on the user industry would be miniscule. The domestic industry has submitted that the cost of product under consideration in the final product is very minimal and will have almost no effect on the end-users. For example, assuming that an air conditioner of a capacity of 1 Ton costs in the range of Rs. 20,000 to 40,000. The amount of HFC Blends used in the air conditioner would be less than 1 kg. Assuming that 1 kg of HFC Blends costs around Rs. 300, the cost of the product under consideration on the end-consumer of the final product is very meagre. The interested parties contended that use of the product is not on one time basis and there are multiple refills. The Authority, however, notes that if the entire cost of the product in an AC is just Rs. 300, even costs on account of refill are not significant.
114. It is, thus, noted that the interested parties have not established possible adverse impact of the proposed ADD on the user industry with verifiable information. Thus, even if it is

considered that the imposition of the ADD might affect the price levels of the product manufactured using the subject goods, the impact of the antidumping duty on the eventual product would be grossly insignificant. Further, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the ADD is restricted to an amount necessary to redress the injury to the domestic industry. The objective of imposition of the anti-dumping measure is to remove the unfair advantages gained by the dumping practices; to prevent the injury to the domestic industry and help maintain availability of a wider choice to the consumers of the subject goods.

115. The Authority further notes that the recommendation for the imposition of duty is made only when the requisite legal requirements are met. The interested parties contended that the domestic industry has been using trade defence quite often. It is, however, noted that the domestic industry has reported that it is engaged in the production of 71 products and is at present protected by the ADD in 4 products. The ADD earlier in force on the imports of nylon tyre cord fabric and methylene chloride from China is no longer in force.
116. From the information on record, it is also noted that the impact of the anti-dumping duty is miniscule to the consumers of the product under consideration and the Authority is of the view that the imposition of the anti-dumping duty will be in the public interest.

L. CONCLUSION & RECOMMENDATIONS

117. After examining the submissions made by the interested parties and issues raised therein, and considering the facts available on record, the Authority concludes that:
- a. The Applicant constitutes the domestic industry under Rule 2(b) of the Rules and the application satisfied the criteria of standing in terms of Rule 5(3) of the Rules.
 - b. The product produced by the domestic industry is the like article to the product under consideration imported from the subject country.
 - c. The application contained all the information relevant for the purpose of initiation of the investigation and the application contained sufficient evidence to justify initiation of the investigation.
 - d. Considering the normal value and the export price for the subject goods, the dumping margins for the subject goods from the subject country have been determined, and the margins are significant.
 - e. The domestic industry has suffered material injury. The examination of the imports of the subject goods and the performance of the domestic industry clearly shows that the volume of the dumped imports from the subject country has declined in 2017-18 but increased thereafter in absolute terms and has remained significant in relative terms over the injury period. The imports from the subject country are undercutting the prices of the domestic industry. The imports from the subject country are suppressing the prices of the domestic industry. The capacity utilization of the domestic industry has declined significantly in the POI. The domestic industry has been suffering significant financial losses, cash losses and the negative return on the capital employed.
 - f. The material injury suffered by the domestic industry has been caused by the dumped imports.
 - g. Despite providing all formats for the users to quantify the impact of ADD and elaborate on how the imposition of the ADD will adversely impact them, none of the users have provided the relevant information. The interested parties have not established impact of the ADD on the user industry with verifiable information. Non-imposition of the anti-dumping duty will adversely impact the indigenous production of the product concerned and the fact that the impact of the antidumping duty is miniscule to the consumers of the product under consideration, the Authority is of the view that the imposition of anti-dumping duty will be in the public interest.

118. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, the exporters, the importers and the other interested parties to provide positive information on the aspect of the dumping, the injury and the causal link. Having initiated and conducted the investigation into dumping, injury and the causal link in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of the anti-dumping duty is required to offset the dumping and the injury. The Authority considers it necessary and recommends imposition of anti-dumping duty on imports of subject goods from the subject country.

119. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of the anti-dumping duty equal to the lesser of the margin of dumping and the the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of the antidumping duty on the imports of subject goods, originating in or exported from the subject country from the date of the notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col. 7 of the duty table appended below. The landed value of the imports for this purpose shall be the assessable value as determined by the Customs under Customs Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

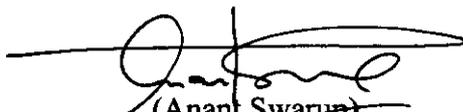
Duty Table

SN	Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9
1.	38247800	Hydrofluorocarbon Blends	China PR	Any country including China PR	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	2,160.27	MT	US\$
2.	-do-	-do-	China PR	Any country including China PR	Zibo Feiyuan Chemical Co., Ltd.	1,620.60	MT	US\$
3.	-do-	-do-	China PR	Any country including China PR	Shandong Dongyue Chemical Co., Ltd.	1,553.45	MT	US\$
4.	-do-	-do-	China PR	Any country including China PR	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd. and Sinochem Lantian Fluoro Materials Co., Ltd	1,837.14	MT	US\$

5.	-do-	-do-	China PR	Any country including China PR	Zhejiang Sanmei Chemical Ind. Co., Ltd.	1,899.68	MT	US\$
6.	-do-	-do-	China PR	Any country including China PR	Any other than S N 1. to 5.	2,250.56	MT	US\$
7.	-do-	-do-	Any other country other than country attracting anti-dumping duty	China PR	Any	2,250.56	MT	US\$

M. FURTHER PROCEDURE

120. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the appropriate Forum in accordance with the relevant provisions of the Act.


 (Anant Swarup)
 Designated Authority