Case No. AD (SSR)-10/2025

Government of India

Department of Commerce

Ministry of Commerce & Industry

Directorate General of Trade Remedies

FINAL FINDINGS

Sunset review investigation concerning imports of "Hydrofluorocarbon (HFC) Blends" originating in or exported from China PR.

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 7/17/2025-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi -110001

Dated: 18.09.2026

FINAL FINDINGS

Case No. AD (SSR)-10/2025

Subject: Sunset review investigation concerning imports of "Hydrofluorocarbon (HFC) Blends" originating in or exported from China PR.

Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as "Act") and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the "Anti-Dumping Rules" or "Rules") thereof,

1. SRF Limited (hereinafter referred to as the "applicant" or the "Domestic Industry" or "DI") filed an application before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of sunset review investigation of anti-dumping duty on imports of Hydrofluorocarbon (HFC) Blends (hereinafter also referred to as the "product under consideration" or the "subject goods") from the People's Republic of China ("China PR") (hereinafter referred to as the "subject country").

2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority issued a public notice *vide* Notification F. No. 7/17/2025-DGTR, dated 24thSeptember 2025, published in the Gazette of India, initiated the sunset review of the anti-dumping duty imposed on the imports of the product under consideration from China PR. The investigation was initiated in accordance with Section 9A (5) of the Act read with Rule 23 of the Rules to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the DI and if there is a need for continued imposition of the anti-dumping duties.

A. BACKGROUND OF THE CASE

3. The original anti-dumping investigation concerning imports of product under consideration from the subject country was initiated on 30th September 2020. Pursuant to

detailed investigation, anti-dumping duty were recommended *vide* Final Findings no. F. No.06/34/2020-DGTR dated 27th September 2021. The Ministry of Finance *vide* Notification No. 76/2021-Customs (ADD) dated 22nd December 2021 imposed anti-dumping duties for a period of 5 years.

4. In terms of Section 9A(5) of the Act, any anti-dumping duty imposed thereunder shall, unless revoked earlier, remain in force for a period not exceeding five (5) years from the date of imposition. The proviso to Section 9A(5) of the Act further provides for extension of such duty for an additional period of five (5) years where its cessation is likely to result in the continuation or recurrence of dumping and injury which reads as under: -

> "*Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period up to five years and such further period shall commence from the date of order of such extension*"

5. Further, Rule 23(1B) of the Rules provides as follows:

> "*any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated Authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry*"

6. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the DI, whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.

B. PROCEDURE

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

7.1 Initiation

i. 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.

ii. Upon examination of the application, the Authority found *prima facie* evidence of dumping and consequent injury. Therefore, *vide* Notification F. No. 7/17/2025-DGTR dated 24thSeptember 2025, the Authority initiated the present proceedings.

7.2 Period of investigation and injury period

iii. The Period of investigation (POI) was considered as 1st April 2024 to 31st March 2025. The injury period was set to cover the period 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023, 1st April 2023 to 31st March 2024 and the POI.

7.3 Import data

iv. A request was made to the Directorate General for Systems and Data Management ("DG System") for transaction-wise import data of the product under consideration for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of the transactions.

7.4 Circulation of non-confidential version of the application

v. In accordance with Rule 6(2), the Authority informed interested parties of the initiation of the investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject country, known importers of the subject goods in India and other interested parties, as per the information made available in the application.

vi. In accordance with Rule 6(3), the Authority provided a copy of the non-confidential version of the application to the government of the subject country through their embassy in India, known exporters of the subject imports and to other interested parties who requested in writing for a copy of the application.

vii. The Authority sent questionnaire to the government of the subject country through their embassy in India. The government of the subject country was requested to forward the initiation notification and the questionnaires to the producers of the product under consideration in their country and advise them to respond to the questionnaire within the prescribed time limit.

7.5 Intimation and participation by exporters of the subject country and users/importers of the product under considers in India

viii. The Authority sent exporter questionnaires to the following known producers/exporters of the subject goods calling for necessary information in accordance with Rule 6(4) of the Rules:

SN	Name of interested party
1	Ace Prosper Corporation
2	Arkema Daikin Advanced Fluorochemicals (Changshu) Co Ltd
3	Beijing Straget Chemicals Co., Ltd.
4	Changshu 3F Zhonghao New Chemicals Materials Co Ltd
5	Chemours - Mitsui Fluoroproducts Co Ltd
6	Daikin Arkema Refrigerants Asia Limited
7	Daikin Fluorochemicals (China) Co., Ltd.
8	Dongyang Weihua Refrigferants Co. Ltd.
9	Dongyue group

10	Dyaninc Limited
11	Fluo Shanghai International Trade Co., Ltd.
12	Fujian Qingliu Dongying Chemical Co Ltd
13	Hangzhou Juming Imp/Exp. Co. Ltd
14	Inner Mongolia Yonghe Fluorochemical Co Ltd
15	Jiangsu Meilan Chemical Co Ltd
16	Jiangsu Sanmei Chemical Industry Co Ltd
17	Jiangxi Nanfu Chemical Co Ltd
18	Jiangxi Xingfu Zhonglan New Materials Co Ltd
19	Jiangxi Zhongxin Artsen Chemical Materials Co Ltd
20	Jingxi Lee & Man Chemicals Co Ltd
21	Jinhua Yonghe Fluorochemicals Co Ltd
22	Juhua Group Co Ltd
23	Liaocheng Ruijin (Hong Kong) Co., Limited
24	Linhai Limin Chemicals Co Ltd
25	Liocheng Fuer New Materials Technology Co Ltd
26	Lu Xi Chemical (Hong Kong) Co., Limited
27	Meilan group
28	Ninhua Group Co., Ltd.
29	Ruyuan Dongyangguang Fluororesins Co Ltd
30	SC Ningbo International Ltd
31	Shaanxi Zhonglan Chemical Technology New Materials Co Ltd
32	Shandong Dongyue Chemicals Co Ltd
33	Shandong Huaan New Materials Co Ltd
34	Shanghai Huayi 3F New materials Co Ltd
35	Shaowu Yonghe Jintang New Materials Co Ltd
36	Sinochem Environmental Protection Chemicals Co., Ltd.
37	Sinochem Lantian Co Ltd
38	Sinochem Lantian Fluoro Materials Co. Ltd.
39	Sinochem Modern Environmental Protection Chemicals (Xi'an) Co Ltd
40	Sinochem Taicang Chemical Industrial Park
41	Taixing Meilan New Chemical Co Ltd
42	The Chemours 3F Fluorochemical S (Changshu) Co., Ltd.
43	The Chemours Chemical (Shanghai) Co. Ltd.
44	Zhejiang Fotech International Co.
45	Zhejiang Lantian Environmental Protection Fluoro Material Co., Ltd.
46	Zhejiang Quhua Fluorine Chemical Co Ltd
47	Zhejiang Quzhou Lianzhou Refrigerants Co. Ltd
48	Zhejiang Sanmei Chemical Industry Co Ltd
49	Zhejiang Yonghe Refrigerants Co Ltd
50	Zibo Aofan New Materials Co Ltd
51	Zibo Feiyuan Chemicals Co Ltd

ix. The following producers and exporters from the subject country have registered themselves as interested parties in the present investigation:

SN	Name of interested party
1	Shandong Dongyue Refrigerants Co., Ltd.

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

SN	Name of interested party
1	Ajay Air Products (P) Ltd.
2	Aone 9 Star Future Pvt. Ltd.
3	Chillaire Solutions
4	Cool Chem (Opc) Private Limited
5	Coolmate Refrigerants Pvt Ltd
6	Gorakhram Haribux
7	Hindustan Refrigeration Stores
8	Kartik Traders
9	Kolane Refrigerants
10	Mangali Petrochem Ltd.
11	Mexfluor India Private Limited
12	Mihama India Pvt Ltd
13	MPCL Industries Limited
14	Navin Fluorine International Limited
15	Refex Industries Limited
16	Shravan Engineering Enterprises P Ltd
17	Sikelan Chemicals India Pvt. Ltd.
18	Stallion Enterprises
19	Stallion India Fluorochemicals Pvt. Ltd.
20	T.T. International Co., Ltd.
21	Value Refrigerants Private Limited
22	Vijay Petrochem Private Limited

xi. In response to the initiation of the subject investigation, the following importers/users have registered themselves as interested parties in the investigation.

SN	Name of interested party
1	Gupta Oxygen Private Limited
2	MPCL Industries Limited

xii. In addition to the above, one association, namely, the Domestic Refrigerant Importers Association has registered themselves as an interested party in the present investigation.

7.6 Registered Interested Parties

xiii. A list of all interested parties that registered themselves within the prescribed timeline was uploaded on the website. All registered interested parties were directed to circulate the non-confidential version of all their submissions in the present proceedings with all other interested parties.

7.7 Economic Interest Questionnaire

xiv. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and impact of the duties on the wider economy. A copy of the EIQ was sent to the embassy of the subject country, all the known exporters, importers and users and the applicant. The EIQ was also shared with the administrative line ministry. A response to the economic interest questionnaire was filed by the following:

SN	Name of interested party
1	SRF Limited
2	Shandong Dongyue Refrigerants Co., Ltd.
3	Gupta Oxygen Private Limited
4	MPCL Industries Limited
5	Domestic Refrigerant Importers Association

3.1 Oral hearing

xv. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 4th February 2026. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.

3.2 Further Procedure

xvi. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings based on the facts available.

xvii. In accordance with Rule 7, information provided by the interested parties on a confidential basis was examined by the Authority with regard to the sufficiency of the confidentiality claimed. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide a non-confidential summary of the information filed on confidential basis.

xviii. In accordance with Rule 8, the Authority conducted verification of the data provided by the applicant and other interested parties to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.

xix. The Authority calculated the non-injurious price (NIP) for the product under consideration so as to ascertain whether duties lower than the dumping margin would be sufficient to remedy the injury being suffered by the applicant. The NIP has been calculated based on the optimum cost of production and cost to produce and sell the domestic like article in India, based on the information furnished by the applicant and having regard to the Generally Accepted Accounting Principles (GAAP).

xx. The Authority examined the issues raised, information provided, and submissions made by the interested parties during the course of the proceedings, to the extent they were supported by evidence and considered relevant to the present purpose, in making the final finding.

xxi. A disclosure statement dated 9th September, 2026 was issued by the Authority, in accordance with Rule 16 of the Anti-Dumping Rules disclosing the essential facts under consideration in the matter relating to the present anti-dumping investigation. The comments to disclosure statement received from the interested parties have been considered, to the extent found relevant and non-repetitive, in these final findings.

xxii. '***' represents information furnished by a party on confidential basis and so considered by the Authority under the Rules.

xxiii. The exchange rate adopted by the Authority for the subject investigation is 1 US$ = ₹ 85.43, being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the period of investigation. The same rate has been applied throughout this disclosure statement.[1]

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submission by the opposing interested parties

8. The opposing interested parties have not made any submissions with regard to the product under consideration and like article:

C.2 Submission by the applicant

9. The applicant has made the following submissions with regard to the product under consideration and like article:

    i. The product under consideration is "*Hydrofluorocarbon (HFC) Blends*". All blends other than R-407 and R-410 are excluded. R-407 is a blend of R-32 (difluoromethane), R-125 (pentafluoroethane), and R-134a (1,1,1,2 tetrafluoroethane). R-410 is a blend of R-32 and R-125.

    ii. HFC Blends are extensively used for refrigeration and air conditioning.

[1] https://foservices.icegate.gov.in/#/services/view

iii. The Ministry of Commerce and Industry vide Notification No. 59/2015-20 dated 9th March, 2022 had revised the import policy for the product under consideration from "Free" to "Restricted" under which imports were permitted through licences.

iv. The Notification No. 59/2015-20 merely prescribes the requirement of an import authorisation, subject to recommendation of the Ministry of Environment, Forest and Climate Change (MoEF&CC) – Ozone Cell. The notification does not prescribe any ceiling on the volume and value of the product imported.

v. The Authority has, in the past, conducted investigations and issued positive findings in several cases where the product under consideration was classified as 'Restricted' under the import policy or where imports were permitted only through licences/authorisations.

vi. The applicant has proposed to consider packed and unpacked as separate PCNs. The imports have taken place only for the unpacked form from the subject country.

vii. There is no known difference in the like article produced by the applicant and the product under consideration exported from the subject country.

C.3 <u>Examination by the Authority</u>

10. The product under consideration as defined in the original investigation and considered in the present initiation notification is reproduced below:

> *"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."*

11. The Authority notified the scope of the product under consideration and PCN methodology in the notice of initiation. The interested parties were asked to provide their comments on the scope of the product under consideration and PCN methodology, if any, within 15 days from the date of initiation of this investigation.

12. None of interested parties had advanced any argument with regard to the scope of the product under investigation.

13. The Authority, vide Final Finding Notification No. 06/34/2020-DGTR (para 102(f)), had accepted the applicant's proposal in the original investigation to treat packed and

unpacked forms as separate PCNs. In the present investigation, imports from the subject country have taken place only in the unpacked form.

14. With regard to PCN methodology, the DI had proposed to consider packed and unpacked forms of the product under consideration as separate PCNs. The Authority for the purpose of filing questionnaire response clarified the same product under consideration as defined in the original investigation and as considered in the present initiation notification *vide* Notification dated 28th October 2025.

15. No interested party filed any comments thereafter on the scope of the product under consideration during the course of this investigation.

➢ Scope of the product under consideration

16. The scope of the product under consideration as defined at the stage of initiation is confirmed. It is further clarified that the scope of the product under consideration is same as considered in the original investigation. The product under consideration in the present investigation is "Hydrofluorocarbon (HFC) Blends. All blends other than 407 and 410 are excluded.

➢ Production process of the product

17. R-407 is a blend of R-32 (difluoromethane), R-125 (pentafluoroethane), and R-134a (1,1,1,2-tetrafluoroethane). R-410 is a blend of R-32 and R-125.

➢ Uses of the product

18. HFC Blends are extensively used for refrigeration and air conditioning. 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.

➢ Customs classification

19. The product under consideration was classified in the original investigation under Chapter 38 of the Customs Tariff Act, 1975 under the HS Code 3824 78 00. The tariff classification has undergone a change from January 2022 to the HS Codes 3827 63 00 and 3827 64 00. The customs classification is only indicative and is not binding on the scope of the product under consideration.

➢ Import policy

20. The product belongs to the broad category of hydrofluorocarbons (HFCs) and is governed by the Kigali Amendment to the Montreal Protocol, which entered into force on 1st January 2019. Hydrofluorocarbons are greenhouse gases with high or very high Global Warming Potentials (GWPs) and are known to contribute significantly to climate change by trapping heat in the atmosphere. The Kigali Amendment is a global agreement that aims to phase down the production and consumption of HFCs with the objective of preventing significant increases in global temperatures. Under the agreement, countries

are required to gradually reduce their production and consumption of HFCs within prescribed timeframes. For this purpose, each country's reduction obligations are measured against a baseline level, which is calculated based on the average production/consumption of HFCs during a specified three-year reference period together with a prescribed percentage of the country's HCFC baseline production/consumption. This baseline serves as the benchmark from which subsequent phased reductions are calculated and monitored.

21. The baseline period, baseline calculation and phasedown schedule is divided into four groups as detailed below:

Article 5 Parties: Group 1 (including China PR)	Baseline years from 2020 to 2022
	Baseline calculation as average production/consumption of HFCs in 2020, 2021 and 2022 *plus* 65% of HCFC baseline production/consumption
	Reduction of 10% from the baseline beginning in 2029, increasing to 30% in 2035, 50% in 2040 and 80% in 2045.
Article 5 Parties: Group 2 (including India)	Baseline years from 2024 to 2026
	Baseline calculation as average production/consumption of HFCs in 2024, 2025 and 2026 *plus* 65% of HCFC baseline production/consumption
	Reduction of 10% from the baseline beginning in 2032, increasing to 20% in 2037, 30% in 2042 and 85% in 2047.
Non-Article 5 (Main Group)	Baseline years from 2011 to 2013
	Baseline calculation as average production/consumption of HFCs in 2011, 2012 and 2013 *plus* 15% of HCFC baseline production/consumption
	Reduction of 10% from the baseline beginning in 2019, increasing to 40% in 2024, 70% in 2029, 80% in 2034 and 85% in 2036.
Non-Article 5 (Belarus, the Russian Federation, Kazakhstan, Tajikistan & Uzbekistan)	Baseline years from 2011 to 2013
	Baseline calculation as average production/consumption of HFCs in 2011, 2012 and 2013 *plus* 25% of HCFC baseline production/consumption
	Reduction of 5% from the baseline beginning in 2020, increasing to 35% in 2025, 70% in 2029, 80% in 2034 and 85% in 2036.

22. The Directorate General of Foreign Trade, vide Notification No. 59/2015-20 dated 9th March 2022, revised the import policy for the product under consideration from 'Free' to 'Restricted', thereby requiring importers to obtain an import authorization, subject to recommendation of the Ozone Cell of the Ministry of Environment, Forest and Climate Change. The Authority notes that the requirement to obtain an import authorization does not prohibit imports of the product under consideration, nor does it preclude future imports. Import authorization requirements have been laid down for a specific purpose and is independent of trade remedy actions. The Authority does not consider it appropriate to take them into account for the present investigation.

➢ **<u>Like article by Domestic Industry</u>**

23. Rule 2(d) of the Rules provides the definition of "like article" as under:

> "*"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation."*

24. The Authority notes that there is no known difference between the product under consideration exported from the subject country and the like article supplied by the DI. The product under consideration produced by the DI and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and consumers can use them interchangeably. The Authority therefore holds that the product produced by the DI is a like article to the imported product.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submission by opposing interested parties

25. The opposing interested parties have made the following submissions with regard to the scope of the DI and its standing: -
    i. The applicant does not have a majority share in total Indian production as was the case in the original investigation.
    ii. If upstream products are not covered within the scope of product under consideration, then blenders who are not producing upstream products should also be considered as eligible DI.
    iii. The production and sales data of the supporter should be verified to ensure that they are not importing the product under consideration or its components significantly.

D.2 Submission by the applicant

26. The applicant has made the following submissions with regard to the scope of the DI and its standing:

    i. Other than the applicant, there is one other producer of the subject goods in India, namely, Gujarat Fluorochemicals Limited.

    ii. Gujarat Fluorochemicals Limited has separately filed its support letter with the Authority, supporting the application filed by the applicant.

    iii. The applicant constitutes "DI" within the meaning of Rule 2(b) and satisfy the criteria of "standing" in terms of Rule 5(3).

    iv. The applicant has not imported the product under consideration in the POI from the subject country.

    v. The applicant is not related to any exporters in the subject country or importers of the product under consideration into India.

D.3 Examination by the Authority

27. Rule 2(b) of the Rules define the term 'DI' 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 'DI' may be construed as referring to the rest of the producers*".

28. The application has been filed by SRF Limited. As per the information on record, there are other producers of the product under consideration in India. Further, one of the producers, namely Gujarat Fluorochemicals Limited has filed its support letter to the SRF Limited's application with the Authority. Gujarat Fluorochemicals Limited did not produce in 2021-22 and thereafter resumed production and domestic sales from 2022-23.

29. It has been stated by the applicant that following the imposition of anti-dumping duty on HFC Blends, certain new companies have commenced blending operations in India. These companies were earlier importing HFC Blends, but with the imposition of anti-dumping duty on HFC Blends, they have commenced blending operations in the domestic market. These companies are importing or buying R-125 from domestic market and blending them into HFC Blends. The applicant has quantified a production volume of *** MT for these companies based on imports of R-125 into India. It is seen that the DI too has sold the R-125 in the domestic market. The production of other producers of HFC Blend has been quantified based on the total imports of R-125 and domestic sales of the DI. The total production is quantified as below.

SN	Particulars	Production in MT	Share in production
1	SRF Limited	***	***
2	Gujarat Fluorochemicals Limited	***	***
3	Other producers	***	***
4	Total Indian production	***	***

30. SRF Limited alone accounts for 50-60% share in the total Indian production. The applicant along with supporter Gujarat Fluorochemicals Limited account for 60-70% of the total Indian production in the POI. The Authority has determined standing after including production of such domestic producers.

31. The Authority has examined the DG Systems transaction-wise import data and notes that neither SRF Limited nor Gujarat Fluorochemicals Limited imported the product under consideration during the POI either from the subject country or from any other country. The Authority further notes that neither SRF Limited nor Gujarat Fluorochemicals Limited is related to any exporter of the product under consideration in the subject country or to any importer of the product under consideration in India.

32. It is therefore held that SRF Limited constitutes "Domestic Industry" within the meaning of Rule 2(b) of the Rules and the application satisfies the criteria of "standing" in terms of Rule 5(3) of the Rules.

E. CONFIDENTIALITY AND MISC. SUBMISSIONS

E.1 Submission by opposing interested parties

33. The opposing interested parties have made the following miscellaneous submissions:
    i. The applicant has not provided the exact share or even a range of its share in total Indian production.
    ii. The applicant is a large, profitable and diversified multinational corporation with a significant global footprint. This is in addition to the fact that SRF Limited is a habitual user of trade remedial measures.

E.2 Submission by the applicant

34. The applicant has made the following miscellaneous submissions:
    i. With regard to the disclosure of share of applicant in total Indian production, this request for disclosure has been raised at a highly belated stage, well beyond the prescribed timeline as per the initiation notification.
    ii. Without prejudice to the same, the share of applicant in total Indian production has been disclosed in its written submissions.
    iii. The applicant is forced to become a habitual user of trade remedial measures because the producers in the subject country (in the respective investigations referred to) are habitual of dumping the product in the Indian market.

E.3 Examination by the Authority

35. The Authority made available the non-confidential version of the information provided by the various parties to all the other interested parties as per Rule 6(7). With regard to confidentiality of the information submitted by the interested parties, Rule 7 of the Rules provides as follows:

> "*7. Confidential Information:*
> *(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, 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 interested parties providing information on confidential basis to furnish nonconfidential 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 summarisation 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 authorize its disclosure in a generalized or summary form, it may disregard such information.*"

36. It is seen that the DI and interested parties have claimed confidentiality on information, such as production, capacity, capacity utilization, sales volumes, market share, selling price, costs, profits, cash profits, return on capital employed, non-injurious price, cost of production related information, normal value, export price, dumping margin, landed price, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers names, etc. It is also seen that wherever information is for injury period, the same has been provided on indexed basis. Wherever information pertains to single year, the same has been disclosed in range, if such disclosure does not compromise confidentiality of information. The interested parties have claimed confidentiality in various supporting documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same has been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible of summary and have given reasons why summarisation is not possible.

37. The Authority has consistently allowed interested parties to claim confidentiality on such information and documents provided by DI, foreign producers and other interested parties in all investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.

38. With regard to the interested party's argument that the DI did not disclose its exact share or range of share in total Indian production in the application, the Authority notes that the range of the DI's share in total Indian production during the POI, including the share with the supporter, has been disclosed by the DI in its written submissions. The share has further been disclosed in the present disclosure statement.

39. With regard to the interested party's submission that the DI is a habitual initiator of trade remedy investigations, the Authority notes that while multiple anti-dumping investigations have been conducted in the past, these Investigations have been initiated, and recommendations for imposition of duty made (wherever warranted), pursuant to the requirements as per the Act and the Rules. Similarly, in the present case, the Authority had initiated this investigation on the basis of duly substantiated written application submitted by the DI and having reached satisfaction based on the prima facie evidence submitted by the DI concerning the likelihood of continuation/recurrence of dumping and injury, and in accordance with Section 9A(5) of the Act read with Rule 23 (1B) of the Rules.

F. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.1 Submission by opposing interested parties

40. The opposing interested parties have made the following submissions with regard to normal value, export price and dumping margin:
    i. Shandong Dongyue Refrigerants Co., Ltd. has fully cooperated with the Authority in this investigation and has submitted a complete questionnaire response in the prescribed format.
    ii. If the Authority decides to construct normal value, it should adopt Shandong Dongyue Refrigerants Co., Ltd.'s actual consumption norms, as consumption is a factor of technology and efficiency unrelated to non-market economy conditions.
    iii. There have been no exports by Shandong Dongyue Refrigerants Co., Ltd. in the POI. The producer had participated in the original investigation. If the Authority decides to recommend the imposition of an anti-dumping duty, the Authority should recommend the same rate of anti-dumping duty for Shandong Dongyue Refrigerants Co., Ltd.

F.2 Submission by the applicant

41. The applicant has made the following submissions with regard to normal value, export price and dumping margin:

    i. China PR should be considered a non-market economy. Should it be contended that Article 15(a)(ii) of China PR's Accession Protocol has already ceased and therefore the same cannot be applied to the present case, Article 15(a)(i) is still applicable and must be considered for determination of normal value for China PR.

    ii. The obligation under 15(a)(i) of China PR's Accession Protocol require the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied by the exporter.

    iii. Since Chinese producers are not entitled to market economy treatment, the Designated Authority should follow para 7 of Annexure I of the Rules for the determination of Normal Value.

    iv. The applicant could not determine normal value based on price in a market economy third country or the constructed value in a market economy third country since no information was available in this regard.

    v. Since there are sufficient quantities of imports of the product under consideration from European Union to India, the applicant has determined normal value on the basis of import price from European Union to India. Since the import price is on CIF basis, appropriate adjustments have been made to arrive at ex-factory basis.

    vi. The applicant has also determined normal value on the basis of price paid in India and price payable in India (i.e., cost of production with reasonable addition for margins).

F.3 Examination by the Authority

F.3.1 Normal value

42. Under section 9A (1) (c), 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 profit, 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 transshipped 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.

43. The Authority notes the following relevant provisions with regard to the determination of normal value for China PR. Provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules are as under:

"*7. In case of imports from non-market economy countries, normal value shall be determined on the basis of 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 of the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.*

8. (1) The term "non-market economy country" means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the non market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3).

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output,

sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as market economy country which, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization."

44. Response to the Exporter's Questionnaire has been filed by the following producers/exporters from China PR.

SN	Name of interested party
a.	Shandong Dongyue Refrigerants Co., Ltd.

45. It is seen that Shandong Dongyue Refrigerants Co., Ltd. has not exported the product under consideration to India in the POI.

46. At the stage of initiation, the Authority proceeded with the presumption of treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information on whether their data/information could be adopted for normal value determination. The Authority sent copies of the market economy treatment/supplementary questionnaire to all the known producers/exporters in China PR to provide relevant information in this regard.

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

"*(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),, l4(c) and l4(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."

48. It is noted that while the provision contained in Article 15 (a)(ii) of China's Accession Protocol has expired on 11th December 2016, the provision under Article 2.2.1.1 of WTO read with obligation under Article 15(a)(i) of the Accession Protocol require the criterion

stipulated in para 8 of Annexure I of the Rules to be satisfied through information/data to be provided in the supplementary questionnaire on claiming the market economy status.

49. The Authority notes that none of the producers/exporters from China PR have filed the market economy questionnaire to rebut this presumption as mentioned in para 8 of Annexure I of the Rules. Under these circumstances, the Authority has to proceed in accordance with para 7 of Annexure I of the Rules.

50. It is noted that paragraph 7 of Annexure I to the Rules stipulates three methods of constructing the normal value for non-market economies: (a) on the basis of price or constructed value in a market economy third country; (b) export price from a third country to other countries, including India; and (c) on any other reasonable basis**.** The Authority notes that under the provisions of paragraph 7 of Annexure-I to the AD Rules, the normal value must first be determined on the basis of the price or constructed value in a market economy third country, or the price of the exports from such country to other countries, including India. However, when such basis is not possible, only then the Authority can determine normal value on any other reasonable basis, including the price paid or payable in India.

51. In the application filed before the Authority, the DI had submitted that data relating to cost and price in market economy third country was not available. The DI submitted that import volume from European Union to India is significant in volume and was therefore sufficient to be considered as a basis for normal value. The DI accordingly provided normal value on the basis of import price from European Union to India. Since the import price is on CIF basis, appropriate adjustments had been made to arrive at ex-factory basis. The DI had also claimed normal value based on the price paid in India and price payable in India, duly adjusted for reasonable administrative, selling and general costs, and profits.

52. It is noted that paragraph 7 of Annexure I to the Rules provides that hierarchy is required to be followed. It is seen that since there are significant imports from European Union to India, the normal value is first required to be determined based on the exports from European Union to India. Hon'ble CESTAT in the matter of *Kuitun Jinjiang Chemical Industry Co. Ltd. vs Union of India* has held that level of development of the country concerned would be relevant only if the domestic sale price or cost of production of a market economy third country is adopted and not when exports from market economy third country to India is considered for determination of normal value. The Hon'ble Tribunal considered that the price in international trade is a function of demand and supply in the international market and is not affected by the level of development of the supplier country. European Union being a non-subject country with no anti-dumping measure in force and with import volume being quite significant, the CIF price from European Union is representative in nature. The Authority has made appropriate adjustments on various elements like ocean freight, port expenses, inland freight, credit cost and marine insurance and bank charges as per consistent practice for arriving at an

ex-factory price. The normal value so constructed is mentioned in the dumping margin table.

F.3.2 Export price

53. Response to the Exporter's Questionnaire has been filed by only one producer/exporter from China PR, namely Shandong Dongyue Refrigerants Co., Ltd. It is seen that Shandong Dongyue Refrigerants Co., Ltd. has not exported the product under consideration to India in the POI. Since no exports have been made by the company to India in the POI, individual dumping margin has not been determined for the company.

54. In the absence of cooperation from any other producers/exporters from China PR, the Authority has determined the net export price from China PR on the basis of DG System transaction wise data. Since this data is on CIF terms, adequate adjustments on account of ocean freight, port expenses, inland freight, credit cost and marine insurance and bank charges have been made to arrive at ex-factory level. As no imports of "HFC-Blends Packed" form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for "HFC- Blends Unpacked" form. The ex-factory export price, as determined, is shown in the dumping margin table below.

F.3.3 Dumping margin

55. Considering the normal value and the export price for the product under consideration as determined above, the normal value for the product under consideration from the subject country has been determined based on Para 7 of Annexure 1 of AD Rules. The Dumping Margin calculated is shown below: -

SN	Particulars	Normal value $/MT	Export price $/MT	Dumping margin		
				$/MT	%	Range
1	All producers and exporters from China PR	***	***	***	***	30-40

56. It is seen that the dumping margin is more than *de-minimis* for the producers/exporters from China PR.

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submission by opposing interested parties

57. The opposing interested parties have made the following submissions with regard to assessment of injury and causal link:
    i. Since no exports have been made by the company to India in the POI, individual dumping margin has not been determined for the company.

ii. If the submission of DI is correct that anti-dumping duty on HFC Blends has led to dumping of upstream product R-125, then the anti-dumping duty on HFC Blends should be withdrawn.

iii. The applicant's own data submitted in the application demonstrates a significant improvement across all key performance parameters during the POI.

iv. The applicant's domestic sales volume has grown by more than four times since the base year.

v. The production of the applicant has also increased by 25% over the injury period.

vi. The profitability of the applicant has more than doubled during the POI as compared to the base year.

vii. The consistent growth across all critical parameters demonstrates that there is not price injury or suppression.

viii. The presence of imports from other countries at prices significantly higher than those from China PR indicates that price is not the only factor driving purchasing decisions in the Indian market.

G.2 <u>Submission by the applicant</u>

58. The applicant has made the following submissions with regard to assessment of injury and causal link:

i. Imposition of anti-dumping duty on HFC Blends led to discovery of new market in India. Companies which were earlier importing HFC Blends, but with the imposition of anti-dumping duty on HFC Blends, they have started blending operations in the domestic market. These companies are importing or buying R-125 from domestic market and converting them into HFC Blends.

ii. Exports of R-125 from China to India have significantly increased in POI and the immediately preceding year while exports of R-32 and HFC Blends have declined during the same period. The exports of HFC Blends only declined because the producers shifted to R-125.

iii. Anti-dumping duty on R-125 which the Authority is currently investigating will serve limited purpose if duty is not imposed on HFC Blends.

iv. The demand declined in 2022-23, increased in 2023-24 and the POI. The POI has seen a steep increase in the sales of other domestic producers. These producers have access to low priced R-125.

v. Imports from subject country increased in 2022-23, declined in 2023-24 and thereafter declined again in the POI.

vi. Imports in relation to Indian production and consumption increased in 2022-23, declined in 2023-24 and thereafter declined again in the POI.

vii. The landed price of imports in the POI is below the selling price of the applicant. The price undercutting is positive.

viii. The cost of sales has increased over the injury period by 20% but the selling price has increased by only 5%. The increase in the selling price is less than the increase in the cost of sales. The selling price has not moved in line with the cost.

ix. The POI has seen a steep increase in the sales of other domestic producers. These producers have access to low priced R-125.

x. The capacity of the applicant has remained the same over the injury period including in the POI.

xi. The applicant's production and domestic sales have increased over the injury period because of existing anti-dumping duty on HFC Blends.

xii. The imposition of anti-dumping duty has allowed the applicant to grow in the market and the applicant's market share has increased over the injury period including the POI. The market share of dumped imports has declined. However, market share of China PR has increased through imports of R-125.

xiii. The applicant's inventory has declined in 2022-23, increased again the 2023-24 and further increased in the POI.

xiv. The profit per unit, profit before interest and cash profit of the applicant declined in 2022-23, further declined in 2023-24 and increased thereafter in the POI.

G.3 Examination by the Authority

59. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the DI, *"... 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 the domestic producers of such articles…*". In considering the effect of the dumped imports on 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 prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the DI in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

60. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DG System.

61. The Authority notes that R-407 is a blend of Difluoromethane (R-32), Pentafluoroethane (R-125) and 1,1,1,2-Tetrafluoroethane (R-134a), whereas R-410 is a blend of R-32 and R-125. These Blends are subsequently used in residential and commercial refrigeration and cooling applications. The Authority further notes that anti-dumping duties are presently in force in India on imports of R-32, R-134a and HFC Blends, which are scheduled to expire on 21st December 2026, 24th December 2030 and 23rd December 2026 respectively. The table below shows the import volume from China PR in the ongoing investigations on HFC Blends and R-125.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Import from China PR - HFC Blends	MT	4,556	1,229	1,703	367

2	Trend	Indexed	100	27	37	8
3	Import from China PR - R-125	MT	20	60	1,308	2,020
4	Trend	Indexed	100	300	6540	10,100

62. It is seen that following the imposition of anti-dumping duties on imports of HFC Blends from the subject country on 22nd December 2021, exports of HFC Blends from the subject country declined significantly. At the same time, from 2023-24, exports of R-125 from the subject country increased significantly. R-125 is primarily consumed in the manufacture of HFC Blends, namely R-407 and R-410. An anti-dumping investigation on the imports of R-125 is currently underway.

G.3.1 <u>Assessment of demand/apparent consumption</u>

63. For the purpose of the present investigation, demand or apparent consumption of the like article in India has been defined as the sum of domestic sales of the DI, domestic sales of supporter, domestic sales of other Indian producers and the imports from all sources. The demand so assessed is given in the table below.

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Sales of DI	MT	***	***	***	***
2	Trend	Indexed	100	199	253	448
3	Sales of supporter	MT	***	***	***	***
4	Trend	Indexed	-	100	120	40
5	Sale of other Indian producers	MT	***	***	***	***
6	Trend	Indexed	100	250	5,692	11,542
7	Imports from the subject country	MT	4,556	1,229	1,703	367
8	Trend	Indexed	100	27	37	8
9	Imports from other countries	MT	18	476	395	593
10	Trend	Indexed	-	100	83	124
11	Total demand	MT	***	***	***	***
12	Trend	Indexed	100	58	122	176

64. It is seen that demand had declined in 2022-23, increased in 2023-24 and thereafter increased again in the POI. Overall, the demand has increased over the injury period.

65. It has been submitted that the demand for the year 2021–22 witnessed an abnormal increase, followed by a corresponding and abnormal decline in 2022–23. This fluctuation was allegedly attributable to an unwarranted surge in imports during 2021–22, for, inter alia, the following reasons:

a. 2022 was a critical year for Chinese HFC producers, as it represented the final year for determining China's baseline production and consumption of HFCs; and

b. The anti-dumping investigation in India was ongoing during 2021–22, prompting exporters to export the product under consideration in substantial volumes. Anti-dumping duty was subsequently imposed on the product under consideration with effect from 22 December 2021.

H.3.2 <u>Volume effect of the dumped imports</u>

66. With regard to the volume of imports, the Authority is required to consider whether there has been a significant increase in dumped imports from the subject country, either in absolute terms or relative to production or consumption (both excluding and including captive consumption of the DI) in India. The same is analysed in the table below.

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Imports of HFC Blend from the subject country	MT	4,556	1,229	1,703	367
2	Imports of R-125 from China PR	MT	20	60	1,308	2,020
3	Imports of R-125 converted into Blend	MT	40	120	2,616	4,040
4	Total imports from China PR	MT	4,596	1,349	4,319	4,407
5	Imports of HFC Blend from the subject country in relation to:					
a	India production	%	***	***	***	***
b	Trend	Indexed	100	34	23	3
c	Indian demand	%	***	***	***	***
d	Trend	Indexed	100	47	31	5
g	Total imports	%	100%	72%	81%	38%
h	Trend	Indexed	100	72	81	38

67. It is seen that:

a. The volume of imports of HFC Blend from the subject country declined substantially over the injury period, from 4,556 MT in 2021–22 to 367 MT during the POI. Although imports increased from 1,229 MT in 2022–23 to 1,703 MT in 2023–24, then declined thereafter and remained significantly below the level recorded in the base year.

b. Imports of HFC Blend from the subject country, both in absolute terms and in relation to Indian production and demand, declined materially during the injury period. Their share in Indian production declined from ***% in 2021–22 to ***% during the POI, while their share in Indian demand declined from ***% to ***% over the same period. The corresponding indexed trends also demonstrate a sustained decline.

c. The share of imports of HFC Blend from the subject country in total imports declined from 100% in 2021–22 to 38% during the POI. Although this share increased in 2023–24 as compared with 2022–23, it declined again during the POI and remained substantially below the level recorded in the base year.

d. The Authority further notes that the decline in imports of HFC Blend from the subject country coincided with a substantial increase in imports of R-125 from China PR. Imports of R-125 increased from 20 MT in 2021–22 to 2,020 MT during the POI, corresponding to an estimated blend-equivalent volume of 4,040 MT. Consequently, total imports from China PR, comprising imports of HFC Blend and R-125 converted into blend-equivalent quantities, declined from 4,596 MT in 2021–22 to 4,407 MT during the POI, after declining in 2022–23 and increasing thereafter.

e. Accordingly, while the imports of HFC Blend from the subject country indicate a decline either in absolute terms or relative to Indian production or demand, the data indicates a material shift in the composition of imports from China PR, with imports of R-125 substantially replacing imports of HFC Blend during the latter part of the injury period.

68. The Authority has also examined whether the decline in imports of HFC Blend from the subject country may be attributed solely to a reduction in demand. The decline in imports of HFC Blend and increase in imports of R-125 suggest that the reduction in imports of the subject goods reflect a change in the form of product exported rather than a corresponding cessation of Chinese supply.

G.3.3 <u>Price effect of the dumped imports</u>

69. With regard to the effect of the dumped imports on prices of the DI, 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 prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the DI on account of the dumped imports from the subject country has been examined with reference to price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production and net sales realization (‘NSR’) of the DI have been compared with the landed price of imports of the subject goods from the subject country.

a. <u>Price undercutting</u>

70. For the purpose of price undercutting analysis, the net sales realization of the DI has been compared with the landed value of imports from the subject country. It is however, noted that the entirety of imports are in unpacked form. Therefore, the undercutting has been determined by comparing with the selling price of the domestic industry for unpacked form. The table below shows the price undercutting over the POI.

SN	Particulars	Unit	Packed	Unpacked	POI
1	Import volume	MT	-	403	403
2	Net sales realization	Rs/MT	-	***	***
3	Landed price	Rs/MT	-	3,27,852	3,27,852
4	Price undercutting	%		***	***
5	Price undercutting	Rs/MT		20-30%	20-30%

71. It is seen that in the POI, the price undercutting is positive and significant.

a. <u>Price suppression/depression</u>

72. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress such prices to a significant degree or prevent price increase which otherwise would have occurred in normal course, the changes in the costs and prices over the injury period are examined as below:

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Cost of sales	Rs/ MT	***	***	***	***
2	Trend	Indexed	100	133	117	121
3	Selling price*	Rs/ MT	***	***	***	***
4	Trend	Indexed	100	115	102	105
5	Landed price	Rs/ MT	3,23,458	3,19,367	2,64,967	3,23,831
6	Trend	Indexed	100	99	82	100
7	Landed price (inclusive of anti-dumping duty)	Rs/MT	4,40,538	4,45,291	3,94,979	4,56,537
8	Trend	Indexed	100	101	90	104

* *Consists of both packed and unpacked*

73. It is seen that the cost of sales of the DI increased significantly in 2022-23 by Rs [***] per MT. This was the first full year of ADD being in force. While the DI could increase its selling price, it was not able to increase to the full extent of increase in costs (DI increased by Rs [***] per MT only) because of decline in Chinese prices. The cost of sales thereafter declined in 2023-24 by Rs [***] MT while the selling price declined by Rs [***] per MT. In the POI, while the cost of sales increased by Rs [***] per MT, the selling price increased by Rs [***] per MT.

74. A comparison of changes in cost of sales, selling price with landed price of imports thus show that that DI increased its selling price in 2022–23, while the landed price declined. This was the year when anti-dumping duty was in full effect. However, the DI was not able to increase its selling price in proportion to the extent of increase in cost of sales because the landed price including anti-dumping duty was still below the selling price of the DI. In 2023-24, the landed price further declined resulting in the DI reducing its selling price.

75. The Authority thus notes that while the current volume of imports of the PUC is quite low because of landed price of imports after addition of ADD being higher than the selling price of the DI and because of dumped imports of R-125 being sold as blends in the market, the imports of PUC are likely to suppress and depress the prices of the DI in the absence of anti-dumping duty.

G.3.4 Economic parameters of the DI

i. Capacity, production, capacity utilization and sales volumes

76. The capacity, production, capacity utilization and sales volumes of the DI over the injury period is given in the table below.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Capacity (plant capacity)	MT	***	***	***	***
2	Trend	Indexed	100	100	100	100
3	Production	MT	***	***	***	***
4	Trend	Indexed	100	78	95	125
5	Capacity utilization	%	***	***	***	***
6	Trend	Indexed	100	78	95	125
7	Domestic sales	MT	***	***	***	***
8	Trend	Indexed	100	199	253	448
9	Export sales	MT	***	***	***	***
10	Trend	Indexed	100	70	81	91

77. It is seen that:

i. The capacity of the DI has remained the same over the injury period.

ii. The production and capacity utilization of the DI declined in 2022-23 with the decline in demand. Production and capacity utilization thereafter increased in 2023-24 and increased again in the POI. Overall, the production and capacity utilization has increased over the injury period. However, the production and capacity utilization over the injury period including the POI remains significantly low despite anti-dumping duty in place, and considering the demand for the product in India. Despite imposition of ADD on the PUC, dumping of R-125 resulted in continued availability of HFC blend (in the form of imported R-125) thus preventing the DI from producing and selling more to the extent of demand for the product in the Country. Further, other domestic producers, on the strength of dumped Chinese R-125 were again to gain significant sales and market share, in substitution to the sales and market share earlier held by Chinese producers.

iii. The domestic sales of the DI have increased over the injury period. Despite having sufficient capacity to cater the entire demand in India, the domestic sale of the DI over the injury period including the POI is significantly below its ability to sell the product. Dumped imports of R-125 prevented increase in sales of the DI.

iv. The export sales of the DI have declined in 2022-23, increased in 2023-24 and thereafter increased again in the POI.

78. The Authority notes that while the anti-dumping duty has ensured that the DI has been able to increase its production, capacity utilization and domestic sales in the domestic market, dumped imports of R-125 in the domestic market have prevented these volume parameters to grow in line with its ability and capacities available with the DI.

ii. <u>Market share</u>

79. The market share of the DI is given in the table below.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	DI	%	***	***	***	***
2	Trend	Indexed	100	343	208	255
3	Supporter	%	***	***	***	***
4	Trend	Indexed	-	100	57	13
5	Other Indian producer (purchasers of R-125)	%	***	***	***	***
6	Trend	Indexed	100	432	4,674	6,562
7	Subject country	%	***	***	***	***
8	Trend	Indexed	100	47	31	5
9	Other countries	%	***	***	***	***
10	Trend	Indexed	-	100	39	41

80. It is seen that:

i. The market share of the DI increased in 2022-23, declined in 2023-24 and thereafter increased again in the POI. The decline in market share in 2023-24 is because of increase in market share of other Indian producers significantly during the same period. Existence of anti-dumping duty has allowed the DI's market share to improve over the injury period. However, the same was not commensurate with its ability to cater to within the domestic market because of market share gained by other domestic producers on the strength of dumped R-125.

ii. The market share of other Indian producers, which was insignificant till 2022-23, increased significantly in 2023-24 and the POI with the increase in dumped imports of R-125, which were used by other Indian producers to produce the subject goods.

iii. Imports from the subject country has declined over the injury period.

iii. <u>Inventory</u>

81. The information with regard to inventory is provided below.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Opening inventory	MT	***	***	***	***
2	Trend	Indexed	100	126	56	94

3	Closing inventory	MT	***	***	***	***
4	Trend	Indexed	100	44	75	145
5	Average inventory	MT	***	***	***	***
6	Trend	Indexed	100	80	66	122

82. The Authority notes that the closing inventory of the DI has declined in 2022-23, increased in 2023-24 and further increased in the POI. The production of HFC Blends involves a simple process of blending the constituent components and, therefore, does not require the DI to maintain significant inventories.

iv. Profitability

83. The relevant information is given below: -

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Profit /(Loss)	Rs/MT	***	***	***	***
2	Trend	Indexed	100	55	48	50
3	Profit /(Loss)	Rs Lakhs	***	***	***	***
4	Trend	Indexed	100	109	122	223
5	PBIT	Rs/MT	***	***	***	***
6	Trend	Indexed	100	55	48	50
7	PBIT	Rs Lakhs	***	***	***	***
8	Trend	Indexed	100	109	122	223
9	Cash Profit	Rs/MT	***	***	***	***
10	Trend	Indexed	100	55	49	50
11	Cash Profit	Rs Lakhs	***	***	***	***
12	Trend	Indexed	100	110	125	224
13	Return on investment	%	***	***	***	***
14	Trend	Indexed	100	64	45	47

84. It is seen that:
    i. The profitability of the DI when seen on per unit basis has declined over the injury period. Profit per unit, profit before interest and cash profit per unit have all declined over the injury period.
    ii. Profitability, profit before interest and cash profit in Rs lakhs on total domestic sales have increased over the injury period because of increase in domestic sales.
    iii. The return on investment of the DI has declined in 2022-23 and 2023-24 and thereafter remained the same in the POI. Overall, there is significant decline in return on investment.

85. The anti-dumping duty has resulted in DI remaining profitable, even though the return on investment is low. The DI was in financial losses in the original investigation. While the DI was earlier competing with dumped imports of the product under consideration, it is

now competing with the dumped Chinese imports of R-125 being sold in the market as PUC by other Indian producers (excluding Gujarat Fluorochemicals Limited).

v. Productivity, employment and wages.

86. Employment, wages and production per day and per employee of the DI over the injury period is given in the table below:

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Production per day	MT	***	***	***	***
2	Trend	Indexed	100	78	95	125
3	Production per employee	MT	***	***	***	***
4	Trend	Indexed	100	78	95	125
5	No. of employees	Nos.	***	***	***	***
6	Trend	Indexed	100	100	100	100
7	Salary and wages	Rs Lakhs	***	***	***	***
8	Trend	Indexed	100	120	123	163

87. It is seen that:
  i. The production per day of the DI has declined in 2022-23, increased in 2023-24 and thereafter increased again in the POI.
  ii. The production per employee has also improved over the injury period.
  iii. Number of employees of the DI has remained the same over the injury period. The Authority notes that production process of the subject goods only involves blending of different HFC gases and therefore, the DI does not employ a dedicated workforce for this product.
  iv. The salary and wages of the DI have increased over the injury period including the POI.
  v. The DI has submitted that these parameters are dependent on several other factors and therefore do not reflect any injury suffered by the DI.

vi. Ability to raise capital investment.

88. It is seen that the anti-dumping duty has enabled the DI to improve its sales of the product under consideration and at profitable level (though the ROI earned is low). The DI has submitted that measures have allowed it to manage its working capital requirements and therefore its ability to finance its working capital needs (and the capital employed) has not been adversely affected.

vii. Growth.

89. The following table shows the growth parameters of the DI over the injury period.

SN	Particulars	Unit	2022-23	2023-24	POI
1	Production	%	-22%	22%	31%
2	Domestic sales	%	99%	27%	77%

3	Closing inventory	%	-56%	69%	93%
4	Profit /(Loss) per MT	%	-45%	-12%	3%
5	Profit /(Loss) Rs lakhs	%	9%	12%	82%
6	PBIT Rs/MT	%	-45%	-12%	3%
7	PBIT Rs lakhs	%	9%	12%	82%
8	Cash Profit Rs lakhs	%	10%	14%	80%
9	Cash Profit per MT	%	-45%	-11%	2%
10	ROI	%	-36%	-29%	4%

90. It is seen that the DI has recorded a negative growth in price parameters such as profit, profit before interest, cash profit and return on capital employed in 2022-23 and 2023-24. However, these parameters recorded a marginal improvement in the POI. While the volume because have shown a positive growth consistently over the injury period.

viii. <u>Magnitude of dumping margin</u>.

91. It is seen that the imports into India from the subject country continued at dumped prices. The dumping margin is above *de minimis* and significant.

ix. <u>Factors affecting domestic prices.</u>

92. It is seen that the post imposition of anti-dumping duty on HFC Blends in 2021-22, the landed price of imports has continuously remained below the cost of sales and selling price of the DI. The anti-dumping duty in place has prevented the dumped imports from selling the product below costs. However, dumping of R-125, which are being sold in the market after blending as PUC have prevented the DI from aligning its prices in proportion to the Changes in costs.

93. This has resulted in the profitability parameters (on a per unit basis) and return on investment of the DI declining over the injury period.

G.3.5 Conclusions of injury.

94. Based on the above, the following can be considered: -
    a. The import volume from the subject country declined sharply due to the imposition of anti-dumping duty and with increase in imports of HFC R-125.
    b. The import price is below the selling price and cost of sales of the DI, but the anti-dumping duty has prevented financial losses to the DI.
    c. The volume parameters of the DI capacity utilization, production and domestic sales have improved after the imposition of anti-dumping duty. It is however seen that the DI could achieve only a low market share as it faced competition with dumped Chinese R-125, which was sold as PUC by other domestic producers.
    d. The closing inventory of the DI declined till 2023-24 but has increased in the POI.
    e. The market share of the DI first increased in 2022-23, and then has declined significantly. Market share of Indian industry as a whole has increased. The market share of Chinese suppliers was low in respect of the PUC. The same however

remained significant through dumped imports of R-125, which was sold as PUC by other domestic producers. The market share of other domestic producers who resorted to blending of Chinese R-125 increased very significantly by the time of POI.

f. The profitability of the DI has declined when seen over the injury period. Total profits earned in the PUC however increased with the increase in domestic sales volumes.

g. The DI has been able to improve its volume and profit parameters. However, the information on record shows the vulnerability of the DI to dumped imports, as is established by declining per unit profits, cash profits and ROI.

h. The Chinese producers have maintained very high market share in India – whether in the form of the product under consideration or in the form or R-125 sold as PUC by other domestic producers. This is despite significant production capacities with the DI.

95. It is thus concluded that the performance of the DI has remained fragile over the injury period because of Chinese dumping.

H. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY TO THE DI.

H.1 Submission by opposing interested parties

96. The opposing interested parties have made the following submissions with regard to likelihood of continuation or recurrence of injury:

i. Under the Montreal Protocol's Kigali Amendment, China PR is legally obliged to freeze and thereafter phase down its production and consumption of HFCs.

ii. Shandong Dongyue Refrigerants Co., Ltd.'s capacity for the product under consideration has declined over the injury period due to international obligations under the Montreal Protocol.

iii. Shandong Dongyue Refrigerants Co., Ltd. has not exported the product under consideration to India during the POI.

iv. The 'restricted' import policy for the product under consideration requires import authorization subject to the recommendation of the Ozone Cell, meaning the license is not automatic. This fundamentally alters the likelihood of dumping compared to the original investigation.

v. General allegations, highlighting dumping practices of the subject goods by China PR in multiple jurisdictions are irrelevant to the specific facts of this sunset review.

vi. There is no evidence on record linking Shandong Dongyue Refrigerants Co., Ltd. to any circumvention practices with regard to the product under consideration.

H.2 Submission by the applicant

97. The applicant has made the following submissions with regard to likelihood of continuation or recurrence of injury:

i. For the purpose of examination of likelihood, only the data of the participating producer cannot be considered. The Authority is requested to examine the third country price behavior and surplus capacities based on the information provided by the applicant as well.

ii. China PR's ability to dump HFC components and the product under consideration is evident from the multiple trade remedy investigations conducted on China PR across multiple jurisdictions.

iii. The producers in China PR have also resorted to circumvention practices wherein the product under consideration was sold through other countries into the markets where they were attracting measures.

iv. Prior to the imposition of anti-dumping duty, the applicant and Gujarat Fluorochemicals Limited alone were the producers of the product under consideration in India.

v. Imposition of anti-dumping duty on HFC Blends led to discovery of new market in India. These companies were earlier importing HFC Blends, but with the imposition of anti-dumping duty on HFC Blends, they have started blending operations in the domestic market. These companies are importing or buying R-32 and R-125 from domestic market and converting them into HFC Blends.

vi. China PR has evaded anti-dumping duty on the product under consideration by dumping R-125 into India on which there is no duty in place.

vii. Imports from China PR of the product under consideration have declined in the POI and the immediately preceding year as the producers in China PR have shifted to exports of R-125. Therefore, imports of HFC Blend are required to be seen together with R-125.

viii. The POI and the immediately preceding year has seen a steep increase in the sales of other domestic producers of HFC Blends. These producers have access to low priced R-125

ix. Duty on R-125 will serve limited purpose if duty is not imposed on HFC Blends.

x. The landed price of subject imports has been consistently below the selling price of the applicant over the injury period.

xi. While duty in place at the moment is the only reason for the applicant to flourish in the market, the movement of landed price is evidence of the fact that once duty is removed, the applicant will not be able to match the price of the subject imports, thereby resulting in injury thereafter.

xii. Post expiry of anti-dumping duty, in the event the applicant tries to match the landed price of imports, then its selling price will fall below its cost of sales, thereby making the question of continuing in the market purposeless.

xiii. Of the total exports made to third countries made by China PR of the product under consideration, the total dumped exports constitute 83%, total injurious exports constitute 100% and 76% of the imports to third countries were priced below the price at which the product under consideration was sold by Chinese producers in India.

xiv. China PR has not included the '65% of HCFC baseline production/consumption' factor for the purpose of calculating the 'baseline' in the recent years. This means that the production of HFCs would in the coming years be at a greater scale than what it should have been.

xv. China PR is operating with excess capacity for the product under consideration.

xvi. Since production and consumption quotas as for HFCs as a whole, China PR can adjust its production and consumption capacity of individual HFCs provided the overall HFC quota is met.

xvii. Even after meeting its domestic consumption quota, China PR is left with surplus quota for exports.

xviii. India is at a nascent stage of phasing down HFCs, with the production and consumption freeze commencing only in 2028 and the phasedown commencing from 2032. At the same time, the demand for cooling in India is expected to grow significantly in the coming years. The combination of the nascent stage of HFC phase-down and rapidly growing cooling demand provides an opportunity for dumped imports from China PR to capture the Indian market upon cessation of the present duty.

xix. Group 1 countries under the Montreal Protocol (including China PR) have already implemented stronger measures to phase down HFCs, while Group 2 countries, including India, are at a relatively nascent stage of the phase-down process. Accordingly, Group 2 countries are likely to remain important markets for exports from China PR.

xx. The demand for HFC Blends in other countries, including the United States and European Union have declined with the countries transitioning away from HFCs, to comply with evolving refrigerant norms

xxi. The implementation of HFC phase-down in China PR continues to face significant challenges due to its large-scale production and exports, the ongoing phase-out of HCFCs, and limited availability of suitable alternatives.

H.3 <u>Examination by the Authority</u>

98. The Authority has examined the likelihood of continuation or recurrence of dumping and injury considering the requirement laid down under Section 9A(5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure – II (vii) of the anti-dumping rules and other relevant factors brought on record by the interested parties.

99. The present investigation is a sunset review of duties imposed on the imports of the product under consideration from China PR. Under the Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuation or recurrence of dumping and injury to the DI.

100. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia for factors which are required to be taken into consideration, viz. the below. However, these are required to be seen in the light of the fact that ADD has been in place during the present period

and the authority is required to examine the likelihood of cessation of ADD on dumping and injury to the DI.

i. A significant rate of increase of dumped imports into India indicating the likelihood substantially increased importation.
ii. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.
iii. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices and would likely increase demand for further imports; and
iv. Inventories of the article being investigated.

101. The Authority has, *inter alia*, considered the above requirements and following parameters in order to determine whether dumping is likely in the event of cessation of anti-dumping duty, and if so, whether the same is likely to cause injury to the DI in case of cessation of anti-dumping duty. Additionally, the Authority has examined all the relevant information brought on record by the DI and the other interested parties.

a. <u>Continued dumping</u>

102. The Authority notes that the dumping margin quantified in the present investigation is positive and significant. Hence, dumping has continued in the Indian market which shows the likelihood of dumping in the event of expiry of measures.

b. <u>A significant rate of increase of dumped imports into India indicating the likelihood substantially increased importation.</u>

103. Following the imposition of anti-dumping duty on imports of HFC Blends from China PR, imports of HFC Blends from the subject country declined significantly. However, imports of R-125 from China PR increased substantially, thus almost taking over the volumes earlier sold as PUC.

104. The table below shows the imports of HFC Blends, imports of R-125, deemed imports of R-125 from China PR in the form of HFC Blends and the total imports of HFC Blends from China PR.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Imports of HFC Blend from the subject country	MT	4,556	1,229	1,703	367
2	Imports of R-125 from China PR	MT	20	60	1,308	2,020
3	Imports of R-125 converted into Blend	MT	40	120	2,616	4,040

4	Total imports from China PR	MT	4,596	1,349	4,319	4,407

105. It is seen that while imports of HFC Blend have declined, the imports of R-125 increased to such as extent that the volume of HFC blend sold either as Chinese blend or Chinese R-125 remained in the same region.

106. The Authority notes that the likelihood of dumping and consequent injury to the DI for HFC Blends in India is clearly established by dumping of HFC blend as found in the present investigation or continued injury to the PUC as found due to dumping of R-125. In the event of cessation of the present duty on HFC Blends, exporters from China PR would have the ability to directly export HFC Blends to India. Imports of HFC blends are likely to increase significantly in short period in case of cessation of ADD. Accordingly, continuation of anti-dumping duty on HFC Blends is necessary to address the likelihood of dumping and injury to the DI.

c. Imports continue to remain below the costs and selling price of the DI

107. The table below shows the cost of sales and selling price of the DI and landed price of imports over the injury period.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Cost of sales	Rs/ MT	***	***	***	***
2	Trend	Indexed	100	133	117	121
3	Selling price	Rs/ MT	***	***	***	***
4	Trend	Indexed	100	115	102	105
5	Landed price	Rs/ MT	3,23,458	3,19,367	2,64,967	3,23,831
6	Trend	Indexed	100	99	82	100
5	Landed price (inclusive of anti-dumping duty)	Rs/ MT	4,40,538	4,45,291	3,94,979	4,56,537
6	Trend	Indexed	100	101	90	104

108. It is seen that the landed price of imports is much below the cost and price of the DI. While the anti-dumping measures have restricted adverse effect of these low priced imported Blends on the prices of the DI, it is evident that in event of expiry of measures, the DI would be forced to reduce the price drastically and will suffer financial losses.

d. Export orientation and surplus capacities

109. The information on export orientation and surplus capacities as provided by the DI and as per the response of the participating producer has been examined. The table below shows the information as per the response filed by the participating producer from China - Shandong Dongyue Refrigerants Co., Ltd.

SN	Particulars	UOM	POI
1	Capacity	MT	***
2	Production Total	MT	***
3	Idle capacity	MT	***
4	Production PUC	MT	***
5	Total exports	MT	***
6	Domestic sales	MT	***
7	Export sales as % of production	%	35-45%

110. It is seen that out of the total production, ***% of the product has been exported by the producer. It is therefore considered that the producers in China are significantly export oriented.

111. The Authority further draws reference to the fact that HFC Blends is mix of R-32, R-125 and R-134a. The DI has provided the following information with regard to production and domestic consumption quota in China PR.

Particulars		R32 + R134a + R125	Surplus quota
2024 (MT)	Production	6,65,901	3,36,240
	Domestic Consumption	3,29,661	
2025 (MT)	Production	6,79,881	3,38,824
	Domestic Consumption	3,41,057	
2026 (MT)	Production	6,60,664	3,32,522
	Domestic Consumption	3,28,142	

112. It is seen that after considering the domestic consumption, the producers in China PR have access to significant surplus quota for HFC components (R-32, R-125 and R-134a), which can be blended to produce the product under consideration.

e. <u>Quota system for the product under consideration in China</u>

113. The Authority notes that China PR, being an Article 5 (Group 1) Party under the Kigali Amendment, has a baseline period of 2020-2022 and the phasedown of HFC production and consumption is scheduled to commence only from 2029. Under China's *Hydrofluorocarbon Quota Setting and Allocation Scheme*, the production and domestic consumption quotas are determined in terms of the CO_2-equivalent quantity of HFCs in total, calculated by applying the respective global warming potential ("GWP") of individual HFCs, and are not fixed separately for individual HFCs. Since individual HFCs have different GWP values, producers in China PR have the flexibility to adjust the production and domestic consumption mix of individual HFCs while remaining within the overall GWP quota allocated to them.

114. From the information provided by the DI, it is seen that the allocation of production and domestic consumption among R-32, R-125 and R-134a has changed over the years following the 2024 freezing period. The Authority considers that this demonstrates the ability of producers in China PR to adjust the production of individual HFCs in response to changes in domestic and global demand and supply conditions. Accordingly, producers in China PR have the ability to adjust their production towards the product under consideration, as required by market conditions, without being constrained by a fixed quota for the individual HFC.

f. Third-country analysis

115. The Authority has examined the information with regard to export to third countries, as provided by the DI as well as the response of the participating producer, Shandong Dongyue Refrigerants Co., Ltd. (herein after referred to as Shandong). The DI has provided information as per Trademap data for tariff code 38276300 and 38276400, as provided in the application.

116. The comparison has been between exports to third countries, normal value, non-injurious price and selling price of the DI. Following are seen in this regard.

i. Exports below normal value

117. The Authority has analysed the third country exports to examine if the third country exports are below associated normal value. The table below summarizes. The Authority has used TradeMap data and questionnaire response of the participating exporter for the purpose.

SN	Particular	Unit	Information by DI	Information by Shandong
1	Total exports to third countries	MT	86,383	***
2	Dumped exports to third countries	MT	71,856	***
3	Dumped exports to third countries	%	83%	80%

118. It is seen that out of the total exports by Shandong Dongyue Refrigerants Co., Ltd 80% of exports are below normal value. In case of information provided by the DI, 83% of exports to third countries are below normal value.

i. Exports below non-injurious price

119. The Authority has analysed the third country exports to examine if the third country exports are below the non-injurious price and if their diversion will be injurious to the DI. The table below summarizes.

SN	Particular	Unit	Information by DI	Information by Shandong
1	Total exports to third countries	MT	86,383	***

2	Total injurious exports to third countries	MT	86,383	***
3	Injurious exports to third countries	%	100%	80%

120. It is seen that out of the total exports by Shandong Dongyue Refrigerants Co., Ltd 80% of exports are below the non-injurious price. In case of information provided by the DI, 100% of exports are below the non-injurious price.

i. <u>Price Attractiveness</u>

121. The Authority has analysed the third country exports to examine if the third country exports are priced below the exports priced to India and if in cessation of measures, the producers will have any incentive to divert these third countries exports to the Indian market. The table below summarizes.

SN	Particular	Unit	Information by DI	Information by Shandong
1	Total exports to third countries	MT	86,383	***
2	Exports to other countries below price in India	MT	65,598	***
3	Exports to other countries below price in India	%	76%	98%

122. It is seen that out of the total exports by Shandong Dongyue Refrigerants Co., Ltd 98% of exports to third countries are below the export price to India. In case of information provided by the DI, 76% of exports to third countries are priced below the export price to India. It is therefore considered that there is a likelihood of increase in imports in event of expiry of measures.

123. It is thus seen that 65,598 MT of exports to third countries are at a price below normal value, non-injurious price and selling price of the DI. Thus, 65,598 MT can potentially be exported to India in the event of cessation of anti-dumping duty. Considering demand for the product in India during the POI, this volume constitutes more than100% of India's demand. Thus, it can take away entire Indian demand.

g. <u>Trade remedial measures by other countries</u>

124. The DI has provided information on trade remedial measures imposed by various jurisdictions on the exports of different forms of HFCs. The table below shows the information provided.

SN	Jurisdiction	Date of Imposition order	Duty
A	**R-125**		
1	USA	ADD OI – March 2022	OI – 277.95% – 278.95%
B	**R-32**		

2	USA	ADD OI - March 2021	OI – 161.49% - 221.06%
		CVD OI – March 2022	
3	India	ADD OI – December2021	OI – 1171.78 US$/MT – 1519.70 US$/MT
C	**HFC Blends**		
4	USA	ADD OI – August 2016	OI – 101.82%-216.37%
		SSR – October 2021	SSR – Duty continued
5	Argentina	ADD OI – August 2020	OI – 23%
6	India	ADD OI – December 2021	OI – 1553.45 US$/MT – 2250.56 US$/MT
D	**R-134a**		
7	India	ADD OI – July 2016	OI – 1553.45 US$/MT – 2250.56 US$/MT
		SSR – December 2021	SSR – 1.29 US$/Kg – 3.24 US$/Kg
8	USA	ADD OI – April 2017	OI – 148.79% - 167.02%
		ADD Sunset – July 2022	SSR – Duty continued
9	India	ADD OI - December 2025	OI – 4423 US$/MT – 4583 US$/MT

125. It has been claimed by the interested parties that reference to trade remedial measures by other jurisdictions are immaterial to the present investigation. However, the Authority considers that the measures imposed by the other jurisdictions highlight the price behaviour of the producers in the subject county and therefore are important to examine the likelihood of dumping and injury to the DI.

126. It is seen that producers in China have been subject to various trade remedial measures in the form of anti-dumping and countervailing measures in other jurisdictions. The DI has also highlighted that producers in China have also resorted to practices within other jurisdictions wherein HFC Blends on which duties were in place were circumvented through country and product circumvention, details of which are provided below:

SN	Duty on	Type of circumvention	New product
	USA		
1.	HFC Blends (R-404A, R-407A, R-407C, R-410A and R-507A)	Country	R 410A from Turkey made from China origin HFC Component.
2.	HFC Blends	Product	R- 410B R-407G, from China made from China origin HFC Component.
3.	HFC Blends	Country	HFC Blends from Malaysia using China origin HFC Component.

I. MAGNITUDE OF INJURY MARGIN.

L.1 Non-injurious price

127. The Authority has determined Non-Injurious Price for the DI on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the subject goods has been determined by adopting the verified information/data relating to the cost of production for the POI. The non-injurious price 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 utilization of the raw materials by the DI over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilization of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return @22% on average capital employed (i.e. average net fixed assets plus average working capital) for the subject goods was followed towards interest, tax and profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

L.2 Landed price

128. In the absence of cooperation from any producers/exporters from China PR who has exported the product under consideration into India as on the POI and the fact that the participating producer has not exported in the POI, the landed price has been determined based on the facts available. It is seen that there are exports of only unpacked form in the period of investigation.

L.3 Injury margin

129. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters for the subject country has been determined by the Authority and the same is provided in the table below:

SN	Producer/ Exporter	NIP	Landed	Injury margin		
		USD/MT	USD/MT	USD/MT	%	Range
1	All producers and exporters	***	***	***	***	20-30

J. NON-ATTRIBUTION AND CAUSAL LINK

130. The Authority examined whether any known factors other than the dumped imports have at the same time been injuring the DI, and injury caused by these other factors should not be attributed to the dumped imports. It has been examined whether factors other than dumped imports could have contributed to injury to the DI. The Authority notes neither the Act nor the Rules require dumping to be the sole cause of injury to the DI for anti-dumping duty to be applied.

a. Volume and price of imports from third countries.

131. The Authority notes that apart from the subject country, imports have been reported in significant quantities from the European Union. However, the import price from the European Union is far higher than from the subject country over the injury period and the cost of sales and selling price of the DI. Therefore, these imports are neither causing nor likely to cause injury to the DI.

b. Contraction of demand.

132. Overall, the demand has increased over the injury period. Therefore, any injury to the DI is not attributed to the contraction of demand.

c. Changes in pattern of consumption.

133. The Authority notes that there has been no material change in the pattern of consumption of the production under consideration, which could have caused injury or likely to cause injury to the DI.

d. Trade restrictive practices.

134. The Authority notes that no trade restrictive practices have been brought to its notice that could have caused injury to the DI. It is, however, noted that the import policy for the subject goods has since been revised from 'Free' to 'Restricted' which is equally applicable for domestic producers as well as imports.

e. Developments in technology.

135. The Authority notes that there has been no known material change in the technology for production of the product under consideration.

f. Export performance.

136. The Authority notes that while exports have declined in the period of investigation, the injury information examined hereinabove relates only to the performance of the DI in terms of the domestic market. Thus, the injury suffered cannot be attributed to the export performance of the DI.

g. Performance of other products.

137. The Authority has only considered data relating only to the performance of the subject goods. Therefore, the performance of other products produced and sold is not a possible cause of injury to the DI.

138. The Authority considers that the following factors, taken cumulatively, establish that there is a likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry in the event of cessation of the existing anti-dumping measures:
    a. The dumping margin determined in the present investigation is positive, indicating the continued existence of dumping from the subject country.
    b. Producers/exporters from China PR have exported various HFCs to third-country markets at dumped prices.

c. The producers in the subject country possess significant surplus production capacities, which substantially exceed the demand prevailing in the relevant markets. Such surplus capacities indicate the availability of substantial exportable quantities.

d. The volume of dumped, injurious and price-attractive exports from China PR to third-country markets is significantly higher than the total domestic consumption in India during the Period of Investigation. This indicates that the producers/exporters in China PR possess the capability to cater to, and potentially displace, the entire Indian demand within a relatively short period in the event of cessation of the anti-dumping duty.

e. Although the production of HFCs in China PR is subject to an overall quota, the quota is administered by the competent Chinese authority at the aggregate HFC level. The allocation between individual HFC products is capable of being altered.

f. In view of the substantial surplus capacities, and availability of price-attractive exports, there is a likelihood of an increase in exports of the subject goods to India in the event of cessation of the existing anti-dumping measures.

g. The Indian market continues to constitute an attractive market for producers/exporters from China PR.

h. The period from 2024 to 2026 is particularly significant for India, as the average production and consumption during this period would constitute the baseline for purposes of the applicable phase-down obligations.

i. The imports from the subject country have demonstrated significant positive price undercutting

j. The landed price of the subject imports is below the cost of production of the domestic industry. Accordingly, in the event of cessation of the existing measures, the likely increase in low-priced imports would exert significant pressure on the prices of the domestic industry and is likely to result in price suppression and/or price depression.

139. The Authority, therefore, considers that the foregoing factors, considered in conjunction, establish a likelihood of continuation or recurrence of dumped imports and consequent injury to the domestic industry in the event of cessation of the existing anti-dumping measures.

K. INDIAN INDUSTRY’S INTEREST

K.1 Submission by opposing interested parties

140. The opposing interested parties have made the following submissions with regard to Indian industry’s interest:

i. Imposition of anti-dumping duty on the product under consideration will significantly increase the prices of R-410 and R-407. This price escalation will have a cascading effect on critical sectors, including infrastructure, public transport and residential and commercial cooling.

ii. Increased AC prices will reduce affordability for end consumers, particularly in a price-sensitive market like India. This could slow down penetration of energy efficient cooling solutions, impacting overall demand.

iii. The subject goods is already subject to 7.5% customs duty and restricted import licensing. Continuing anti-dumping will add an unnecessary burden.

iv. There is no justification for continuing duties on a product subject to global phase-out and production freezes.

v. The imposition of anti-dumping duty along with coming of Montreal Protocol has resulted in a significant increase in procurement price of R-410.

vi. The price of the product under consideration in China PR has risen sharply, also due to significant demand supply gap within China PR.

vii. Increased procurement cost has led to higher working capital requirements.

viii. The negligible imports and limited availability have caused supply constraints, forcing to adjust production schedules and maintain higher inventory buffers, which further adds to carrying costs.

ix. The price increase has also made products less competitive in price-sensitive segments, leading to decline in sales volume.

x. If anti-dumping duty is imposed, it would be extremely challenging for the Domestic Refrigerant Importer's Association to switch to alternative suppliers. This difficulty arises because of the association's substantial dependence on imports from the subject country and the lack of cost-effective alternatives in other markets.

xi. The Indian air conditioner manufacturing industry is the primary consumer of the subject goods. This industry is currently making significant investments under the Production Linked Incentive (PLI) Scheme and is expanding rapidly across India. Ensuring the availability of the subject goods at competitive prices is critical to sustaining growth and achieving the objectives of the PLI Scheme.

xii. The absence of support to the applicant from The Domestic Refrigerant Importers Association highlights the restrictive nature of current duties.

xiii. Absence of direct participation from fragmented end-users does not imply consent.

xiv. Relying on a single or dual source creates supply risks. Users are willing to pay premiums for imports from non-subject countries, suggesting that the domestic supply may not be able to meet the demand of end users.

K.2 <u>Submission by the applicant</u>

141. The applicant has made the following submissions with regard to Indian industry's interest and other issues:

i. Importers of HFC Blends are traders who will pass on the increase in the cost. The only operations performed by the HFC Blends producers are of packaging of the product. Therefore, the impact of duty is required to be examined on the end product.

ii. The impact of anti-dumping duty on the end product is insignificant.

iii. The applicant has sufficient capacity to cater the entire current demand in India even after meeting its export demand.

iv. Anti-dumping duty will not lead to any monopoly for the applicant. The applicant will be required to compete with the other producer in India as well as imports from other countries.
v. 2024-2026 constitute the baseline years for India under the Kigali Amendment. Cessation of duty may result in increased imports and lower domestic production during these crucial years, thereby adversely affecting India's production baseline.
vi. The import value of the product under consideration over the injury period has been more than Rs 22,000 Lakhs. This import is without any demand supply gap in the country and is adding to the unnecessary trade deficit.
vii. The Domestic Refrigerant Importers Association has identified themselves as an association of downstream producers while the members of the association are involved in importing R-125 and producing Blends from the same.
viii. There is no opposition on the imposition of anti-dumping duty by any downstream producer of the subject goods.
ix. The Authority in the original investigation has shown the inability of other interested parties to substantiate the impact of ADD on the user industry and consumers. Further, the Authority has also noted that the impact of anti-dumping duty is miniscule to the downstream industry and consumers of the product under consideration.

K.3 <u>Examination by the Authority</u>

142. The Authority considered whether continued imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of the participating interested parties.

143. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present investigation, including possible effect of the anti-dumping duty on their operation. The Authority sought information on, inter-alia, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the anti- dumping duty on the consumers, the factors that are likely to accelerate or delay the adjustment to the new situation caused by the continuation of the anti-dumping duty.

144. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the DI 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 Authority recognizes that the continuation of the anti-dumping duties might affect the price levels of the product under consideration as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the continuation of anti-dumping measures. On the contrary, the continuation of anti-dumping measures would prevent the decline in the performance parameters of the DI caused as a consequence of low-priced imports from

the subject country and help maintain the wider availability of choices to the consumers of the product under consideration.

145. The Authority had circulated a user/importer questionnaire to all registered users/importers in this investigation. The Authority notes that none of the registered users/importers have filed this user/importer questionnaire with the Authority. The Authority had thereafter also prescribed an economic interest questionnaire which was sent to all registered interested parties to this investigation. The DI and the Domestic Refrigerant Importers Association have filed this economic interest questionnaire with the Authority. The Association has claimed that anti-dumping duties will adversely affect their operations. However, they have not provided any verifiable information in order to demonstrate the effect of anti-dumping duty on the importers.

146. The DI has quantified the impact of anti-dumping duty on the downstream product, details of which are provided in the table below:

Particulars	**Unit**	**Air conditioners (Residential)**	**Chillers (Small sized)**	**Heat pumps (Small sized)**
Average price of end product	Rs	37,000	1,62,000	55,000
Blends used in final product	KG	1	3	2
Landed price of Blend	Rs/KG	328	328	328
ADD (Lowest ADD)	Rs/KG	131	131	131
Price increase	Rs/KG	131	393	262
Impact	%	0.35%	0.24%	0.48%

147. The Authority notes that there will be negligible impact of imposition of anti-dumping duty on the prices of the downstream industry.

148. The Authority further notes that the continuation of anti-dumping duty will not lead to scarcity of the subject goods in India. It is noted that anti-dumping duty does not restrict imports but ensures that imports are available at fair prices. The continuation of duty would, therefore, not affect the availability of the product. In any case, the capacity of the DI is more than the demand in India, thereby ensuring that there remains sufficient supply in the country. There are another domestic producers as well as imports from the European Union, supplying the product under consideration in the Indian market. The Authority therefore concludes that the continuation of duties is in public interest.

L. POST DISCLOSURE COMMENTS

149. In accordance with Rule 16 of the Rules, the Authority issued a disclosure statement dated 9th September 2026, disclosing the essential facts under consideration, and granted time to all the interested parties to furnish comments on the same. The Authority has examined all the post disclosure comments made by the interested parties in these final findings to the extent deemed relevant. Any submission which was merely a reproduction of the previous submissions, and which has already been adequately examined by the Authority has not been repeated for the sake of brevity.

L1 <u>Submissions of other interested parties</u>

150. The following comments were submitted on behalf of other interested parties on the essential facts disclosed by the Authority:

a. If the Authority decides to recommend continuation of anti-dumping duty, the same individual anti-dumping duty rate applicable to the Shandong pursuant to the original investigation should be continued.

b. The examination of the Authority in the disclosure statement shows that the domestic industry has improved in terms of key volume parameters. In a sunset review, where the issue is likelihood of recurrence of injury, such improvement is highly relevant and cannot be brushed aside.

c. Injury allegedly caused by imports of R-125 cannot justify continuation of anti-dumping duty on HFC Blends.

d. Indian import policy for the PUC to make the product restricted, significant decline in imports of the PUC, binding international commitments under the Montreal Protocol and decline in Capacity of producers/exporters prove that there is no likelihood of injury.

L2 Submissions of the domestic industry

151. The following comments were submitted by the domestic industry with regard to the disclosure statement:

i. Likelihood analysis is required to be undertaken for all the subject country as a whole and not just for a particular producer. Only one producer from China PR has participated and there are more than 50 producers of HFC Components in China.

ii. Restricting likelihood analysis to the participating producer alone would not be appropriate.

iii. Factors examined by the Authority establish that the product under consideration is being imported at dumped prices and has caused for the performance of the domestic industry to remain fragile.

iv. There are more than 50 HFCs manufacturers in China, with a production capacity of more than 1.7 million tons, distributed in more than 10 provinces, and the reduction of HFCs is directly related to the employment of a multitude of people. Implementing the phase out of HFCs continue to remain a huge challenge in China.

v. China is trying to phase out HFCs at a time when previous generation of HCFCs, which were meant to be replaced by HFCs, have not been completely phased out.

vi. Under the Kigali Amendment, India’s HFC phase-down schedule provides for a freeze in HFC production and consumption in 2028, followed by a cumulative reduction of 10% from the baseline in 2032, with progressively higher reductions thereafter. China's consumption is to decline from 2029. Therefore, from 2029 to 2032, producers in China face a cap at home while India remains at full baseline.

L3 Examination by the Authority

152. The Authority has examined the post-disclosure submissions made by the interested parties. It is observed that most of these submissions are reiterations of arguments and contentions that have already been examined and addressed to the extent deemed necessary in the relevant paragraphs of these final findings. The issues raised for the first time in the post disclosure comments/submissions by the interested parties and the domestic industry and considered relevant by the Authority are examined below. Any submission which was merely a reproduction of the previous submissions, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.

153. With regard to comments of the interested parties on improvement in performance as compared to the original investigation, the Authority considers that improvement in performance of the industry is a consequence of anti-dumping duty in force. The requirement of an original investigation is different from the sunset review investigation. The requirement in a sunset review investigation is to prove that the expiry of the duty is likely to lead to continuation of dumping and injury to the domestic industry. With respect to the injury determination, if the anti-dumping duty has had the desired effect, the condition of the domestic industry would be expected to have improved during the period the anti-dumping duty was in effect.

154. On the comments that injury allegedly caused by imports of R-125 cannot justify continuation of anti-dumping duty on HFC Blend, it is seen that prior to the imposition of anti-dumping duties on imports of HFC Blends, the merchant market for R-125 in India was almost non-existent with producers other than the domestic industry and Gujarat Fluorochemicals Limited significantly reliant on imports of HFC Blends while the applicant and Gujarat Fluorochemicals Limited primarily produced and consumed R-125 captively for the manufacture of HFC Blends. However, post imposition of anti-dumping duties on imports of HFC Blends from the subject country, the number of producers of HFC Blends in India have increased with producers importing R-125 and blending the same with other HFC components to produce HFC Blends. It is seen that while market share of other domestic producers of HFC Blends had increased in 2023-24 and further increased in the period of investigation, market share of the domestic industry has declined. The Authority considers the above fact relevant for the purpose of examining likelihood of injury to the domestic industry.

155. On the comments of the interested parties that decline in capacity of the participating producer and the decline in the imports of the product under consideration shows absence of likelihood of injury, the information based on the response filed by the producer shows that even though its capacity has declined marginally, the idle capacity with the producer

is [2,66,964 MT], which is 29 times the demand in India. Furthermore, there are other producers in China as well and likelihood analysis cannot be restricted to one single producer. As already found, the decline in import volume is attributable to the anti-dumping duty in force. Therefore, the Authority considers that there is sufficient likelihood of injury in event of expiry of measures.

M. CONCLUSION

156. Having regard to the contentions raised, information provided, submissions made, and the facts available before the Authority as recorded above and on the basis of the above analysis of dumping, injury, and the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes that:

a. The present sunset review investigation was initiated under Section 9A(5) of the Act read with Rule 23 of the Rules to examine whether the expiry of the anti-dumping duty in force on imports of “Hydrofluorocarbon (HFC) Blends” (restricted to R-407 and R-410 only), originating in or exported from China PR, is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.

b. SRF Limited, supported by Gujarat Fluorochemicals Limited, constitutes the “Domestic Industry” within the meaning of Rule 2(b) and satisfies the standing requirement under Rule 5(3) of the Rules, together accounting for 60-70% of total Indian production of the like article during the period of investigation.

c. Out of the fifty-one known producers/exporters in China PR notified of the investigation, only one, Shandong Dongyue Refrigerants Co., Ltd., filed a questionnaire response, and it did not export the product under consideration to India during the POI.

d. China PR has been treated as a non-market economy for the purpose of this investigation, none of the producers/exporters having rebutted the presumption under Para 8 of Annexure I to the Rules. Normal value has accordingly been constructed under Para 7 of Annexure I to the Rules, on the basis of the CIF export price from the European Union to India, suitably adjusted to the ex-factory level.

e. Authority has determined normal value, export price and dumping margin for “all producers and exporters from China PR” on the basis of facts available.

f. The dumping margin for all producers and exporters from China PR is positive, well above de minimis, and in the range of 30-40%, establishing that dumping of the product under consideration by China PR has continued during the period of investigation.

g. Because of the anti-dumping duty in force, the domestic industry has not suffered material injury. However, there exists a likelihood of material injury in the event of expiry of measures.

h. Price undercutting by imports of the product under consideration from China PR is positive and significant, in the range of 20-30%.

i. While the landed price of such imports, inclusive of the anti-dumping duty presently in force, has remained above the domestic industry's cost of sales and selling price, the landed price exclusive of duty is below.

j. Although imports of the product under consideration (HFC Blends) from China PR declined sharply over the injury period, from 4,556 MT in 2021-22 to 367 MT in the POI, this decline has been substantially offset by a steep and simultaneous increase in imports from China PR of R-125, the principal upstream raw material, in the period of investigation.

k. While the volume parameters of the domestic industry, have improved over the injury period on account of the anti-dumping duty in force, its per-unit profit, cash profit and return on capital employed have declined significantly over the injury period and its capacity utilisation and market share remain well below its potential. The performance of the Domestic Industry accordingly remains fragile and vulnerable to dumped imports of the product under consideration, including in the form of R-125.

l. China PR holds substantial surplus/freely disposable production and consumption quota for HFCs, including R-32, R-125 and R-134a, the constituents of the product under consideration, and the sole participating Chinese producer is significantly export-oriented, exporting 35-45% of its total production.

m. A significant proportion of exports of the product under consideration by China PR to third countries during the period of investigation were priced below normal value (80-83%), below the non-injurious price (80-100%), and below the price at which the product under consideration was exported to India (76-98%).

n. The data of the participating producer from China shows that the producer has idle capacity of [2,66,964 MT] which is 29 times the demand in India. Furthermore, the producer is export oriented as [39]% of the production is exported.

o. HFC Blends and their constituent components have been subjected to anti-dumping and/or countervailing measures by other jurisdictions.

p. India is at a nascent stage of its own HFC phase-down obligations under the Kigali Amendment, with production and consumption freeze commencing only in 2028 and phase-down from 2032, and Indian demand for cooling is expected to grow significantly in the coming years, a combination that provides a ready opportunity for dumped imports from China PR to capture the Indian market upon cessation of the present duty.

q. Continuation of the anti-dumping duty is not against the interest of the Indian industry or the wider public interest as there is no demand and supply gap.

r. The impact of continuation of the duty on downstream products (residential air conditioners, small-sized chillers and small-sized heat pumps) is negligible, in the range of 0.24%-0.48% of the price of the end product.

s. No user placed evidence on record showing adverse impact of the existing duty. There is, therefore, no evidence on record showing any significant adverse impact of the existing duty on downstream users.

157. Having regard to the above, the Authority concludes that dumping of the product under consideration by China PR has continued during the POI despite the anti-dumping duty in force, that the performance of the domestic industry remains vulnerable to dumping, and that cessation of the anti-dumping duty presently in force is likely to lead to continuation of dumping and recurrence of injury to the domestic industry.

N. RECOMMENDATION

158. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspect of continuation / recurrence of dumping and injury in the event of cessation of duties. Having concluded that there is likelihood of recurrence of dumping and injury to the domestic industry if the anti-dumping duties are allowed to cease, the Authority is of the view that continued imposition of measures is necessary on imports of the product under consideration from the subject country.

159. The fact that Authority has recommended continuation of measures based on likelihood of injury in the review investigation, the Authority considers that it would not be appropriate to re-quantify the margins. The Authority considers it appropriate to recommend continuation of definitive antidumping duty imposed vide Notification No. 76/2021-Customs (ADD) dated 22nd December 2021 for a period of 5 years and as amended by Notification No. 24/2025-Customs (ADD) dated 15th July 2025. The duties are required to be continued except in respect of those producer exporters who had participated in the original investigation but have not participated in the current sunset review investigation. Those non-cooperating producer exporters in this sunset review investigation have been accorded residual duty.

160. Considering the facts and circumstances of the case, as established hereinabove, antidumping duty equal to the amount indicated in Column (7) of the duty table given below is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of the product under consideration, from the subject country for a further period of five (5) years.

<u>DUTY TABLE</u>

SN	Heading/ sub-heading	Description of goods	Country of origin	Country of export	Producer/ exporter	Amount (USD)	UOM	Cur.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	3827 63 00 / 3827 64 00	Hydrofluorocarbon Blends	China PR	Any country including China PR	Shandong Dongyue Refrigerants Co. Ltd.	1,553.45	MT	US$
2	-do-	-do-	China PR	Any country including China PR	Any producer other than SN l.	2,250.56	MT	US$
3	-do-	-do-	Any other country	China PR	Any	2,250.56	MT	US$

			other than China PR					

**Note-Customs classification is only indicative, and the determination of anti- dumping duty shall be made as per the description of the PUC*

161. The application of the individual duty rates specified for the companies mentioned in the above duty table shall be conditional upon presentation to the customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:

'I, the undersigned, certify that the (volume) of Hydrofluorocarbon Blends' sold for export to India covered by this invoice was manufactured by (company name and address) in China PR. I declare that the information provided in this invoice is complete and correct.'

162. If no such invoice is presented, the duty applicable to all other rates shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs law and regulations.

O. FURTHER PROCEDURE

163. An appeal against the determination of the Designated Authority in these final findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act / Rules.

Amitabh Kumar
(Designated Authority)

Digitally signed by Amitabh Kumar
Date: 18-09-2026 15:03:08