<u>Case No. AD (SSR)-11/2025</u>

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) Component R-32" originating in or exported from China PR.

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F. No. 7/18/2025-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
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Dated: 18.09.2026

FINAL FINDINGS

Case No. AD (SSR)-11/2025

Subject: Sunset review investigation concerning imports of "Hydrofluorocarbon (HFC) Component R-32" 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 Anti-dumping 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") 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 concerning imports of Hydrofluorocarbon (HFC) Component R-32 (hereinafter also referred to as the "product under consideration" or the "subject goods" or "R-32") 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 domestic industry, the Authority issued a public notice *vide* Notification F. No. 7/18/2025-DGTR, dated 24th September, 2025, published in the Gazette of India, initiating sunset review investigation into imports of the product under consideration from China PR, in accordance with Section 9A (5) of the Act read with Rule 23 of Anti-Dumping Rules to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry 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 the product under consideration from subject country was initiated by the Authority vide Notification No. 06/33/2020-DGTR and Case Number- AD(OI)- 28/2020 dated 28th September 2020. Pursuant to a duly substantiated application filed by the domestic industry and after detailed examination, the Authority concluded that the imports from the subject country had caused material injury to the domestic industry. Accordingly, vide Final Finding dated 23rd September 2021, the Authority recommended imposition of anti-dumping duties. The Ministry of Finance, thereafter, accepted the recommendation and imposed anti-dumping duties vide Customs Notification No. 75/2021-Customs (ADD) dated 21st December 2021.

4. In terms of Section 9A (5) of the Act, any anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such an imposition. 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"*

5. 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 domestic industry, whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.

6. The scope of the present review covers all aspects of the final finding dated 23rd September 2021 and Customs Notification No. 75/2021-Customs (ADD) dated 21st December 2021.

B. PROCEDURE.

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

3.1 Initiation

i. The Authority notified the embassy of the subject country in India about the receipt of the present sunset review 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, in accordance with Rule 6, *vide*

Notification F. No. 7/18/2025-DGTR dated 24th September 2025, the Authority initiated the present proceedings.

3.2 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.

3.3 Import data

iv. A request was made to the Directorate General for Systems and Data Management ("DG Systems") 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.

3.4 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 a copy of the application.

vii. The Authority sent a 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.

3.5 Intimation and participation by exporters of the subject country and users/importers of the product under consideration 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
a.	M/s. Zhejiang Quzhou Juxin Fluorine Chemical Co. Ltd.

b.	M/s. Zhejiang Sanmei Chemical Ind. Co. Ltd.
c.	M/s. Zibo Feiyuan Chemical Co. Ltd.
d.	M/s. Shandong Dongyue Chemical Co. Ltd
e.	M/s. Zhejiang Quhua Fluor-chemistry Co. Ltd.
f.	M/s. Fujian Qingliu Dongying Chemical Ind. Co. Ltd.
g.	M/s. Jiangsu Sanmei Chemical lnd. Co. Ltd.
h.	M/s. Taixing Meilan New Materials Co. Ltd.
i.	Ace Prosper Corporation
J.	Arkema Daikin Advanced Fluorochemicals (Changshu) Co Ltd
k.	Daikin Fluorochemicals (China) Co., Ltd.
l.	Dyaninc Limited
m.	Changshu 3F Zhonghao New Chemicals Materials Co Ltd
n.	Chemours - Mitsui Fluoroproducts Co Ltd
o.	The Chemours Chemical (Shanghai) Co. Ltd.
p.	M/s. Taizhou Qingsong Refrigerant New Material Co. Ltd.
q.	M/s. Sinochem Lantian Fluoro Materials Co. Ltd.
r.	Zhejiang Quhua Fluor-chemistry Co. Ltd. (Exporter)
s.	Hangzhou Juming Imp/Exp. Co. Ltd
t.	Fluo Shanghai International Trade Co., Ltd.
u.	Jiangsu Meilan Chemical Co Ltd
v.	Jiangxi Nanfu Chemical Co Ltd
w.	Jiangxi Xingfu Zhonglan New Materials Co Ltd
x.	Jiangxi Zhongxin Artsen Chemical Materials Co Ltd
y.	The Chemours 3F Fluorochemical S (Changshu) Co., Ltd.
z.	Dongyue group
aa.	Daikin Arkema Refrigerants Asia Limited
bb.	Dongyang Weihua Refrigferants Co. Ltd.
cc.	Inner Mongolia Yonghe Fluorochemical Co Ltd
dd.	Jingxi Lee & Man Chemicals Co Ltd
ee.	Jinhua Yonghe Fluorochemicals Co Ltd
ff.	Juhua Group Co
gg.	Linhai Limin Chemicals Co Ltd
hh.	Liocheng Fuer New Materials Technology Co Ltd
ii.	Liaocheng Ruijin (Hong Kong) Co.,Limited
jj.	Lu Xi Chemical (Hong Kong) Co., Limited
kk.	Ninhua Group Co., Ltd.
ll.	Shanghai Huayi 3F New materials Co Ltd
mm.	Sinochem Lantian Co Ltd
nn.	Sinochem Modern Environmental Protection Chemicals (Xi'an) Co Ltd
oo.	Ruyuan Dongyangguang Fluororesins Co Ltd
pp.	Shaanxi Zhonglan Chemical Technology New materials Co Ltd
qq.	SC Ningbo International Ltd

rr.	Shandong Huaan New Materials Co Ltd
ss.	Shaowu Yonghe Jintang New Materials Co Ltd
tt.	Sinochem Lantian Fluoro Materials Co. Ltd.
uu.	Sinochem Environmental Protection Chemicals Co., Ltd.
vv.	Sinochem Taicang Chemical Industrial Park
ww.	Zhejiang Lantian Environmental Protection Fluoro Material Co., Ltd.
xx.	Zhejiang Yonghe Refrigerants Co Ltd
yy.	Zibo Aofan New Materials Co Ltd
zz.	Zhejiang Quzhou Lianzhou Refrigerants Co. Ltd
aaa.	Zhejiang Quhua Fluorine Chemical Co Ltd
bbb.	Zhejiang Fotech International Co.,

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

SN	Name of interested party
a.	Fujian Qingliu Dongying Chemical Ind. Co., Ltd.
b.	Shandong Dongyue Refrigerants Co., Ltd.
c.	M/s Zibo Feiyuan Chemical Co., Ltd., China
d.	Zhejiang Sanmei Chemical Ind. 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
a.	Ajay Air Products (P) Ltd.
b.	Aone 9 Star Future Pvt. Ltd.
c.	Chillaire Solutions
d.	Cool Chem (Opc) Private Limited
e.	Coolmate Refrigerants Pvt Ltd
f.	Gorakhram Haribux
g.	Gujarat Fluoro Chemicals Ltd
h.	Hindustan Refrigeration Stores
i.	Kartik Traders
j.	Kiro Refrigerants Private Limited
k.	Kolane Refrigerants
l.	Mangali Petrochem Ltd.
m.	Mexfluor India Private Limited
n	Value Refrigerants Private Limited
o	Vijay Petrochem Private Limited
p	Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.

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
a.	Gupta Oxygen Private Limited
b.	MPCL Industries Limited

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

3.6 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.

3.7 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 domestic industry. The EIQ was also shared with the administrative line ministry. Response to the economic interest questionnaire was filed by the following:

SN	Name of interested party
a.	SRF Limited
b.	M/s Zibo Feiyuan Chemical Co., Ltd.
c.	Shandong Dongyue Refrigerants Co., Ltd.
d.	Gupta Oxygen Private Limited
e.	Domestic Refrigerant Importers Association

3.8 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 5th 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.

3.9 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 domestic industry 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 domestic industry. 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 domestic industry 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 these final findings.

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

xxii. 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 POI. The same rate has been applied throughout these final findings.[1]

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submission by opposing interested parties

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

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

C.2 Submission by the domestic industry

9. The domestic industry has made the following submissions with regard to the product under consideration and like article:
    i. The product under consideration in the present investigation is the same as defined in the original investigation, i.e., Hydrofluorocarbon (HFC) Component R-32 or Difluoromethane.
    ii. With regard to PCN methodology, the domestic industry requests the Authority to consider packed form and unpacked form as two different PCNs for the product under consideration or an adjustment may be made in the cost of the domestic industry for packing to arrive at the calculation of non-injurious price.
    iii. The product under consideration was earlier imported under Chapter 29 of the Customs Tariff Act, 1975, under the HS codes 2903 39 19. The tariff classification has undergone a change from 2022 to HS Code 2903 42 00.
    iv. The subject goods is primarily used as a component in HFC refrigerant blends, namely R-410A and R-407C. It may also be used as a stand-alone refrigerant.
    v. HFC-32 is one of the most preferred as it has the lowest global warming potential (GWP) values among the refrigerants currently used in the air-conditioning sector.
    vi. With a GWP of approximately 675, R-32 is significantly lower than conventional refrigerants such as R-410A (GWP ~2088), R-404A (GWP ~3922), and R-22 (GWP ~1,810). This significantly reduces the direct carbon footprint of cooling systems.
    vii. The ozone depletion potential (ODP) of R-32 is zero, whereas the ODP of R22 and R12 is 0.055 and 1.0, respectively. Though the ODP of R-410A is zero, its high GWP still remains a concern.
    viii. R32 refrigerants achieve effective cooling with smaller quantities. This reduces manufacturing and maintenance costs and lowers environmental risks from potential leaks.
    ix. Being a single-component refrigerant, R32 simplifies recycling and maintenance procedures.
    x. There is no known difference in the like article produced by the domestic industry and the product under consideration exported from the subject country.

C.3 Examination by the Authority

10. The product under consideration (“PUC”) and product control numbers (“PCNs”) as defined in the initiation notification is provided below. The product under consideration is same as defined in the original investigation-

> “4. *The product under consideration in the present application is "Hydrofluorocarbon (HFC) Component R-32 or Difluoromethane.*
>
> *Hydrofluorocarbon (HFC) Component R-32 or Difluoromethane has the chemical formula CH2F2 and is registered as CAS No. 75-10-5. It is also known as HFC-32, FC-32, Freon-32, Methylene difluoride, Methylene fluoride, Carbon fluoride*

hydride, halocarbon R32, fluorocarbon R32, and UN 3252. The HFC Component R-32 is mainly used in residential air conditioning systems".

5. The present application being a sunset review investigation, the product under consideration and PCN remain the same as defined in the original final finding notification.

11. The Authority notified the scope of the product under consideration and the 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 the interested parties filed any comments on the scope of the product under consideration and the PCN methodology. Accordingly, for the purpose of filing questionnaire responses, the Authority notified the scope of the product under consideration and the PCN methodology on 28th October 2025. No party has filed any comments on the scope of the product under consideration thereafter and during the investigation.

Manufacturing process of the product under consideration.

13. R-32 is manufactured by the reaction of a chlorinated compound with hydrofluoric acid. This reaction, known as hydrofluorination, yields a carbon-hydrogen-fluorine compound, and hydrochloric acid. The production of R-32 involves the reaction of dichloromethane (CH_2Cl_2, also known as methylene chloride) with chlorine gas and hydrofluoric acid. The result of the reaction is crude R-32 and liquid waste, which is incinerated. The crude R-32 is then purified, which generates food-grade hydrochloric acid through the purification process. Purified R-32 will then go through a drying process.

Uses of product under consideration.

14. The HFC Component R-32 is a colourless, odourless, gaseous chemical that is primarily used as a component in HFC refrigerant blends, namely R-410A and R-407C. It may also be used as a stand-alone refrigerant. Once blended, the HFC gases containing R-32 are used in residential and commercial refrigerant and cooling applications.

Customs classification and customs policy for the product.

15. R-32 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.

16. Amongst all the HFCs, HFC-32 is widely recognised as one of the preferred refrigerants for use in air-conditioning applications. With a GWP of approximately 675, R-32 has a substantially lower GWP than conventional refrigerants such as R-410A (GWP of

approximately 2,088), R-404A (GWP of approximately 3,922), and R-22 (GWP of approximately 1,810). Accordingly, the use of HFC-32 significantly reduces the direct carbon footprint associated with cooling systems and represents a more environmentally sustainable refrigerant option.

17. The Kigali Amendment is a global agreement that aims to phase down the production and consumption of HFCs, including R-32, 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.

18. 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.
	Baseline years from 2011 to 2013

Non-Article 5 (Belarus, the Russian Federation, Kazakhstan, Tajikistan & Uzbekistan)	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.

19. The product under consideration was earlier classifiable under Chapter 29 of the Customs Tariff Act, 1975, under the HS Code 2903 39 19. However, from January 2022, the dedicated HS Code of the product under consideration has undergone a change to 2903 42 00.

Like article by domestic industry.

20. 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."*

21. It is noted that there is no known difference between the product under consideration exported from the subject country and the like article supplied by the domestic industry. The product under consideration produced by the domestic industry 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.

22. Accordingly, the Authority concludes that the product under consideration is same as defined in the original investigation - Hydrofluorocarbon (HFC) Component R-32 or Difluoromethane.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submission by opposing interested parties

23. The opposing interested parties have made the following submissions with regard to the scope of the domestic industry and its standing: -
    i. The domestic industry has not provided declarations confirming the absence of imports for all periods of injury investigation period and the absence of relationships with exporters/importers for all countries during the injury period.

D.2 Submission by the domestic industry

24. The domestic industry has made the following submissions with regard to the scope of the domestic industry and its standing:
    i. The domestic industry is a multi-business company engaged in the manufacture of chemical based industrial intermediates, not limited to hydrofluorocarbons alone.
    ii. During the injury period, the domestic industry was the only producer of the subject goods.
    iii. Post the POI, two entities, Gujarat Fluorochemicals Limited and Navin Fluorine International Limited also commenced the production of R-32.
    iv. The domestic industry has not imported the subject goods from any source nor is it related to any producer or exporter of the product under consideration in any country.

D.3 Examination by the Authority

25. Rule 2(b) of the Rules define the term 'domestic industry' as under:

> "*(b) "domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry' may be construed as referring to the rest of the producers*".

26. The application has been filed by SRF Limited. As per the information on record, there was no other producer of the subject goods in India during the POI. Post the POI, two entities, Gujarat Fluorochemicals Limited and Navin Fluorine International Limited, also commenced the production of R-32 with a capacity of 10,000 MT and 9,000 MT, respectively. Gujarat Fluorochemicals Limited has supported the present investigation and has requested for continuation of measures.

27. The Authority has examined the DG Systems transaction-wise import data and notes that SRF Limited has not imported the product under consideration during the POI either from the subject country or from any other country over the injury period. The Authority further notes that the domestic industry is not related to any exporter of the product under consideration in the subject country or to any importer of the product under consideration in India.

28. It is therefore held that SRF Limited constitutes the "domestic industry" within the meaning of Rule 2(b) of the Rules and satisfies the criteria of "standing".

E. CONFIDENTIALITY AND MISC. SUBMISSIONS

E.1 Submission by opposing interested parties

29. The opposing interested parties have made the following miscellaneous submissions:

i. The import data used by domestic industry is sourced from private source and is not authentic and reliable. The Authority should call for DGCI&S data for the examination of imports.

ii. The domestic industry is a habitual user of trade remedy measures.

iii. Termination of anti-dumping duty after five years is a rule and continuation is an exception.

iv. Domestic industry has claimed excessive confidentiality as a. production process and flowchart; b. the source of their market intelligence for import data; c. email ids of the contact person of the domestic industry; d. details of normal value and dumping margin; e. Evidence for adjustments of export price; f. Number of employees; g. Profit/ loss and ROCE in percentage terms; h. Net selling price for the analysis of price undercutting; i. the information of part VI and raw materials names, and elements of cost, have been claimed confidential.

v. Non- confidential version of the petition is not a replica of confidential version. The number of pages should be exactly same in confidential and non-confidential versions.

vi. The domestic industry has not provided any details (normal/maintenance/ planned, abnormal/unplanned) and reasons of plant shutdowns.

vii. Because of the revised import policy from ‘Free’ to ‘Restricted’ of the product under consideration, imposing an additional anti-dumping duty on top of the same would amount to double protection.

viii. The users of the subject goods are already facing a non-trade barrier in order to import the subject goods.

ix. If the Authority decides to impose anti-dumping duty, a benchmark form of duty should be a more efficient tool instead of ad valorem duties.

x. The domestic industry has not provided any certificate of correctness by domestic industry.

xi. The domestic industry has not provided any declaration by legal representative.

E.2 Submission by the domestic industry.

30. The domestic industry has made the following miscellaneous submissions:

i. The respondent has incorrectly argued that the data sourced from private sources are unreliable and not authentic when the Authority has not considered the applicant’s data.

ii. It is a settled principle of law that there is no such requirement of proving an “exceptional circumstance” either under the Act or the Rules for extension of duties beyond 5 years.

iii. The only condition necessary for extension of duties is whether cessation of such duty is likely to lead to continuation or recurrence of dumping and injury.

iv. As per the initiation notification dated 24th September 2025, parties are provided 7 days from the date of circulation of the non-confidential version of the documents to file comments to confidentiality, if any. The present objection on confidentiality is submitted at a very belated stage.

v. It is not the requirement of trade notice that the confidential version of the response be an exact replica of the non-confidential version. Mere difference in the number of pages between the confidential and non-confidential versions does not imply that the latter is not a replica of the former, so long as all information and evidence contained in the confidential version have been adequately disclosed in the non-confidential version.

vi. The interested party has no access to the confidential version of the application. In the absence thereof, the allegation that the non-confidential version is ‘not a replica’ of the confidential version is speculative. The non-confidential version is actually a replica of the confidential version.

vii. Except the cost audit reports, all information provided in the confidential version is also part of the non-confidential version. Where the confidential version was not susceptible to summarization and could not be disclosed, the domestic industry has provided sufficient reasoning.

viii. The domestic industry has provided information on shutdown to the Authority and the trade notice 10/2018 does not mandate for providing details of plant shutdown to other interested parties in non-confidential version of the application.

ix. The certificate of correctness and declaration by legal representative forms part of checklist as per Trade Notice No. 04/2021.

x. The Authority has issued a positive finding in multiple investigations wherein the product under consideration was classified as “Restricted” under the import policy or where imports were permitted only through licences/authorisations.

E.3 Examination by the Authority

31. 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."

32. It is seen that the domestic industry 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.

33. The Authority has consistently allowed interested parties to claim confidentiality on such information and documents provided by domestic industry, 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.

34. With regard to the interested party's submission that the domestic industry is a habitual initiator of trade remedy investigations, thereby indicating a pattern of abuse of the process, the Authority notes that while multiple anti-dumping investigations have been conducted in the past on HFC gases, the anti-dumping duty on the product under consideration is presently the subject of the present sunset review pursuant to the original investigation. 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 domestic industry and having reached satisfaction based on the prima facie evidence submitted by the domestic industry concerning the dumping of the product under consideration originating in or

exported from the subject country, the consequential injury to the domestic industry as a result of the alleged dumping of the product under consideration and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the Rules.

35. With regard to the interested parties submission on the domestic industry not providing the certificate to the correctness of the information provided in the application and the declaration by the legal representative for the correctness of the information submitted within the application, the Authority notes that both documents were filed by the domestic industry along with the application checklist prior to the initiation of the present investigation. The Authority examined the said documents, verified their authenticity and completeness, and found them to be in order. In any case, the Authority has satisfied itself with regard to the accuracy of information and the same has been adopted in the present final findings.

36. With regard to the interested party's submission that the non-confidential version of the application is not a replica of the confidential version, the Authority notes that the differences arise on account of the manner in which information has been presented in the two versions. Certain data in the confidential version was submitted in Excel format, whereas the non-confidential version was provided in PDF form. Further, confidential figures have been appropriately summarised in the non-confidential version, and certain information is of such a nature that it does not permit meaningful summarisation. Both the confidential and non-confidential versions have been examined and have been found to be in order.

37. With regard to the interested parties' submission on the reliability of import data used for the examination of imports, the Authority notes that it has relied on DG Systems transaction-wise data for the purpose of the present investigation both at the stage of initiation, as reflected in the initiation notification, and for the purpose of the present final findings. It was found that the import volume and value claimed by the domestic industry are comparable to the data reported in the DG Systems transaction-wise data.

38. With regard to the interested party's submission that there is already a restriction imposed in the form of import license, 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. The shift in policy was not to provide any level playing field to the Indian industry, but to implement the international commitments made under the Kigali Amendment to the Montreal Protocol. Imports continue to be permitted subject to prior licence issued by the Ozone Cell, Ministry of Environment, Forest and Climate Change. Licensing requirements and norms are subject to change and have a basis independent of trade remedy actions and the Authority therefore does not consider it appropriate to take them into account for the present investigation.

39. With regards to the submission of the interested parties that termination of anti-dumping duty after five years is a rule and continuation is an exception, the Authority notes that Section 9A(5) and Rule 23 of the Anti-dumping Rules, read together, permit continuation of the anti-dumping duty beyond the initial five-year period where a sunset review establishes that the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

> *RULE 23. Review. - [(1) Any anti-dumping duty imposed under the provision of section 9A of the Act,* ***shall remain in force, so long as and to the extent necessary, to counteract dumping, which is causing injury****.*
> *(1A) The designated authority shall review the need for the continued imposition of any anti-dumping duty, where warranted, on its own initiative or upon request by any interested party who submits positive information substantiating the need for such review, and a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty and upon such review, the designated authority shall recommend to the Central Government for its withdrawal, where it comes to a conclusion that the injury to the domestic industry is not likely to continue or recur, if the said anti-dumping duty is removed or varied and is therefore no longer warranted.*

40. The Authority observes that, in terms of the applicable provisions of the Anti-Dumping Rules, an anti-dumping duty is intended to remain in force for such period as is necessary to counteract the dumping that is causing injury to the domestic industry. The imposition and continuation of anti-dumping duty is, therefore, intended to address the injurious effects of dumped imports. Rule 23(1) provides that a duty shall remain in force so long as, and to the extent, necessary to counteract dumping which is causing injury. While Section 9A(5) provides for imposition of anti-dumping duty for a period of five years, it expressly preserves continuation where a review establishes that expiry would be likely to lead to continuation or recurrence of dumping and injury.

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

F.1 Submission by opposing interested parties

41. The opposing interested parties have made the following submissions with regard to assessment of dumping, determination of normal value, export value, and dumping margin:

   i. Shandong has fully cooperated in the present investigation; therefore the Authority should determine individual dumping and injury margin and duty rate for the Respondent based on the actual, verified data, and not on the estimates provided in the petition.

   ii. There have been no exports by the Shandong during the POI. If the Authority decides to recommend the imposition of an anti-dumping duty, same rate of anti-dumping duty for the respondent should be continued.

iii. There are no provisions which enable the Authority for considering Chinese producers as operating on non-market economy principles for disregarding their domestic prices and costs.

iv. Normal value for the producer represented is to be determined on the basis of their domestic sales and the cost of the subject goods in view of the fact that the period of 15 years for not considering China as a market economy has expired.

v. For the purpose of determination of normal value as per Para 7 of Annexure I, the domestic industry is under an obligation to inform the selection of the market economy third country. The interested parties have not been put to notice about selection of the third country, nor have the interested parties been requested to suggest and make necessary information available about the third country.

vi. In the absence of following the mandatory procedure, the present proceedings cannot continue in view of the decision of the Hon'ble Supreme Court in the case of *Shenyang Matsushita S. Battery Co. Ltd. v. Exide Industries Ltd. & Ors.*, 2005 (181) ELT 320 (SC).

vii. Anti-dumping calculations must be based on Chinese prices and costs since China's WTO Accession Protocol expired on December 11, 2016. Both the US and the EU have recognised this timeline. This interpretation is also supported by the WTO ruling in the '*Fastener Case*'.

viii. The domestic industry has not made any attempt to follow the procedure prescribed in Para 7 of the Annexure I of the Anti-dumping Rules.

ix. No evidence has been provided on the adjustments claimed in the export price.

F.2 Submission by the domestic industry

42. The domestic industry has made the following submissions with regard to assessment of dumping, determination of normal value, export price and dumping margin:

i. The Authority had considered China PR as a non-market economy at the stage of initiation subject to rebuttal by the producers in China PR. None of the producers have rebutted the presumption and have filed the MET questionnaire.

ii. The Authority in the original investigation has considered China PR as a non-market economy. Thus, in absence of MET claim by the participating producers/exporters, the Authority should not determine normal value on the basis of their domestic sales.

iii. Despite the fact that the non- market presumption clause for China sunsets on December 11, 2016, the market economy treatment for China is still not automatic and the interested party is required to provide evidences showing that it is functioning under market economy condition.

iv. The methods prescribed under Para 7 Annexure-I lays down a hierarchy for determination of Normal Value and provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, 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.

v. In the present case, since the price from one third country to another country, including India, is available, the normal value cannot be determined based on the cost of production of the domestic industry with reasonable addition for profits.

vi. The argument of Shandong Dongyue that it has not exported the subject goods in the POI is factually incorrect and contrary to the information provided in Appendix 1 of the exporter questionnaire response, which shows exports in the POI.

vii. The domestic industry, in the application, had proposed normal value based on the below three methodologies: a. Price from third country to another country, including India; b. The price paid in India; and c. Price payable in India.

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

F.3.1 Normal value

43. 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.*

44. 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."

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

SN	Name of interested party
a.	Zibo Feiyuan Chemical Co., Ltd
b.	Zhejiang Sanmei Chemical Ind. Co., Ltd.
c.	Fujian Qingliu Dongying Chemical Ind. Co., Ltd.
d.	Shandong Dongyue Refrigerants Co., Ltd.

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. With regard to the interested party’s submission that domestic industry is under obligation to inform the selection of a market economy third country, the Authority notes that the obligation arises only in the event when such a market economy third country is selected and therefore, there is a need to seek comments from the interested parties on the appropriateness of the market economy third country. In the present case, no such market economy third country was proposed, and therefore, no such intimation was required.

50. The Authority notes that none of the producers/exporters from China PR have filed the supplementary 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.

51. 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.

52. In the application filed before the Authority, the domestic industry had submitted that data relating to cost and price in a market economy third country was not available. The domestic industry submitted that import volume from United Arab Emirates to India is significant in volume and was therefore sufficient to be considered as a basis for normal value. The domestic industry accordingly provided normal value on the basis of import price from United Arab Emirates to India. Since the import price is on CIF basis, appropriate adjustments had been made to arrive at ex-factory basis. The domestic industry 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.

53. 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 the United Arab Emirates to India, the normal value is first required to be determined on the basis of the exports from the United Arab Emirates 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.

54. It is seen that United Arab Emirates is a non-subject country with no anti-dumping measure in force and with import volume being quite significant, the CIF price from United Arab Emirates 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 <u>Export price</u>

i. M/s Zibo Feiyuan Chemical Co., Ltd.

55. M/s Zibo Feiyuan Chemical Co., Ltd. was established on August 2004, as a limited liability company incorporated in China PR under the Company Law of China PR. During the POI, the producer-exporter has directly sold *** MT of invoice value *** RMB (≈ **** USD)* to unrelated buyers in India (on CIF terms).

56. The exporter has claimed adjustments on account of inland freight and port charges, ocean freight, bank charges and credit cost, and the same has been accepted after desk verification. As no imports of “HFC-R 32 Packed” form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for “HFC-R 32Unpacked” form.

57. Accordingly, the ex-factory level has been determined, and the same is shown in the dumping margin table below.

ii. Fujian Qingliu Dongying Chemical Ind. Co., Ltd (producer); Zhejiang Sanmei Chemical Ind. Co., Ltd (related exporter).

58. Fujian Qingliu Dongying Chemical Ind. Co., Ltd is a limited liability company established in accordance with Company Law of China PR on 29 November 2002. It is a 100% owned subsidiary of Zhejiang Sanmei Chemical Industry Co., Ltd., exporter of the product under consideration in India which was manufactured by Fujian Qingliu Dongying Chemical Ind. Co., Ltd.

59. Zhejiang Sanmei Chemical Ind. Co., Ltd was established as a limited liability company in accordance with Company Law of China PR in May, 2001. During the POI period, Fujian Qingliu Dongying Chemical Ind. Co., Ltd., a producer of subject goods from China PR has sold *** MT of subject goods of invoice value *** RMB to India indirectly through a related exporter/trader namely, Zhejiang Sanmei Chemical Ind. Co., Ltd., on ex-work basis as reported in Appendix-3B of Fujian Qingliu Dongying Chemical Ind. Co., Ltd. It is further noted that Zhejiang Sanmei Chemical Ind. Co., Ltd., which is a related exporter/trader of Fujian Qingliu Dongying Chemical Ind. Co., Ltd., has sold the same quantity *** MT of subject goods of invoice value *** USD directly to unrelated buyer in India. This related exporter/trader has claimed adjustment on accounts of ocean freight, insurance, inland transportation, port and other related expenses and bank charges as claimed in Appendix-3A of Zhejiang Sanmei Chemical Ind. Co., Ltd., As no imports of “HFC-R 32 Packed” form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for “HFC-R 32Unpacked” form. The export price at ex-factory level so determined is as shown in the Dumping Margin Table below:

iii. Shandong Dongyue Refrigerants Co., Ltd

60. Post the imposition of Anti-dumping duty, Shandong Dongyue Chemical Co., Ltd. conducted a corporate restructuring by spinning off its production business segment related to Hydrofluorocarbon (HFC) Component R-32 and other relevant products, establishing a new entity named Shandong Dongyue Refrigerants Co., Ltd. After the restructuring, the original company halted its production activities and shifted focus to strategic management and subsidiary stockholding, while the new company took over all relevant production assets, qualifications, personnel and business operations. There were no changes in ownership, management, production processes and other key aspects. The exporter has filed an application for name change. On consideration of duly submitted response, the Authority had accepted the name change vide amendment notification AD (NC)-04/2024 dated 03 April, 2025.

61. Shandong Dongyue Refrigerants Co., Ltd was established as a limited liability company in accordance with Company Law of China PR on November 13, 2023. During the POI, Shandong Dongyue Refrigerants Co. Ltd., has produced and exported *** MT of subject goods of invoice value *** RMB (≈ *** **USD)** to unrelated buyers in India (on CIF terms). to unrelated customers in India directly. The company claimed adjustments on account of ocean freight, marine insurance, inland transportation, port and other related expenses, credit cost, and bank charges. These adjustments have been examined and allowed by the Authority after due verification. As no imports of "HFC-R 32 Packed" form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for "HFC-R 32 Unpacked" form. The ex-factory export price as determined is given in the dumping margin table below.

iv. Non-cooperative producers/exporters

62. In the absence of cooperation from the remaining producers/exporters from China PR, the Authority has determined the export price of R-32 for non-cooperative producers/exporters on the basis of facts available. As no imports of "HFC-R 32 Packed" form have been reported during the POI in DG Systems transaction wise data, no separate export price has been determined for the packed form. The export price at ex-factory level as determined is shown in the dumping margin table below.

F.3.3 <u>Dumping margin</u>

63. Considering the normal value and the export price for the product under consideration as determined above, the dumping margin for the product under consideration from the subject country has been determined as below: -

SN	Particulars	Normal value $/MT	Export price $/MT	Dumping margin		
				$/MT	%	Range
1	M/s Zibo Feiyuan Chemical Co., Ltd.	***	***	***	***	20-30

2	Shandong Dongyue Refrigerants Co., Ltd	***	***	***	***	30-40
3	Fujian Qingliu Dongying Chemical Ind. Co., Ltd	***	***	***	***	20-30
4	All other producers/exporters	***	***	***	***	60-70

64. It is seen that the dumping margin is more than *de-minimis* for the producers/exporters from China PR. Therefore, the Authority considers that the dumping of the product has continued from the subject country.

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submission by opposing interested parties

65. The opposing interested parties have made the following submissions with regard to assessment of injury and causal link:
    i. The domestic industry has exaggerated the increase in imports. The imports from China have increased moderately, whereas imports from other countries increased significantly.
    ii. The present case is based on increase of imports though such imports are not causing injury.
    iii. The imports in 2022-23 and 2023-24 increased in response to the significant growth in Indian demand.
    iv. The intention behind the increase in export from China was not to unfairly dump the subject goods, but a consequence of China's efforts to maximize its quota under the Kigali Amendment. The applicant may also be planning to do the same and enhance its production to a much higher level during its own baseline years (2024-2026) so that it can also secure a higher quota in the target years.
    v. The surge in imports from UAE is also because UAE is classified in Group II countries along with India.
    vi. There has been no injury to the domestic industry due to the price of subject imports.
    vii. A new domestic player, GFL has entered the market in post POI and imports from other countries have also started coming. Thus, any injury to the domestic industry would be on account of imports from UAE. The total volume of imports from UAE is very significant in the post POI period.
    viii. Since the new domestic player entered the market, it is quite inference worthy that the domestic industry and domestic market for the product under consideration in general must have been in good and profitable condition during the injury period.
    ix. The market share, including captive, has been wrongly computed. In the Montreal protocol, captive consumption is not allowed in the production and domestic consumption/demand.
    x. The volume of imports from subject country has declined tremendously.
    xi. The sales of the domestic industry have increased more than fourfold. This is an indication of positive growth rather than injury.
    xii. The cost of sales has increased only minorly from 100 indexed points in the base

year to 102 indexed points in the POI. However, the domestic selling price of the domestic industry has increased noticeably from 100 Indexed Points in the base year to 120 Indexed Points in the POI.

xiii. Captive consumption has risen during the period, indicating improved capacity utilization and stable operational performance.

xiv. Growth in sales exceeds the growth domestic demand. Consistent increase in sales demonstrates that sales have not been suppressed by imports. Capacity of domestic industry also improved due to rise in captive consumption.

xv. The installed capacity of the domestic industry increased substantially from 100 to 203, evidencing significant expansion and fresh investments. Capacity utilization has also remained stable.

xvi. Substantial capital investments would not reasonably be undertaken by an industry suffering injury or financial distress.

xvii. The simultaneous increase in domestic sales and decline in imports conclusively demonstrates the absence of any causal link between the imports and the performance of the domestic industry.

xviii. The net selling price of the domestic industry was highest during the POI. This demonstrates improved price realization and clearly negating any allegation of price injury.

xix. The landed price increased significantly indicating absence of cheap or aggressive dumping.

xx. The price parameters reflect healthy market conditions and do not support a finding of material injury to the domestic industry.

xxi. Production of the domestic industry increased to more than double. This unequivocally show that the domestic industry has not experienced any curtailment of production or loss of demand attributable to imports.

xxii. The domestic production of the domestic industry available for sale has increased in tandem with the increase in total demand.

xxiii. Productivity per day has increased sharply to 223, reflecting a significant enhancement in operational efficiency and overall plant performance. Similarly, productivity per employee has risen to 119 during the POI, evidencing improved labour efficiency and effective utilisation of the workforce.

xxiv. There is an exceptional increase in both domestic sales and market share of the domestic industry. Also, there is an exceptional increase in profit, cash profits and return of capital employed.

xxv. Closing inventory levels have declined significantly from an indexed level of 100 to 72, indicating faster sales and improved inventory management. Average inventory levels have also reduced over the period, demonstrating the absence of stock accumulation or unsold goods.

xxvi. The allegation of 20-30% price undercutting by imports is neither credible nor reflective of actual market behaviour.

xxvii. Even if we assume that the price undercutting existed, the economic performance of the domestic industry shows that such undercutting did not translate into any adverse impact for the domestic industry.

xxviii. The fact that the domestic industry has instead recorded higher sales during the POI conclusively establishes that the alleged price undercutting is overstated, commercially unrealistic and not supported by actual market dynamics.

xxix. Even if it is assumed that the price undercutting existed, the economic performance of the domestic industry shows that such undercutting did not translate into any adverse impact for the domestic industry.

xxx. Profit per MT has increased sharply to 393 in the POI, reflecting a significant recovery and healthy operating margins.

xxxi. All the profits parameters barring in 2023-2024 have shown significant growth.

xxxii. The cost of sales has increased only minorly from 100 indexed points in the base year to 102 indexed points in the POI. However, the domestic selling price of the domestic industry has increased noticeably from 100 Indexed Points in the base year to 120 Indexed Points in the POI.

xxxiii. The wages over the injury period increased 286 and employment level has grown to 188.

xxxiv. Net fixed assets have increased sharply to 802, reflecting substantial fresh investments and significant capacity expansion undertaken by the domestic industry.

xxxv. Working capital has also increased consistently over the relevant period, indicating strengthened operations and an improved liquidity position.

xxxvi. Return on capital employed has increased to 230 during the POI, evidencing healthy profitability and efficient utilization of capital.

xxxvii. The trend of imports and profitability of the domestic industry in the POI is indicative of the likelihood of dumping and injury and not the previous years when the production under Montreal protocol was not triggered.

xxxviii. The domestic industry has a commanding and formidable position and its position is not likely to be effected even after the discontinuance of the duties.

xxxix. The 22% return on gross fixed assets is highly inflated and not in accordance with the Law.

G.2 Submission by the domestic industry

66. The domestic industry has made the following submissions with regard to assessment of injury and causal link:

i. The demand in India has consistently increased. The demand for the product under consideration has increased because of the robust growth in the air conditioner (AC) market coupled with substitution of HCFC 22 with HFC 32 and HFC 410A.

ii. Despite imposition of anti-dumping measures in December 2021, the imports of the product under consideration increased in 2022-23 and were higher than base year in 2023-24.

iii. The imports from the subject country have increased in absolute terms and relative terms till 2022-23, then declined in 2023-24 and then further declined over the POI.

iv. The landed price of imports is below the selling price of the domestic industry. The price undercutting is in the range of 20-30%.

v. The cost of sale increased in 2022-23 and further increased in 2023-24. The selling price during this period did not increase in proportion to the increase in the cost of sales because there was an exceptional surge in imports from subject country at a price which is below the cost of sales of the domestic industry.

vi. Imports from China PR continued to enter the domestic market at prices lower than even the cost of sales of the domestic industry. During the entire injury period, except for the POI, the cost undercutting remained positive.

vii. During the POI, the landed price of the imports was marginally higher than the cost of sales. As the import price went up, the domestic industry was able to earn profits.

viii. Between 2021-22 and 2023-24, whereas there was continuous increase in cost of sales, there was continuous decline in the landed price of imports.

ix. As the cost of sales and import volume declined in the POI, the domestic industry was able to increase its prices to a remunerative level.

x. The fact that the domestic industry suffered losses due to low priced imports even in presence of anti-dumping duty establishes that the domestic industry continues to remain vulnerable to dumping.

xi. The capacity of the domestic industry increased in the December 2024, which became fully operational in the POI. The capacity expansions were undertaken in line with the growing demand for the product.

xii. The production and domestic sales of the domestic industry remained nearly constant till 2023-2024 due to the fact the imports from China increased exceptionally during 2022-2023 and 2023-2024, and despite anti-dumping duty in place.

xiii. As the imports from China PR declined in the POI, the domestic sales and consequently the production increased.

xiv. The profitability of the domestic industry declined in 2022-23 and turned into losses in 2023-24 due to continued Chinese dumping. The domestic industry was able to make profits in the POI as the imports from China declined.

xv. The market share of the domestic industry has improved after the imposition of measures and the market share of the imports from China has declined.

xvi. Despite the fact that market share of the dumped imports declined in the POI, the dumped imports held 25-35% share in the demand over the injury period.

xvii. The domestic industry has the ability to cater to the entire demand in the Indian market. Further, two other producers have started selling in the market.

xviii. The average inventory with the domestic industry increased in 2022-2023, declined in 2023-2024 and increased in the POI.

xix. The productivity per day of the domestic industry has improved over the injury period. With the capacity expansion undertaken by the domestic industry, the employment generated, and the wages paid have increased.

xx. The domestic industry had recorded a negative growth in price parameters till 2023-24 which have turned positive in the POI as the imports from China declined.

xxi. The increased low-priced exports occurred despite rising costs of sales for the domestic industry, putting additional pressure on Indian producers.

xxii. The cost of sales increased during 2022-2023 and 2023-2024. However, in order to dispose of their surplus production, the producers in China exported the product in large quantities to the Indian market at declining prices.

xxiii. This tactic of the Chinese exporters has adversely impacted the performance of the domestic industry and made the duty ineffective. The domestic industry was profitable in 2021-22, which declined steeply in 2022-23 and turned into losses in the year 2023-24.

xxiv. Though the exports of subject goods declined, the export price still remained below the export price to third countries as well as the domestic selling price.

xxv. The imports from UAE only started in the POI. The imports are coming at a price which is substantially higher than the import price from subject country.

xxvi. The mere entry of a new domestic producer into the market does not ipso facto establish that the existing domestic industry was in a sound or profitable condition during the injury period.

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

67. Rule 11 of Anti-dumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, *"... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on 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 domestic industry 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.

68. For the purpose of injury analysis, the Authority has relied on the transaction-wise import data procured from DG Systems.

69. The Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority has considered all injury parameters and, thereafter, concludes whether injury to the domestic industry continues, or recurs, in case the anti-dumping duty is ceased. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and other interested parties.

70. The Authority has taken note of various submissions made by the domestic industry and other interested parties on injury and causal link and has analyzed the same considering the facts available on record and applicable laws. The injury analysis carried out by the Authority ipso facto addresses submissions made by the domestic industry and other interested parties.

71. With regard to the interested party's submission that any injury to the domestic industry is on account of imports from UAE, the Authority notes that the imports from UAE started only in the POI and import price from UAE is much higher than the import price from China PR and the selling price of the domestic industry. Therefore, the imports from UAE cannot be a cause of injury to the domestic industry.

72. With regard to the interested party's submission that import prices from China PR have consistently increased and import volumes have declined post the POI, thereby requiring a post POI analysis. The present proceeding is a sunset review, in which the enquiry is expressly prospective, and the twelve-month POI together with the three preceding years affords a sufficient basis for that enquiry.

73. With regard to the interested parties' submission that plant shutdowns may have contributed to the injury suffered by the domestic industry, the Authority notes that the domestic industry's production and domestic sales have increased over the injury period. While the production and domestic sales were low in the period 2021-22 and 2022-23, the domestic industry's plant was operating at an optimal capacity utilisation. Therefore, any abnormal or unplanned plant shutdowns during the injury period, including POI could not have adversely affected its performance or contributed to the injury suffered by it.

74. With regard to the interested parties submission that 22% return on capital employed methodology for calculation of non-injurious price is inflated and not in accordance with the law, the Authority holds that it is the consistent practice that unless the interested parties demonstrate the need for consideration of a different return, a return of 22% shall be allowed for determination of non-injurious price. In *Bridgestone Tyre Manufacturing Vs. Designated Authority*, the interested parties had brought evidence on record to demonstrate that across the globe lower return has been earned by the producers of subject goods. However, subsequent to that decision there are a number of cases in which the Tribunal has held that a return of 22% is justified, unless there is cogent evidence to prove that a different return should have been allowed. In the case of *Tangshan Sanyou Group Hong Kong International Trade Co. Limited Vs. Union of India*, the Tribunal noted that since the interested parties did not produce any evidence to substantiate that the return of 22% was unreasonable, the consistent practice followed by the Designated Authority could not be questioned.

> *"11. Return on capital employed is also a subject matter of dispute. The DA considered 22% return on investment as reasonable for capital-intensive VSF industry. In fact we note that the DI claimed a rate of return higher than 22% for the reason that the investment is quite low, as the plant is old and clearly depreciated. We also note that the Tribunal in earlier cases upheld the adoption of 22% return. The cases relied upon by the appellant are on facts where interested parties submitted evidence in support of a lower return. In the present case, as already noted, the appellant did not produce any evidence to claim any particular return on capital as proper and reasonable. In such a*

situation, the consistent practice followed by the DA cannot be put to question. In fact, the return on capital was fixed by the DA lower than what is claimed by the DI."

75. The Authority notes that none of the interested parties has placed on record any evidence that any deviation from considering a return of 22% is justified and more appropriate. Therefore, as per the consistent practice, the Authority considers it appropriate to adopt a 22% return for calculation of non-injurious price.

G.3.1 Assessment of demand/apparent consumption

76. 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 domestic industry and the imports from all sources. Further, as the domestic industry has consumed a substantial portion of its production captively, the demand has been assessed separately, both including and excluding captive consumption. The demand so assessed is given in the table below.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Sales of domestic industry	MT	***	***	***	***
2	Trends	Indexed	100	161	198	411
3	Imports from China	MT	6,144	8,774	7,129	1,571
4	Trends	Indexed	100	143	116	26
5	Imports from other countries	MT	-	-	-	3,538
6	Trends	Indexed	-	-	-	100
7	Demand excluding captive	MT	***	***	***	***
8	Trend	Indexed	100	149	143	193
9	Captive Consumption	MT	***	***	***	***
10	Trend	Indexed	100	85	109	130
11	Demand including captive	MT	***	***	***	***
12	Trend	Indexed	100	134	135	178

77. It is seen that demand for the product has increased over the injury period. Further, the increase in demand is quite significant.

G.3.2 Volume effect of the dumped imports

78. 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 in India. The same is analysed in the table below.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1.	Imports Volume					
a.	Subject Countries	MT	6,144	8,774	7,129	1,571
	Trend	Indexed	100	143	116	26
b.	Other Countries	MT	-	-	-	3,538
	Trend	Indexed	-	-	-	100
c.	Total import volume	MT	6,144	8,774	7,129	5,109
	Trend	MT	100	143	116	83
2.	Subject Imports in relation to					
a.	Indian Production	%	***	***	***	***
	Trend	Indexed	100	131	91	11
b.	Indian Demand	%	***	***	***	***
	Trend	Indexed	100	96	81	13

79. It is seen that:

a. The imports from the subject country increased in absolute and relative terms in 2022-23, then declined in 2023-24 and then further declined in the POI.

b. The domestic industry has claimed that the Government of China has put the export quota for the product on hold and not released the complete quota, and therefore, the overall exports from China has declined.

c. As the exports from China declined, the imports from United Arab Emirates increased. The entities that have imported from the United Arab Emirates have primarily used the imported product to produce HFC Blend. With the imposition of anti-dumping duty on HFC Blend, the number of producers of HFC Blends in India have increased, with producers importing R-125 from China and buying HFC-32 from either the Indian industry or from imports from other sources. The entities are blending the same with other HFC components to produce HFC Blends.

d. The imports in relation to Indian production and Indian demand increased in 2022-23, declined in 2023-24 and declined further in the POI.

e. Over the injury period, imports declined both in absolute and relative term.

G.3.3 Price effect of the dumped imports

80. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product 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 purpose of this analysis, the cost of production and net sales realisation have been compared with the landed price of imports of the subject goods from the subject country.

i. <u>Price undercutting</u>

81. For the purpose of price undercutting analysis, the net sales realization of the domestic industry has been compared with the landed value of imports from the subject country. The Authority has notified the packed form and unpacked form as two PCNs. 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 same also represents the price undercutting for the product under consideration.

SN	Particulars	Unit	HFC Unpacked	PUC
1	Import volume	MT	1,571	1,571
2	Net sales realization	Rs/MT	***	***
3	Landed price	Rs/MT	2,74,273	2,74,273
4	Price undercutting	Rs/MT	***	***
5	Price undercutting	%	***	***
6	Price undercutting	Range	20-30%	20-30%

82. It is seen that in the POI, the landed price of imports from subject country is significantly below the selling price of the domestic industry. The price undercutting is positive and significant.

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

83. 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	Unit	2021-22	2022-23	2023-24	POI
1	Cost of Sales	₹/MT	***	***	***	***
2	Trend	Indexed	100	111	119	102
3	Selling Price	₹/MT	***	***	***	***
4	Trend	Indexed	100	106	95	120
5	Landed Price (excluding ADD)	₹/MT	2,54,242	2,11,430	2,01,098	2,74,273
6	Trend	Indexed	100	83	79	108
7	Landed Price (including ADD)	₹/MT	342,422	306,271	299,019	374,222
8	Trend	Indexed	100	91	89	110

84. It is seen that:

    i. The cost of sales of the domestic industry increased by 11 index points in 2022-23. However, the selling price increased only around 6 index points.

ii. In 2023-2024, the cost of sales further increased around by 8 index points. However, the selling price declined by around 11 index points, as the landed price of imports also declined in this period.

iii. The cost of sales of the domestic industry declined in the POI by 17 index points, while the selling price of the domestic industry increased by around 25 index points. The landed price of imports also increased in this period.

iv. The landed price of imports had a suppressing effect on the prices of the domestic industry in 2022-23 and depressing effect in 2023-24 as the landed price was below the selling price of the domestic industry. This was the period when producers in China exported in significant volume to reach their production quota, in view of the fact that this was the final year of the production baseline in the Kigali Amendment to the Montreal Protocol. However, in the POI, as the Chinese import prices increased, the domestic industry was able to increase its prices, despite a decline in costs. The domestic industry therefore did not suffer suppressing or depressing effects in the POI.

G.3.4 Economic parameters of the domestic industry.

i. Capacity, production, capacity utilization and sales volumes

85. The capacity, production, capacity utilization and sales volumes (including and excluding captive consumption for domestic sales) of the domestic industry over the injury period is given in the table below.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1.	Installed capacity	MT	***	***	***	***
2.	Trend	Indexed	100	100	126	203
3.	Total production	MT	***	***	***	***
4.	Trend	Indexed	100	100	103	179
5.	Capacity utilization	%	***	***	***	***
6.	Trend	Indexed	100	100	82	88
7.	Total production - PUC	%	***	***	***	***
8.	Trend	Indexed	100	109	128	223
9.	Domestic sales	MT	***	***	***	***
10.	Trend	Indexed	100	161	198	411
11.	Captive sales	MT	***	***	***	***
12.	Trend	Indexed	100	85	109	130
13.	Export sales	MT	***	***	***	***
14	Trend	Indexed	100	99	86	142
13.	Demand	MT	***	***	***	***
14.	Trend	Indexed	100	134	135	178

86. It is seen that:

i. The domestic industry has two plants to produce the product under consideration at

Dahej and Bhiwadi. The domestic industry has increased its capacity at its Dahej plant.

ii. The production of the domestic industry remained almost stagnant until 2023-24, and increased significantly in the POI.

iii. The capacity utilisation of the domestic industry remained stagnant in 2022-23, declined in 2023-24 and thereafter increased in the POI.

iv. The domestic sales increased continuously over the injury period.

v. The export sales of the domestic industry have declined in 2022-23, declined in 2023-24 and increased in the POI.

vi. The domestic industry has stated that its domestic sales increased with the imposition of anti-dumping duty on HFC Blend as number of producers of HFC Blends in India have increased with producers importing R-125 and buying HFC-32 from either the domestic industry or from imports from other sources. The entities are blending the same with other HFC components to produce HFC Blends.

ii. Market share

87. The market share (excluding demand for captive consumption) of the domestic industry and imports is given in the table below.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Sales of domestic industry	%	***	***	***	***
	Trend	Indexed	100	108	138	213
2	Imports from China	%	67%	64%	54%	9%
	Trend	Indexed	100	96	81	13
3	Imports from Other Countries	%	0%	0%	0%	20%
	Trend	Indexed	-	-	-	100

88. It is seen that:

i. The market share of the subject country declined during the entire injury period. The imports from subject country were holding a major and significant share in the demand in India in the year 2021-22, 2022-23 and 2023-24. The market share declined in the POI.

ii. The market share of the domestic industry increased considerably during the entire injury period.

iii. The market share of other countries has increased in the POI.

iii. Inventory

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Opening inventory	MT	***	***	***	***
2	Trend	Indexed	100	241	121	159
3	Closing inventory	MT	***	***	***	***

4	Trend	Indexed	100	50	66	72
5	Average inventory	MT	***	***	***	***
6	Trend	Indexed	100	106	82	98

90. The Authority notes that the average inventory with the domestic industry increased in 2022-2023, declined in 2023-2024 and increased in the POI.

iv. <u>Profitability</u>

91. The relevant information is given below: -

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Profit/ (loss)	₹/MT	***	***	***	***
2	Trend	Indexed	100	27	(263)	393
3	Profit/(loss)	₹ Lacs	***	***	***	***
4	Trend	Indexed	100	44	(520)	1,613
5	PBIT	₹/MT	***	***	***	***
6	Trend	Indexed	100	50	(163)	366
7	PBIT	₹ Lacs	***	***	***	***
8	Trend	Indexed	100	81	(323)	1,504
9	Cash profit	₹/MT	***	***	***	***
10	Trend	Indexed	100	53	(57)	203
11	Cash profit	₹ Lacs	***	***	***	***
12	Trend	Indexed	100	86	(113)	833
13	Return on investment	%	***	***	***	***
14	Trend	Indexed	100	42	(71)	230

92. The Authority notes that
    i. The profitability of the domestic industry witnessed a decline during 2022-23 and deteriorated further into financial losses during 2023-24. The Authority notes that this period coincides with a significant increase in the volume of imports of the subject goods from China PR, accompanied by a corresponding decline in the landed/import price of such goods.
    ii. The Authority further notes that during the POI, with the decline in the volume of imports from China PR, the domestic industry was able to restore its profitability and record profits.
    iii. The cash profits and return on investment employed declined in 2022-2023, and further declined in 2023-2024, which increased in the POI.

93. While the domestic industry recorded a positive return on capital employed during the POI, the Authority holds that the overall trend in the domestic industry's performance across the injury period demonstrates that the domestic industry remains vulnerable to injury on account of dumped imports from the subject country. A healthy return in a single period, which is marked by a decline in dumped imports, does not, in itself, detract from the fact that the domestic industry continued to be adversely affected by imports when

the volumes were so significant, and, therefore, remains exposed to, continuance of dumping and consequent injury.

v. Productivity, employment and wages.

94. Employment, wages and productivity of the domestic industry over the injury period is given in the table below:

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Production per day	MT/Days	***	***	***	***
2	Trend	Indexed	100	109	128	223
3	Production per employee	MT/Nos	***	***	***	***
4	Trend	Indexed	100	95	90	119
5	No. of employees	Nos.	***	***	***	***
6	Trend	Indexed	100	115	142	188
7	Salaries & Wages	₹ Lacs	***	***	***	***
8	Trend	Indexed	100	116	160	286

95. It is seen that:
   i. The production per day of the domestic industry has increased in 2022-2023, which further increased in 2023-24 and POI.
   ii. The production per employee of the domestic industry has declined in 2022-23, which further declined in 2023-24 and increased in the POI.
   iii. The number of employees of the domestic industry have continuously increased during the injury period.
   iv. The salary and wages of the domestic industry have continuously increased during the injury period.

vi. Ability to raise capital investment.

96. The Authority notes that the domestic industry, in tandem with the increase in demand for the product, has increased the capacity in 2023-24 and in the POI. The domestic industry also submitted that post imposition of anti-dumping duty, the volume parameters of the domestic industry had improved. The measure has provided the domestic industry with the ability to increase capacity. The domestic industry has submitted that the anti-dumping duty has enabled it to maintain sales of the product under consideration at adequate and fair remunerative prices, in the POI ensuring that the operations remain financially viable and manage its working capital requirements efficiently. It is therefore considered that the domestic industry's ability to finance its working capital needs (and the capital employed) has not been adversely affected.

vii. Growth.

97. The following table shows the growth parameters of the domestic industry over the injury period.

SN	Particulars	Unit	2022-23	2023-24	POI
1	Capacity	%	0%	26%	61%
2	Production	%	9%	17%	75%
3	Capacity utilization	%	0%	-18%	8%
4	Domestic sales	%	61%	23%	108%
5	Profit/(Loss) – Rs/MT	%	-73%	-1070%	249%
6	Profit/(Loss) – Rs Lakhs	%	-56%	-1289%	410%
7	PBIT – Rs/MT	%	-50%	-426%	324%
8	PBIT – Rs Lakhs	%	-19%	-500%	566%
9	Cash profit – Rs/MT	%	-47%	-207%	453%
10	Cash profit – Rs Lakhs	%	-14%	-232%	834%
11	Return on investment	%	-58%	-269%	425%

98. It is seen that the domestic industry recorded severely negative growth in its profitability parameters such as profit, profit before interest and cash profit until 2023-24 which have turned positive in the POI as the imports from China declined. The volume parameters have shown improvement over the injury period. It is considered that the growth parameters have shown a mixed trend over the injury period, but improved in the POI.

viii. Magnitude of dumping margin.

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

ix. Factors affecting domestic prices.

100. It is seen that the import price is directly affecting the prices of the domestic industry in the domestic market. The landed price of the subject imports is below the selling price of the domestic industry throughout the injury period. Imports from the United Arab Emirates, which entered only in the POI, were priced above both the subject-country imports and the domestic industry's selling price and have not exerted downward pressure on prices. The Authority therefore concludes that the subject imports remain the principal factor affecting the prices of the domestic industry, and that the duty in force is what prevented an adverse price effect in the POI.

G.3.5 Conclusion on injury

101. Based on the analysis undertaken above, the following is concluded.

   i. The demand for the product has increased over the injury period. The increase in demand is quite significant.

   ii. The imports from the subject country increased in absolute and relative terms in 2022-23, then declined in 2023-24 and then further declined in the period of investigation.

   iii. Over the injury period, imports declined both in absolute and relative term.

iv. The landed price of imports is below the selling price of the domestic industry. Price undercutting by imports of the product under consideration from China PR is positive and significant.

v. The landed price of imports from China is also materially lower than import price from other countries not under investigation. The volume of imports from other countries not under investigation is also quite significant (3,538 MT).

vi. The landed price of imports had a suppressing effect on the prices of the domestic industry in 2022-23 and depressing effect in 2023-24 as the landed price was below the selling price of the domestic industry.

vii. The production of the domestic industry remained almost stagnant until 2023-24, and increased significantly in the period of investigation.

viii. The capacity utilisation of the domestic industry remained stagnant in 2022-23, declined in 2023-24 and thereafter increased in the period of investigation.

ix. The domestic sales increased continuously over the injury period.

x. The market share of the domestic industry increased considerably during the entire injury period.

xi. The average inventory with the domestic industry increased in 2022-2023, declined in 2023-2024 and increased in the period of investigation.

xii. The profitability of the domestic industry remained adverse until 2023-2024.

xiii. With the decline in the volume of imports from China PR in the period of investigation, the domestic industry was able to restore its profitability and earn profits.

xiv. While the domestic industry earned positive return on capital employed during the period of investigation, however the overall trend in the domestic industry's performance across the injury period demonstrates that the domestic industry remains vulnerable to injury on account of dumped imports from the subject country

xv. The domestic industry ability to finance its working capital needs has not been adversely affected.

xvi. The domestic industry recorded severe negative growth in its profitability parameters such as profit, profit before interest and cash profit until 2023-24 which have turned positive in the period of investigation as the imports from China declined.

xvii. The volume parameters have shown improvement over the injury period.

xviii. There is continued dumping of the subject goods in India from China PR.

H. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

H.1 Submission by opposing interested parties

102. The other interested parties have made the following submissions with regards to the likelihood of injury

i. There is a decline in imports from the subject country. Hence, likelihood of recurrence of dumping is negligible.

ii. Continuation of anti-dumping duty is not warranted as the domestic industry is neither suffering present injury nor credible evidence is provided to prove likelihood of recurrence of injury.
iii. Current performance of the domestic industry is indicative of future performance. The economic performance demonstrates a significant improvement across all key performance indicators. This contradicts any claim of existing injury or likelihood of its recurrence.
iv. In the present case, a combination of the Indian import policy for the product under consideration and binding international commitments under the Montreal Protocol makes the likelihood of recurrence of injury impossible.
v. *Shandong Dongyue Refrigerants Co., Ltd. has stated that its* capacity has declined and the trend is similar for China PR as a whole due to international obligations under Montreal Protocol. Respondent's exports PUC to India has declined during the investigation period.
vi. *Shandong Dongyue Refrigerants Co., Ltd. has* has stated that it is exporting the goods at reasonable prices to India and there is not likelihood that the exporter would make its exports to India at lower prices than the current prices charged by the exporter.
vii. The production and consumption of China HFCs freeze in 2024 and will not increase. Therefore, the further increase in imports from China is unlikely and it would in all likelihood come down.
viii. There is change in circumstances in the present investigation as compared to original investigation as there was no restriction on imports in the original investigation; there were no imports from other countries in the original investigation; and a new producer, GFL, has also started producing the subject goods.
ix. India is not a price attractive market for subject goods.
x. The applicant in present case has not provided any post POI data to indicate continuance of dumping or injury being caused to it.
xi. The import volume of the subject goods has come down significantly from 6,358 MT in 2021-22 to 156 MT in 2025-2026 (post POI data).
xii. India is not price attractive. There is no logical explanation to why would China divert its exports of subject goods to India if the import prices in third country are higher as compared to the import prices in India.
xiii. No capacity expansion of the subject goods in the subject country.
xiv. The price of the subject goods from subject country is 7-8 USD/Kg while the same was 2-3 USD/Kg in 2021. There has been four times increase in the import price of the PUC from China which eliminates the dumping allegation or cancels out the likelihood of recurrence of injury in the event of cessation of duties.

H.2 Submission of the domestic industry

103. The domestic industry has stated as following with regards to likelihood of injury

i. Unlike original investigations, sunset reviews are prospective in nature, as they focus on the likelihood of the continuation or recurrence of dumping and injury, in case anti-dumping duties are removed.

ii. In P.T. Asahimas Chemicals Vs. Designated Authority [2015 (328) E.L.T. 417 (Tri. - Del.)], the tribunal noted that in situation when there is no injury, the Authority is required to examine whether the injury is likely to recur in the event of cessation of duty, having regard to the potential volume and price of imports and impact thereof on the domestic producers.

iii. Producers in China have the ability to dump different HFCs, as is evident from the multiple trade remedy investigations conducted on China PR across multiple jurisdictions. Producers in China have devised different ways to circumvent these duties.

iv. The quota for the product under consideration is not fixed under the Kigali amendment, meaning thereby that the Chinese administrative Authority can alter the quota for a particular HFC product.

v. The current quota on HFCs is without considering the 65% baseline level of HCFCs. Once the quota is released, the Chinese producers will have surplus production to export.

vi. Chinese exporters have excess surplus capacity for the product under consideration.

vii. In case of cessation of anti-dumping duty, all the increased demand of the product under consideration will be taken away by the Chinese exporters.

viii. The likelihood analysis is required to be undertaken for all the subject country as a whole and not just for a particular producer. There are at least 10 producers of the subject goods in China. Out of these only 3 producers have participated.

ix. In the matter of US-Sunset Reviews of Anti-dumping Measures on CRCS Flat Products from Japan: WT/DS244/AB/R dated 15-12-2003, the Appellate Body observed that Article 11.3 of the Anti-dumping Agreement does not oblige investigating authorities in a sunset review to make “company specific” likelihood determinations.

x. For India, 2024-2026 are extremely crucial years as the average production and consumption of these years will be taken as baseline for future phaseout purpose.

xi. India continues to remain an attractive market for the Chinese exporters.

xii. Despite the claim of the interested parties that the import prices have increased, the pricing pattern of the producers from China shows that the price increase in the Indian market is still lower than the price increase in the global market.

xiii. Chinese producers significantly increased HFC-32 production and exports to India during the baseline period and reduced export prices.

xiv. Having achieved high baseline production, the producers in China have temporarily stopped the aggressive price behaviour in the Indian market. This has largely been attributable to the fact that the Government of China has not released the entire quota in the year 2024-25.

xv. With demand for R-32 still growing, the Chinese producers are temporarily left with low availability and have increased their prices.

xvi. The Government of China is not likely to hold the quota for a substantial time and will release it in future. This high quantity is sufficient to destroy the entire Indian market and therefore, there is a likelihood of increased imports and consequent injury to the domestic industry in an event of expiry of measures.

xvii. The allocation and distribution of quotas within HFCs products are still under the discretion of China and the government can provide the quota year-on-year or in the year as well.

xviii. The Chinese producers are exporting to other countries as well at dumped prices. Further, the entire exports to third countries are at injurious prices.

xix. The quota allocation also shows that China retains the administrative discretion to alter the annual quota allocations for different HFC producers based on domestic policy priorities, industrial performance, and diplomatic considerations.

xx. In 2024 as well as 2025, the administration of China has altered the quota of production and consumption of HFCs.

xxi. The producers in China PR have swinging capacity, meaning thereby that within the same production facility and using the same machinery, the producers/exporters can produce different HFC product. This has also been confirmed by the US International Trade Commission (USITC) in 1,1,1,2 - Tetrafluoroethane (R-134a) from China.

xxii. The participating producers from China too have reported PUC + NPUC production in their Appendix 1.

xxiii. With surplus and swinging capacities, the producers in the subject country can easily switch between different HFC and increase their production and exports.

xxiv. The total estimated capacity in China for HFC 32 is 505 KT, the production quota is 280 KT. With domestic consumption of only 185 KT, the producer in the countries have an export quota of 90 KT, which is more than 4 times the demand in India.

xxv. The participating producers in response to question number 5 of the exporter questionnaire part II has confirmed that there is no reduction in production of HFC-32.

xxvi. While China has taken efforts in setting up policies and plans to phase put HFCs in consonance with the Kigali Amendment, implementation of the same is a task much harder than what meets the eye.

xxvii. When export price to India is compared with the export price to other countries, it would be seen that 60% of the exports to third countries are priced lower than the export price to India.

xxviii. China will divert the imports to India in absence of duty because of the ever-increasing demand for the subject goods to India and the idle capacity for the subject goods with the producers in China.

H.3 Examination by the Authority

104. 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.

105. 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 continuance or recurrence of dumping and injury to the domestic industry.

106. 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 could be taken into consideration, viz.
    i. A significant rate of increase of dumped imports into India indicating the likelihood of 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.

107. 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 domestic industry in case of cessation of anti-dumping duty. Additionally, the Authority has examined all the relevant information brought on record by the domestic industry and the other interested parties.

a. <u>Continued Dumping</u>

108. The table below shows the dumping margin determined by the Authority in the original investigation and the present investigation.

SN	Particulars	UOM	Original investigation	Present investigation
a.	M/s Zibo Feiyuan Chemical Co., Ltd.	%	60-70	20-30
b.	Shandong Dongyue Refrigerants Co., Ltd	%	50-60	30-40
c.	Fujian Qingliu Dongying Chemical Ind. Co., Ltd	%	70-80	20-30
d.	All other producers/exporters	%	90-100	60-70

109. It is seen that the dumping from China has continued. The continuation of dumping in the current period 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 of substantially increased importation.</u>

110. The table below shows the trend of dumped imports into India during the injury period.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1.	Imports Volume					
a.	Subject Countries	MT	6,144	8,774	7,129	1,571
2.	Subject Imports in relation to					
a.	Indian Production	%	***	***	***	***
	Trend	Indexed	100	142	112	14
b.	Indian Demand	%	***	***	***	***
	Trend	Indexed	100	96	81	13

111. It is observed that the imports of the subject goods from the subject country increased, both in absolute terms and in relative terms during 2022-23. Thereafter, such imports declined during 2023-24 and declined further during the POI.

112. The evidence on record shows that the Government of China PR has not released the full production quota applicable to HFC gases for 2024-25. The domestic industry has demonstrated, and the responding producers have not disputed, that the reduction in exports of the subject goods from China PR in the POI follows from that constraint on available quota rather than from any change in the commercial orientation of the Chinese producers. Further, none of the participating producers from China has claimed in their exporter questionnaire response that they plan to *"to add, expand, curtail or shut down their production of R32 in the future"*. The decline in import volume in the POI is therefore attributable to an administrative measure that is, on the material before the Authority, temporary and reversible at the discretion of the Government of China PR.

c. Sufficient freely disposable capacity.

113. The Authority considers that while the commitment to phase down the HFCs is legally binding, the allocation and distribution of quotas within HFCs products are still at the discretion of China. Government of China retains the discretion to alter the annual quota allocations for different HFC producers. Kigali Amendment provides for the calculation of HFCs baseline value by taking the average production and use of HFCs in China during the baseline year (2020-2022) plus the 65% of the HCFCs baseline level, based on the units calculated, carbon equivalent shall be taken to calculate the quota for HFCs. Based on the evidence on record, it is seen that at present the 65% of the HCFCs baseline has not been taken into consideration for calculation of quota for HFC products.

114. The Authority further notes that individual producers, upon receipt of their respective quota allocations, retain the discretion to internally allocate and utilise such quota amongst different HFC products manufactured by them, based on their own commercial considerations and market assessment. Accordingly, a producer's decision to allocate a greater or lesser proportion of its quota towards the production of the subject goods, as opposed to other HFC products, remains entirely within its own discretion and is not

constrained by the phase-down commitment as such. The domestic industry has provided evidence to show that the production capacities with the producers are fungible.

115. In the light of the discretionary nature of quota allocation and the fungibility of production capacities, the Authority considers that the total installed capacity for HFCs available with producers in China PR and not merely the capacity dedicated to the subject goods or the production quota alone are of relevance for the purposes of examining the likelihood of injury in the event of cessation of the anti-dumping duty.

116. The table below shows the information on capacity and demand from China as provided by the domestic industry.

SN	Particulars	UOM	Methodology	Data
1	Capacity	MT	A	505,500
2	Demand	MT	B	185,000
3	Surplus capacities	MT	C= A-B	320,500
4	Demand in India	MT	D	***
5	Surplus capacity as % of demand in India	%	E = C/D	***

Capacity and demand taken as per the capacity and demand in 2023 in China

117. The Authority examined the questionnaire responses filed by the cooperating exporters. The information on surplus capacities, as per the response of the participating producers, has been examined and is shown below.

SN	Particulars	UOM	Information by Shandong	Information by Zibo	Information by Fujian Qingliu
1	Capacity (PUC+NPUC)	MT	***	***	***
2	Production (PUC+NPUC)	MT	***	***	***
3	Idle capacity (PUC+NPUC)	MT	***	***	***
4	Idle capacity	%	***	***	***

118. It is seen that that the export orientation of the responding Chinese producers alone is significant when compared with the demand in India. It is also noted in this regard that production facilities for different kinds of HFCs is fungible. There are more than 50 producers of HFCs in China. More than 10 producers of producers of the products under consideration has been identified by the domestic industry. These producers are holding production capacities which can produce the PUC and other kinds of HFCs products

119. It is seen that the capacities in China are significantly more than the demand in that country. The surplus capacity in China is more than *** % of the demand in the Indian market.

d. Export orientation of the producers in China

120. The table below shows the information on capacity and exports from China.

SN	Particulars	UOM	Methodology	Data
1	Capacity	MT	A	505,500
2	Exports in POI	MT	B	55,985
3	Export orientation	%	C= B/A	11.08%

121. It is seen that the export orientation is low as the production quota has not been released completely for the product under consideration and therefore exports from China have declined. The domestic industry has submitted that the Government of China did not release the entire quota in the year 2024-2025 and the surplus available export quota of R32 of around 2,50,000 MT.

122. The Authority has additionally analysed the information on export orientation as per the response of the participating producers and is shown below. The information has been examined for the POI.

For the POI

SN	Particulars	UOM	Shandong	Zibo	Fujian Qingliu	Total
1	Production PUC	MT	***	***	***	1,07,889
2	Total exports PUC	MT	***	***	***	22,494

123. It is seen that that the export orientation of the responding Chinese producers alone is significant when compared with the demand in India . It is also noted in this regard that production facilities for different kinds of HFCs is fungible. There are more than 50 producers of HFCs in China. More than 10 producers of producers of the products under consideration has been identified by the domestic industry. These producers are holding production capacities which can produce the PUC and other kinds of HFCs products

e. 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;

124. The table below shows information on the cost of sales and selling price of the domestic industry and the landed price of imports.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Cost of Sales	₹/MT	***	***	***	***
2	Trend	Indexed	100	111	119	102
3	Selling Price	₹/MT	***	***	***	***
4	Trend	Indexed	100	106	95	120

5	Landed Price (excluding ADD)	₹/MT	2,54,242	2,11,430	2,01,098	2,74,273
6	Trend	Indexed	100	83	79	108
7	Landed Price (including ADD)	₹/MT	342,422	306,271	299,019	374,222
8	Trend	Indexed	100	91	89	110

125. It is seen that the landed price of imports had a suppressing effect on the prices of the domestic industry in 2022-23 and depressing effect in 2023-24 as the landed price was below the selling price of the domestic industry. These were the period when the producers in China exported in significant volume to reach their production quota in view of the fact that this was the final year of the production baseline in the Kigali Amendment to the Montreal Protocol.

126. The landed price of imports would have had adverse effect on the prices of the domestic industry in the POI as well. However, as the Government of China did not release the full quota, the prices increased. Had the anti-dumping duty not been in place, the landed price would have had a suppressing and depressing effect on the domestic industry prices.

f. Trade remedial measures by other countries

127. The domestic industry 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	(i) ADD OI – August 2016	OI – 101.82%-216.37%
		(ii) 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	(i) ADD OI – July 2011	OI – 1.15 US$/KG– 1.41$/KG
		(ii) SSR – December 2016	SSR – 1.29 US$/Kg – 3.24 US$/Kg
8	USA	(i) ADD OI – April 2017	OI – 148.79% - 167.02%
		(ii) ADD Sunset – July 2022	SSR – Duty continued
9	India	ADD OI - December 2025	OI – 4423 US$/MT – 4583 US$/MT (Reference price)

128. It has been claimed by the interested parties that references 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 country and are important to examine the likelihood of dumping and injury to the domestic industry.

129. It is observed that producers in China have been subject to various trade remedial measures in the form of anti-dumping and countervailing measures in other jurisdictions.

g. Third countries export below normal value.

130. The table below shows the exports made to third countries and the volume of exports below normal value. The exports from China have been considered based on TradeMap data.

SN	Particular	Total exports to third countries	Exports below normal value to third countries	Share of exports below normal value
1	Exports from China (MT)	55,985	35,333	63%

131. It is observed that a significant share of third-country exports from China are at prices which are below the associated normal value. This is further substantiated by the various trade remedial investigations undertaken in different jurisdictions against the producers from China.

h. Exports to third countries priced below export price to India

132. The Authority has analysed the third country exports to examine if the third country exports are priced below the exports priced to India and whether, on cessation of measures, the producers would have any incentive to divert them to the Indian market. The information provided by the domestic industry based on customs data has been examined. The table below summarises the position.

SN	Particular	Total exports to third countries	Exports to other countries below price in India	Share of exports to other countries below price in India
1	Exports from China (MT)	55,985	22,385	40%

133. It is observed that 40% of exports from China to third countries were at a price below price in India. Further, this export volume is 40 % of consumption in India. Thus, in the event of cessation of ADD, this volume is likely to be diverted to India in view of better prices that the Chinese producers are likely to get in Indian market.

i. Exports to third countries priced below the non-injurious price.

134. The Authority has analysed the third country exports from China to examine if the third country exports are below the non-injurious price of the domestic industry and if their diversion will be injurious to the domestic industry. The information provided by the domestic industry based on customs data has been examined. The table below summarizes.

SN	Particular	Total exports to third countries	Injurious exports to third countries	Share of injurious exports to third countries
1	Exports from China (MT)	55,985	55,985	100

135. It is seen that 70% of the exports from China to third countries were at prices which are below the non-injurious price for the domestic industry. Thus, this volume can be sold in Indian market at injurious prices in case of cessation of anti-dumping duty.

136. Considering the exports from China to rest of the world, it is thus seen that 39,333 MT exports to third countries was dumped, while 55,985 MT was injurious and 22,385 MT price attractive. It is thus seen that 22,385 MT was dumped, injurious and price attractive. This volume is more than the domestic consumption in India in the POI.

j. Conclusions on likelihood of injury.

137. The following can be seen from the above.

a. The dumping from China has continued. The continuation of dumping in the current period shows the likelihood of dumping in the event of expiry of measures.

b. There are a large number of producers (above 50) of the HFC products in China and more than 10 producers of producers of the products under consideration has been identified by the domestic industry. These producers are holding production capacities which can produce the PUC and other kinds of HFCs products.

c. The government of China did not release the full production quota applicable to HFC gases for 2024-2025. The decline in imports volume in the period of investigation is therefore attributable to an administrative measure that is temporary and reversible at the discretion of the Government of China PR.

d. On the analysis of the export orientation as per the response of the participating producers, it is observed that 10-30% of the production is exported by the participating producers.

e. The producers in China have swing capacity for the HFCs products. This implies that individual produces retain the discretion to internally allocate and utilise quota issued by the Government of China amongst different HFC products manufactured by them, based on their own commercial considerations and market assessment.

f. Government of China retains the discretion to alter the annual quota allocations for different HFC producers. At present, the 65% of the HCFCs baseline as provided in the Kigali Amendment has not been taken into consideration for calculation of quota for HFC products.

g. The total surplus capacities after considering the domestic demand available with the producers from China PR is 4,13,500 MT. This is around 20 times the demand in India.

h. The participating producers are operating with idle capacities and the cumulative idle capacity for the participating producers from subject country is more than the demand in the domestic Indian market.

i. The capacity in China is significantly more than the demand in that country and the surplus capacity available for export quota of R32 of around 2,50,000 MT.

j. The imports price has increased during the period of investigation. Despite increase in import price, it is below the selling price and non injurious price of the domestic industry.

k. A significant share of third-country exports from China are at prices which are below the associated normal value which gets substantiated by the fact that various jurisdictions have imposed trade remedial measures on these exports.

l. 40% of exports from China to third countries were at a price below price in India. Further, this export volume is 40 % of consumption in India. Thus, in the event of cessation of ADD, this volume is likely to be diverted to India in view of better prices that the Chinese producers are likely to get in Indian market.

m. 70% of the exports from China to third countries were at price which are below the non-injurious price for the domestic industry. Thus, this volume can be sold in Indian market at injurious prices in case of cessation of anti-dumping duty.

n. 39,333 MT exports to third countries was dumped, while 22,373 MT was injurious and 39,333 MT was price attractive. It is thus seen that 22,373 MT was dumped, injurious and price attractive. This volume is more than the domestic consumption in India in the period of investigation.

I. NON-ATTRIBUTION AND CAUSAL LINK

138. As per the Rules, the Authority is required to, inter alia, examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

a. Volume and price of imports from third countries.

139. The Authority notes that apart from the subject country, imports have entered the domestic market from United Arab Emirates and the United States of America in the POI.

The import from the United Arab Emirates is above the *de minimis* level and the import from USA is below the *de-minimis* level. The landed price of imports from United Arab Emirates is much above the price at which imports from the subject country are being imported into the domestic market and is above the cost and price of the domestic industry and therefore could not have caused injury to the domestic industry.

b. Contraction of demand.

140. Demand for the product under consideration has increased during the entire injury period. Therefore, any injury to the domestic industry could not have been attributed to contraction in demand.

c. Changes in pattern of consumption.

141. 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 to the domestic industry.

d. Trade restrictive practices.

142. The Authority notes that no trade restrictive practices have been brought to its notice, that could have caused injury to the domestic industry.

e. Developments in technology.

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

f. Export performance.

144. The Authority notes that the injury information examined hereinabove relates only to the performance of the domestic industry in terms of the domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

g. Performance of other products.

145. The Authority has 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 domestic industry.

h. Conclusion on likelihood of injury and causal link

146. The Authority considers that the following factors establish that there is a likelihood of dumping and consequent injury to the domestic industry in event of expiry of measures.
    a. The dumping margin in the present investigation is found to be positive.
    b. The producers from China PR have exported various HFCs to other countries at dumped prices.
    c. The producers in subject country have surplus capacities and the capacities are much higher than the demand in the countries.
    d. The volume of dumped, injurious and price attractive exports to third countries is more than the domestic consumption in India in the period of investigation. Thus,

the Chinese producers are capable of taking away entire Indian demand in a very short period in case of cessation of ADD.

e. While the product under consideration is subject to quota and the producers cannot produce more than the quota, Chinese administrative Authority decides the quota for overall HFCs and the quota for a particular HFC product can be altered.

f. Producers in China have substantial exports in the third country market which are priced below the export price to India and the non-injurious price.

g. There is a likelihood of increase in the exports to India. In case of cessation of anti-dumping duty, all the increased demand of the product under consideration will be taken away by the Chinese exporters.

h. India continues to remain an attractive market for the Chinese exporters.

i. For India, 2024-2026 is extremely crucial years as the average of production and consumption of these years will be taken as baseline.

j. The price undercutting is significantly positive.

k. The landed price of imports is below the cost of domestic industry and therefore, the imports are likely to suppress/depress the prices of the domestic industry.

J. MAGNITUDE OF INJURY MARGIN.

K.1 Non-injurious price

147. The Authority has determined Non-Injurious Price for the domestic industry 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 domestic industry 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.

K.2 Landed price

148. Landed price for the cooperating exporters has been determined based on the response filed. Applicable customs duties have been added to determine landed price of imports. For all the non-cooperative producers/exporters from the subject country, the Authority has determined the landed price based on facts available.

K.3 Injury margin

149. 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	M/s Zibo Feiyuan Chemical Co., Ltd.	***	***	***	***	Negative
2	Shandong Dongyue Refrigerants Co., Ltd	***	***	***	***	0-10%
3	Fujian Qingliu Dongying Chemical Ind. Co., Ltd	***	***	***	***	Negative
4	All other producers/exporters	***	***	***	***	20-30%

K. INDIAN INDUSTRY'S INTEREST

K.1 Submission by opposing interested parties

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

i. Imposition of anti-dumping duty will severely impact the businesses of downstream users.
ii. The subject goods are subject to regulatory control and licensing under the environmental framework. Therefore, concerns regarding uncontrolled import surges are unfounded.
iii. Continuation of duty would reduce supply options, limits competition and create upward price pressure in the market. This would adversely affect SMEs engaged in refrigeration servicing, gas trading, and downstream blending activities.
iv. The situation of unfair competition would be promoted as the importers/users are not in a situation to import the subject goods freely.
v. If the Authority decides to continue the duties, the price of PUC will increase, and it will severely impact the businesses of the downstream users.
vi. China has made considerable investments in technology and innovation, which leads to more advanced production processes and higher-quality products than offered by Indian market, which makes it more attractive than the other products available in the market.
vii. The Refrigerant and Air Conditioning sector is highly price-sensitive and dependent on reliable supply of refrigerants to meet manufacturing schedules, warranty obligations and servicing requirements.
viii. The continuation of anti-dumping duty on the PUC would gravely undermine the interest of the producers of air conditioner (AC) components, which forms a cornerstone of the Production Linked Incentive Scheme for White Goods (PLIWG).
ix. The users of the subject goods are already facing a non-trade barrier in order to import the subject goods.

K.2 Submission by domestic industry.

151. The applicants have made the following submissions with regard to Indian industry's interest

i. The anti-dumping duty was levied in 2021 and any impact of anti-dumping duty on the downstream product would have already been happened. However, the continuous increase in demand for the subject goods indicates that the effect of the anti-dumping duty on downstream producers has been minimal.

ii. 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.

iii. The interested party has stopped purchasing the subject goods from China and started sourcing from UAE. Therefore, comments on more advanced production process and better quality of products, which led to preference of Chinese products is not sustainable.

iv. The domestic Refrigerant Importers Association is not fully representative of its members. Out of the total number of importers of the product under consideration, only Gupta Oxygen Private Limited has participated in the present investigation. Kiro Refrigerants Private Limited, the largest importer of the product under consideration during the POI, has not participated in the present investigation.

v. MPCL has not filed an importer or user questionnaire response as per the requirements of trade notice 07/2021. The response is required from an importer so to enable the Authority to get the information which is deemed necessary in accordance with Rule 6(4) and 6(5) of the AD Rules.

vi. MPCL has also not made any submissions during the oral hearing. Therefore, MPCL must be considered as a non-cooperative party.

vii. Gupta Oxygen, as per its own admission, has not purchased the subject goods from China PR and sourced the subject goods from UAE. Thus, Gupta Oxygen does not fall under any category of interested party under Rule 2(c) of the AD Rules and hence should not be considered as interested party in the present investigation.

viii. The impact of anti-dumping duty is Rs 122, which is 0.31%, for an AC that comes in the price band of Rs 40,000. With respect to Refrigerator, the impact is Rs 136, which is 0.68%, per refrigerator that comes in the price band of 20,000 and the impact of anti-dumping is Rs136, which is 0.14%, for a heat pump that come in the range of 1,50,000.

ix. HFC-32 is used in production of HFC blends. Since HFC blends is attracting anti-dumping measures and will easily pass on the increase in the cost to the end customer. The share of HFC 32 in the overall cost of the ultimate consumer will be miniscule. The demand of the product under consideration is inelastic of the price. The price of the product increased in the POI and demand also increased. This evidence that the downstream industry capacity to absorb the price increase is significantly higher than the minimal price increase.

x. The demand of the product under consideration is inelastic of the price. The price of the product increased in the POI and demand also increased. This evidence that the downstream industry capacity to absorb the price increase is significantly higher than the minimal price increase due to continuation of anti-dumping duty.

xi. The import price of subject goods from UAE and USA is substantially higher than the import price from subject country. If the importers/users are purchasing the subject goods from these countries at a high price and still surviving in the domestic market, the importers/users can survive the price increase for the imports from China PR.

xii. The importers of the subject goods are merely traders. The business model of these traders is such that any increase in procurement cost can be easily passed on to their customers.

xiii. The domestic industry has the capacity to cater to the entire demand in India even after meeting their own captive requirements. In fact, at present the domestic industry has higher capacity than the demand. Any imports coming to India is unnecessary addition to trade deficit.

xiv. Public interest does not limit itself to consumer industry's interest alone and is a much wider term, which covers in its ambit the interest of the domestic industry and the ultimate public at large.

xv. The continuation of the anti-dumping duties is essential to ensure a level playing field in the Indian market to ensure the viability of domestic production in the domestic market and prevent India from becoming solely import reliant on the product.

xvi. It is in the interest of the public at large to have a strong, competitive domestic production of the product. Encouraging domestic manufacturing activities is essential to make India the manufacturing powerhouse it aims to become.

xvii. In the domestic market, there are two other domestic producers namely Navin Fluorine International Limited and Gujarat Fluorochemicals Limited. The imports have also started coming from UAE during the POI. This implies that the importers have multiple options to source the product and that the domestic industry will be required to compete with other producers as well as imports from other countries.

xviii. The producers in the subject country will only operate with the objective of maximization of their revenue and has no stake and interest in long term development of the Indian market or consumers in India.

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

152. 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.

153. 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.

154. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the imposition 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 imposition of anti-dumping measures. On the contrary, the imposition of anti-dumping measures would prevent the decline in the performance parameters of the domestic industry 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.

155. The Authority had circulated a user/importer questionnaire to all registered users/importers in this investigation. All the registered users/importers, namely Gupta Oxygen Private Limited and Domestic Refrigerant Importers Association have filed this user/importer questionnaire with the Authority. The Authority also prescribed an economic interest questionnaire which was sent to all registered interested parties to this investigation. Of the registered interested parties to this investigation, the domestic industry, M/s Zibo Feiyuan Chemical Co., Ltd, Shandong Dongyue Refrigerants Co., Ltd., Gupta Oxygen Private Limited and Domestic Refrigerant Importers Association have filed this economic interest questionnaire with the Authority.

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

SN	Particulars	Unit	AC	Refrigerator	Heat Pump System
1	Average price of the product	Rs.	40,000	20,000	1,50,000
2	Consumption per unit	Kg	0.9	1	1.5
3	ADD in force	$/Kg	1.6	1.6	1.6
4	Ex Rate	$ to Rs	85	85	85
5	ADD	Rs/Kg	136	136	136
6	Impact on price	Rs/Kg	122.4	136	204
7	Impact on end product price	%	0.31%	0.68%	0.14%

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

158. 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 domestic industry is more than the demand in India, thereby ensuring that there remains sufficient supply in the country. There are two other domestic producers, as well as imports from the United Arab Emirates and the United States of America, supplying the product under consideration in the Indian market.

159. On the comments of the interested parties that the continuation of anti-dumping duty on the PUC would gravely undermine the interest of the producers of air conditioner (AC) components which forms a cornerstone of the Production Linked Incentive Scheme for White Goods (PLISWG), the Authority notes that the purpose of anti-dumping duty is to remedy the injury caused to the domestic industry by dumped imports and to restore conditions of fair competition, and not to restrict legitimate imports or provide protection beyond what is necessary to address dumping. Further, the existence of the PLISWG does not imply that inputs required by downstream industries must necessarily be made available at dumped prices. The interests of the downstream industry are required to be balanced against the need to ensure fair market conditions and to prevent injury to the domestic industry. In the present case, the interested parties have not demonstrated that the anti-dumping duty constitutes a significant proportion of the cost of production of air conditioners/components, nor have they quantified the alleged impact of the duty on their production costs, profitability, competitiveness or eligibility under the PLISWG. Accordingly, the Authority does not find sufficient basis to conclude that continuation of the anti-dumping duty would gravely undermine the objectives of the PLISWG or the interests of the downstream industry.

L. POST DISCLOSURE COMMENTS

160. 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 Submissions of other interested parties

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

i. Fujian Qingliu and its related trader Zhejiang Sanmei have provided complete questionnaire response, and its dumping margin and injury margin should be determined based on the response.

ii. 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.

iii. 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.

iv. The Authority's reliance on a consistent practice of adopting 22% ROCE does not, by itself, establish that such return constitutes a "reasonable return" under Annexure III. Annexure III does not prescribe a fixed rate of 22%, and the Authority has not demonstrated that the Domestic Industry could reasonably have earned such return under normal, non-dumping conditions during the relevant period.

v. DRIA has participated and fully cooperated as an association in the subject investigation

vi. GOPL, one of the members of DRIA has also filed its user questionnaire response, economic interest questionnaire, written submissions and rejoinder submissions.

vii. The domestic industry has not provided post-POI evidence demonstrating any likely recurrence of injury or dumping, which is essential for such an assessment

viii. Maintaining duties would undermine public interest by increasing costs in the air-conditioning sector, which is linked to India's Production Linked Incentive Scheme for White Goods. Since R-32 is a key component of important refrigerant blends, additional trade restrictions could hinder domestic manufacturing and policy objectives.

L2 <u>Submissions of the domestic industry</u>

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

i. There is decline in demand of HFCs in countries like USA and European Union. The manufacturers and end-users in the U.S. and EU are increasingly transitioning away from HFCs, including HFC-32 to comply with evolving refrigerant norms.

ii. While China has made efforts in setting up policies and plans to phase put HFCs in consonance with the Kigali Amendment, implementation of the same is a task much harder than what meets the eye.

iii. As a developing country, China's HFCs are produced and used in large quantities and varieties, involving many industry enterprises and long industrial chains thereby making the implementation of the Kigali Amendment a huge challenge.

iv. At present, 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.

v. With the expiry of measures, the import prices are likely to cause suppressing/depressing effect on the prices of the domestic industry. This will result in complete erosion of profitability, cash losses and negative return on investment of the capital employed. Thus, if the subject imports are allowed to enter the Indian market at dumped prices, such imports are likely to cause material injury to the domestic industry.

vi. Since India falls under Group II country of Article 5 of Kigali Amendment, the baseline year for average Indian production and consumption of HFCs will be 2024, 2025 and 2026. Therefore, it is extremely crucial years for India to utilise the optimum capacity to establish the production baseline.

vii. Likelihood analysis is required to be undertaken for all the subject country as a whole and not just for a particular producer. Only 3 producers from China PR have participated from more than 10 producers of the subject goods in the subject country.

viii. Extension of duty for a period of 5 years is of utmost necessity, particularly in view of the continued fragility of the domestic industry and the likelihood of continuation or recurrence of dumping and injury in the event of cessation of the existing duties.

ix. Re-quantification of duty is not mandatory. Plain reading of law and global practice makes it evident that the scope of sunset review is mere extension of existing duty, and not re-quantification of duty.

x. Re-quantification of duty is not the focus of a sunset review. A harmonious reading of Article 11.3 of WTO Agreement and Section 9A (5) read with Rule 23(1B) makes it evident that the Authority is required only to extend the period and that the quantum of duties need not be re-quantified in a sunset review.

L3 Examination by the Authority

163. 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.

164. On the submission that the domestic industry has improved in key volume parameters, the Authority notes that the improvement in key volume parameters during the injury period is attributable to ADD earlier imposed, increase in demand of the product and the baseline period for production for India. The key price parameters of the domestic industry were adverse until 2023-2024 despite the anti-dumping duty in force. These parameters improved only in the period of investigation. Thus, the Authority holds that the overall trend in the domestic industry's performance across the injury period demonstrates that the domestic industry remains vulnerable to injury on account of dumped imports from the subject country.

165. 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, and establishes that the domestic industry earlier suffered injury due to dumped imports in India. The key price parameters of the domestic industry were adverse until 2023-2024

despite the anti-dumping duty in force. These parameters improved only in the period of investigation. The Authority also notes that the requirement of an original investigation is different from the sunset review investigation. It is also noted that 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. The Authority draws reference to the decision of CESTAT in the case of Kalyani Steel Limited vs Designated Authority 2006 (203) ELT418 (Tri – Delhi) reproduced below.

> "15.1 *Any one or more factors may sufficiently demonstrate injury to domestic industry. <u>Decisive injury demonstrated by adverse effect of dumped imports on price would not be brushed aside by counting some marginal improvements of economic factors and indices on the state of industry due to imposition of the anti-dumping duty</u>."*

166. With regards to the comments that the Fujian Qingliu and its related trader Zhejiang Sanmei have provided complete questionnaire response and thus should be given individual margin, the same has been examined, and individual dumping margin has been determined in the present final findings.

167. With regards to the comments of the interested parties that the reliance on a consistent practice of adopting 22% ROCE does not itself establish that such return is "reasonable return". The Authority notes that the interested parties has not put to record any verifiable evidence that how adopting 22% ROCE is unreasonable and how adopting different return would be reasonable and justified.

168. With regards to the comments of the interested parties on analysis of post-period of investigation data, the Authority notes that while the enquiry in the sunset review investigation review investigation is prospective, but, the twelve-month period of investigation together with the three preceding years affords a sufficient basis for such enquiry.

169. With regards to the comments of the interested parties on the downstream products in air-conditioning sector, which is linked to India's Production Linked Incentive Scheme for White Goods, the Authority has undertaken the quantification of impact of continuation of duty on the downstream product. It is seen the impact is miniscule. R-32 is a key component of important refrigerant blends, a healthy and vibrant industry is essential for the downstream industry.

M. <u>CONCLUSION</u>

170. 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:

i. 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) Component R-32 is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.

ii. SRF Limited was the sole producer of the product under consideration in India throughout the injury period and constitutes the "Domestic Industry" within the meaning of Rule 2(b) of the Rules.

iii. Subsequent to the POI, two entities, Gujarat Fluorochemicals Limited, with the capacity of 10,000 MT and Navin Fluorine International Limited with the capacity of 9,000 MT, have also commenced production of the product under consideration. Gujarat Fluorochemicals Limited has supported continuation of the present measure. The installed capacity in India are now sufficient to cater to the present and potential demand for the product in the Country.

iv. None of the participating producers/exporters from China PR having rebutted the presumption of non-market economy status of China.

v. The normal value has been constructed under Para 7 of Annexure I on the basis of the CIF export price from the United Arab Emirates to India, a non-subject country with significant import volume into India and no anti-dumping measure in force. The export price has duly been adjusted to arrive at the ex-factory level.

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

vii. The landed price of imports increased in the period of investigation on account of the temporary reduction in supply from China PR. However, despite that, the landed price of imports was below the cost of sales of the domestic industry.

viii. The domestic industry was in profit during the base year. The profits declined in the subsequent year and in 2023-2024, the domestic industry turned into losses. The domestic industry however was able to earn reasonable profits in the POI once again with the increase in import price.

ix. China PR possesses substantial freely disposable production capacity of 413,500 MT for various HFCs. The capacities with the producers in China are interchangeable.

x. The volume of exports from China to various third countries, which is at dumped price, injurious and price attractive is more than demand for the product in India. Thus, the Chinese producers could divert their third countries exports to India to the extent of entire Indian demand and earn higher revenue as compared to what was earned by them in exporting to third countries in the absence of ADD measures. Thus, cessation of the present duty is likely to motivate the Chinese producers to divert their third countries exports to India in order to increase their revenue.

xi. The cumulative idle capacity of the participating Chinese producers alone exceeds the entire demand for the product under consideration in India. The low volume of export to India in the period of investigation is attributable to the temporary withholding of production quota by the Government of China PR.

xii. 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 and below the price at which the product under consideration was exported to India. Further, entirety of such third-country exports were priced below the non-injurious price of the domestic industry.

xiii. Chinese producers of the product under consideration and other HFC products have been subjected to anti-dumping and/or countervailing measures by various other jurisdictions (USA and Argentina). This shows consistent pattern of injurious export pricing by Chinese HFC producers across jurisdictions and reinforces the likelihood of dumping and injury upon cessation of the duty in force.

xiv. Continuation of the anti-dumping duty is not against the interest of the Indian consumers or the wider public interest.

xv. The impact of continuation of the duty on downstream products (air conditioners, refrigerants and heat pump systems) is negligible and in the range of 0.14%-0.68% of the price of the end product.

xvi. Domestic industry, together with the two other domestic producers have adequate capacity to ensure availability of the product under consideration in the Indian market.

171. 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 injury, and that cessation of the anti-dumping duty presently in force is likely to lead to dumping and consequent injury to the domestic industry.

N. RECOMMENDATION

172. 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.

173. 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. 75/2021-Customs (ADD) dated 21st December 2021 for a period of 5 years and as

amended by Notification No. 22/2025-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.

174. 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.

DUTY TABLE

SN	Heading/ sub-heading	Description of goods	Country of origin	Country of export	Producer/ exporter	Amount (USD)	Unit	Currency.
1	2	3	4	5	6	7	8	9
1	29034200	Hydrofluorocarbon Component R-32	China PR	Any country including China PR	Zibo Feiyuan Chemical Co., Ltd.	1,255.05	MT	US$
2	-do-	-do-	China PR	Any country including China PR	Shandong Dongyue Refrigerants Co., Ltd.	1,171.78	MT	US$
3	-do-	-do-	China PR	Any country including China PR	Fujian Qingliu Dongying Chemical Ind. Co., Ltd	1,344.60	MT	US$
4	-do-	-do-	China PR	Any country including China PR	Any other than S. No. 1 to 3	1,519.70	MT	US$
5	-do-	-do-	Any country other than China PR	China PR	Any	1,519.70	MT	US$

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

175. 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 (HFC) Component R-32 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.'

176. 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

177. 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
15:06:53