Case No. AD (OI)-31/2025

Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies

FINAL FINDINGS

Anti-dumping investigation concerning imports of Hydrofluorocarbon (HFC) Component R-125 originating in or exported from China PR.

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F. No. 6/34/2025-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
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Dated: 23.09.2026

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Case No. AD (OI)-31/2025

Subject: Anti-dumping investigation concerning imports of Hydrofluorocarbon (HFC) Component R-125 originating in or exported from China PR.

F. No. 6/34/2025-DGTR - Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “Rules”) thereof,

A. BACKGROUND

1. SRF Limited and Gujarat Fluorochemicals Limited (hereinafter jointly referred to as the “applicants” 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 anti-dumping investigation concerning imports of Hydrofluorocarbon (HFC) Component R-125 (hereinafter also referred to as the “product under consideration” or the “subject goods” or “R-125”) 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 applicants, the Authority issued a public notice *vide* Notification F. No. 6/34/2025-DGTR, dated 24th September, 2025, published in the Gazette of India, initiating anti-dumping investigation into imports of the product under consideration from China PR, in accordance with Rule 5 of the Anti-Dumping Rules to determine the existence, degree and effect of any alleged dumping of the product under consideration and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

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

3.1 Initiation

i. In accordance with Rule 5(5), the Authority notified the embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation.

ii. Upon examination of the application, the Authority found *prima facie* evidence of dumping and consequent injury. Therefore, in accordance with Rules 5 and 6, *vide* Notification F. No. 6/34/2025-DGTR dated 24thSeptember 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 System") for transaction-wise import data of the product under consideration for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of the transactions.

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 for a copy of the application.

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

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

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

SN	Name of interested party
a.	Arkema Daikin Advanced Fluorochemicals (Changshu) Co. Ltd.
b.	Changshu 3F Zhonghao New Chemicals Materials Co. Ltd.
c.	Fujian Qingliu Dongying Chemical Co. Ltd.
d.	Inner Mongolia Yonghe Fluorochemical Co. Ltd.
e.	Jiangsu Meilan Chemical Co. Ltd.
f.	Jinhua Yonghe Fluorochemicals Co. ltd.
g.	Linhai Limin Chemicals Co. Ltd.
h.	Liocheng Fuer New Materials Technology Co. Ltd.
i.	M/s Zibo Feiyuan Chemical Co., Ltd.
J.	Ruyuan Dongyangguang Fluorine Co., Ltd
k.	Shandong Huaan New Materials Co Ltd
l.	Shaowu Yonghe Jintang New Materials Co Ltd
m.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.
n.	Taixing Meilan New Chemical Co Ltd
o.	Zhejiang Quhua Fluorine Chemical Co Ltd
p.	Zhejiang Sanmei Chemical Industry Co Ltd

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

SN	Name of interested party
a.	M/s Zibo Feiyuan Chemical Co., Ltd.
b.	Ruyuan Dongyangguang Fluorine Co., Ltd
c.	Shandong Dongyue Refrigerants Co., Ltd.
d.	Sinochem Environmental Protection Chemicals (Taicang) 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.	Gupta Oxygen Private Limited
b.	Helious Specialty Gases Pvt Ltd
c.	Kiro Refrigerants Pvt Ltd
d.	Kolane Refrigerants
e.	MPCL Industries Limited
f.	Navin Fluorine International Ltd
g.	Pam Industries
h.	Stallion India Fluorochemicals Pvt Ltd
i.	Vivina Marketing Pvt 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 themselves 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 applicants. The EIQ was also shared with the administrative line ministry. Response to the economic interest questionnaire was filed by the following parties:

S. No.	Name of interested party
I	**Applicants**
a.	SRF Limited
b.	Gujarat Fluorochemicals Limited
II	**Producers/exporters**
a.	M/s Zibo Feiyuan Chemical Co., Ltd.
b.	Shandong Dongyue Refrigerants Co., Ltd.
III	**Importers/users**

a.	Gupta Oxygen Private Limited
b.	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 27th January 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 applicants 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 applicants. 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 applicants 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 period of investigation. The same rate has been applied throughout these final findings. Source: https://foservices.icegate.gov.in/#/services/viewExchangeRate

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submission by opposing interested parties

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

C.2 Submission by the applicants

5. The applicants have made the following submissions with regard to the product under consideration and like article:
   i. The product under consideration is "Hydrofluorocarbon (HFC) Component R-125", also known as "HFC-125", "R-125" and "Pentafluoroethane".
   ii. The product under consideration is primarily used to manufacture HFC blends, notable R-410 and R-407. Once blended, the HFC blend containing R-125 is used in residential and commercial refrigerant and cooling applications.
   iii. The product under consideration was earlier imported under Chapter 29 of the Customs Tariff Act, 1975, under the HS codes 2903 39 19, 2903 42 00 and 2903 44 00. The tariff classification has undergone a change from March 2022 to the HS Code 3827 63 00.
   iv. There is no known difference in the like article produced by the applicants and the product under consideration exported from the subject country.

C.3 Examination by the Authority

6. The product under consideration ("PUC") and product control numbers ("PCNs") as defined in the initiation notification is provided below:

"*3. The product under consideration (PUC) in the present application is "Hydrofluorocarbon (HFC) Component R- 125", also known as "HFC-125", "R-125" and "Pentafluoroethane" (hereafter referred to as "product under consideration" or "R-125"). Its molecular formula is C_2HF_5 and structural formula is CF_3CF_2H. The product is found in gaseous form.*

4. The product under consideration is primarily used to manufacture HFC blends, notable R-410 and R-407. Once blended, the HFC blend containing R-125 is used in residential and commercial refrigerant and cooling applications. The product under consideration has standalone applications also as a clean agent in extinguishing fires.

5. The product under consideration was earlier imported under Chapter 29 of the Customs Tariff Act, 1975, under subheadings 2903 39 19, 2903 42 00 and 2903 44

00. The applicants have claimed that the tariff classification has undergone a change from March 2022 to subheading 3827 63 00.

6. The applicants have proposed the following PCN for the product under consideration.

SN	*Particulars*
1	*HFC-125 Packed*
2	*HFC-125 Unpacked*

7. 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.

8. 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 investigating authority notified the scope of the product under consideration and the PCN methodology, as set out in the initiation notification, on 28th October 2025. No party has filed any comments on the scope of the product under consideration during the investigation.

9. Hydrofluoric Acid reacts with Perchloroethylene in presence of catalyst to produce HFC-125, AHCl, HFC-123, HFC-124. In crude Distillation section HCl and HFC-125 separated from top and unreacted Hydrofluoric acid and moisture separated. Perchloroethylene will be recycled back to the reactor. HCl will be absorbed in Absorption section to produce 30-33% Dilute Hydrochloric acid. In Next reactor section HFC-123 reacts with Hydrofluoric acid to produce HFC-125. HFC-125 gas it then washed with KOH and Sulphuric acid to remove moisture and acidity and then compressed fed to Product distillation section where HFC-125 will be separated and stored for filling and HFC-124 will be recycled back to the second reactor.

10. The product under consideration is primarily used to manufacture HFC blends, notable R-410 and R-407. Once blended, the HFC blend containing R-125 is used in residential and commercial refrigerant and cooling applications. The product under consideration has very small standalone applications as a cleaning agent in extinguishing fires.

11. R-125 belongs to the broad category of hydrofluorocarbons (HFCs) and is governed by the Kigali Amendment to the Montreal Protocol, which entered into force on 1st January 2019. Hydrofluorocarbons are greenhouse gases with high or very high Global Warming Potentials (GWPs) and are known to contribute significantly to climate change by trapping heat in the atmosphere. The Kigali Amendment is a global agreement that aims to phase down the production and consumption of HFCs, including R-125, 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.

12. A central element of the Kigali Amendment's control framework is that HFC baselines and phase-down obligations are not measured in physical tonnage alone, but in metric tonnes of CO2-equivalent (CO2-eq), arrived at by multiplying the quantity of each HFC by its Global Warming Potential (GWP). Under the 100-year GWP values used for Montreal Protocol/Kigali baseline calculations (IPCC Fourth Assessment Report, 2007), R-125 (HFC-125, chemically 1,1,1,2,2-pentafluoroethane) carries a GWP of 3,500 — meaning that one tonne of R-125 released into the atmosphere has a warming effect equivalent to 3,500 tonnes of CO2 over a 100-year horizon. This places R-125 among the higher-GWP HFCs in commercial use, several times more potent than commonly used substitutes such as HFC-134a (GWP 1,430) and orders of magnitude higher than low-GWP alternatives such as HFOs (GWP typically below 10) or natural refrigerants like CO2 (GWP 1) and propane/R-290 (GWP 3). R-125 is predominantly used as a component of refrigerant blends such as R-410A and R-404A rather than in its pure form, which further amplifies its contribution to the CO2-eq footprint of the blends in which it is incorporated. As an Article 5, Group 2 (High Ambient Temperature) Party under the Kigali Amendment, India's HFC baseline is computed as the average of its 2024-2026 HFC consumption plus 65% of its HCFC consumption baseline, with consumption required to be frozen from 2028 and progressively reduced thereafter — by 10% in 2032, 20% in 2037, 30% in 2042, and 85% by 2047. Given its high GWP, R-125's continued production, import, and consumption in India carries a disproportionately large weight within this CO2-eq baseline relative to lower-GWP substances, making it a substance of particular significance to India's compliance trajectory under the Amendment.

13. 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.
	Baseline years from 2024 to 2026

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

14. The Directorate General of Foreign Trade, *vide* Notification No. 59/2015-20 dated 9th March 2022, revised the import policy for the product under consideration from 'Free' to 'Restricted', thereby requiring importers to obtain an import authorization subject to recommendation of the Ozone Cell of the Ministry of Environment, Forest and Climate Change. The notification does not provide for any specific price at which the product can be imported. The product can be freely imported under the quantities as prescribed in the license.

15. The product under consideration was classifiable under Chapter 29 of the Customs Tariff Act, 1975, under the HS Code 2903 39 19. The product under consideration was also imported under the HS Codes 2903 42 00 and 2903 44 00. However, from January 2022, the dedicated HS Code of the product under consideration has undergone a change to 38276300 due to the Directorate General of Foreign Trade shifting the classification from freely to restricted. It is also noted that the customs classification is indicative only and in no way binding on the scope of the present investigation.

<u>Like article by domestic industry</u>

16. 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.”*

17. 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.

18. In view of the foregoing, the Authority holds that the scope of the product under consideration and the PCN methodology as defined earlier vide notice dated 28th October 2025 are confirmed. The Authority also holds that the product produced by the domestic industry is a like article to the imported product.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submission by opposing interested parties

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

D.2 Submission by the applicants

20. The applicants have made the following submissions with regard to the scope of the domestic industry and its standing:
    i. Other than the applicants, there is one other producer of the subject goods in India, namely Navin Fluorine International Limited which has commenced operations post the period of investigation.
    ii. The applicants have not imported the product under consideration in the period of investigation from the subject country.
    iii. The applicants are not related to any exporters in the subject country or importers of the product under consideration into India.
    iv. Imports made by the applicants from countries other than the subject country, and relationship with exporters and importers from countries other than the subject country are not relevant for the purpose of this investigation and have no bearing on the determination of dumping, injury, or causal link.

D.3 Examination by the Authority

21. 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*".

22. The application has been filed by SRF Limited and Gujarat Fluorochemicals Limited. As per the information on record, there is one other producer of the subject goods in India, namely Navin Fluorine International Limited. Communication has been sent to the producer, but no response was received. It has been stated that the company has commenced production of the subject goods only after the period of investigation.SRF Limited and Gujarat Fluorochemicals Limited therefore account for 100% of the total Indian production in the period of investigation.

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

24. The Authority therefore holds that SRF Limited and Gujarat Fluorochemicals Limited constitute "domestic industry" within the meaning of Rule 2(b) of the Rules and satisfy the criteria of "standing" in terms of Rule 5(3) of the Rules.

E. CONFIDENTIALITY AND MISC. SUBMISSIONS

E.1 Submission by opposing interested parties

25. The opposing interested parties have made the following miscellaneous submissions:
    i. The applicants have claimed excessive confidentiality regarding production process, production process flow chart, email addresses of contact persons, source of market field research for import data, details of plant shutdown, evidence for export price adjustments claimed, normal vale and dumping margin, net selling price in range, stock in transit, number of employees, profit / loss, return on capital employed in percentage terms, information in Part VI and copies of annual reports.
    ii. The applicants have not provided "export price per unit" within Proforma IV-A.
    iii. The applicants have not provided a certificate to the correctness of the information provided in the application, nor have they provided the declaration by the legal

representative for the correctness of the information submitted within the application.

iv. The non-confidential version of the application by the applicants is not a replica of the confidential version.

v. 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.

vi. The data sourced by the applicants from private source is not authentic and reliable. The Authority should have called for DGCI&S data for the examination of imports in the present investigation at the time of initiation.

vii. One of the applicants, namely SRF Limited is a large, profitable and diversified multinational corporation with a significant global footprint. This is in addition to the fact that SRF Limited is a habitual used of trade remedy measures.

viii. 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.

E.2 <u>Submission by the applicants</u>

26. The applicants have made the following miscellaneous submissions:

i. Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.has claimed the write-up on broad stage-wise manufacturing process, names of major raw materials used in production of product under consideration and information regarding related parties involved in production/sales/purchase of product under consideration as confidential.

ii. Ruyan Dongyangguang Fluorine Co., Ltd. has claimed the write-up on broad stage-wise manufacturing process, names of major raw materials used in production of product under consideration and information regarding related parties involved in production/sales/purchase of product under consideration as confidential.

iii. Gupta Oxygen Private Limited, contrary to the requirement under Trade Notice No. 10//2018 has claimed confidential the purchase quantity and value of product under consideration, details of all units linked to the product under consideration in India and write-up regarding the role/operations performed by each of these units, production process for products manufactured using product under consideration including production flow chart, cost of raw material for each of the products that incorporate the product under consideration, total cost breakup of products using product under consideration, share of user in the downstream Indian market and the details of utilization of product under consideration.

iv. MPCL Industries Limited should be considered a non-cooperating party as they have not circulated any questionnaire response or submission with the applicants.

v. Interested parties have filed comments on confidentiality post the seven-day period from the date of circulation of the non-confidential version of the documents, as prescribed within the initiation notification.

vi. The production process flow chart has been claimed confidential by the applicant with a write-up of the production process being provided within the non-confidential version of the application.

vii. Trade Notice No. 10/2018 does not require shutdown details to be disclosed in any form. Shutdown details of the applicants, which shows the date of shutdown, date of resumption and reason for shutdown constitute business sensitive information not susceptible to summarization.

viii. Stock in transit is not a parameter required to be provided under the prescribed anti-dumping application proforma. Trade Notice No. 10/2018 does not mandate disclosure of such information either in actual figures or in indexed/trend form.

ix. Non-confidential version of Format-VI has been provided within the non-confidential version of the application with the names of raw materials also disclosed.

x. The certificate of correctness of information and the declaration by legal representative for the correctness of the information is not required to be provided as per the application proforma but is rather a requirement of the application checklist, provided as per Trade Notice No. 04/2021.

xi. 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.

xii. 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.

xiii. There is no sufficient evidence brought forward by the interested party showing how the import data of the applicants is unreliable. Source of import data as per market intelligence is not public information and a summary has been provided.

xiv. Despite increase in import price post the period of investigation as claimed by the interested parties, the import price continues to remain below the cost of sales of the applicants, which has also increased.

E.3 Examination by the Authority

27. 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."

28. 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, these interested parties have claimed these documents as not susceptible of summary and have given reasons why summarisation is not possible.

29. 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.

30. 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 anti-dumping investigations have been conducted in the past on HFC gases (such as HFC -32 components, HFC blends, R-134A), the product under consideration has not been investigated in past. 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.

31. With regard to the interested party's submission that the certificate of the correctness by applicant and legal representatives have not been provided in 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.

32. 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 version have been examined and have been found to be in order.

33. With regard to the interested party's submission that import data is not reliable, as reflected in the initiation notification, the Authority has relied on DG System transaction wise data for the purpose of the present investigation both at the stage of initiation and for the purpose of these final findings. It was found that the import volume and value claimed by the applicant are comparable to the data reported in the DG System Transaction wise data. The participating exporters have not established on how the import data is not reliable.

34. 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 protection 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 and Forests. Licensing requirements and norms are subject to change and have basis independent of trade remedy actions and the Authority therefore does not consider it appropriate to take them into account for the present investigation.

35. The Authority notes that Ruyuan Dongyangguang Fluorine Co., Ltd. has not filed its rejoinder submissions. Emails were sent to the said company requesting it to furnish its rejoinder submissions; however, no response was received. It is clarified that M/s Zibo

Feiyuan Chemical Co., Ltd. and Shandong Dongyue Refrigerants Co., Ltd. (represented by Trilegal) have filed their respective rejoinder submissions on 10th February 2026, and the same have been considered by the Authority. The observation to the contrary recorded in the disclosure statement stands modified to this extent.

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

F.1 Submission by opposing interested parties

36. The opposing interested parties have made the following submissions with regard to normal value, export price and dumping margin:
    i. 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.
    ii. For the purpose of determination of normal value as per Para 7 of Annexure I, the applicants are 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.
    iii. 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).
    iv. 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*'.
    v. No evidence has been provided on the adjustments claimed in the export price.

F.2 Submission by the applicants

37. The applicants have made the following submissions with regard to normal value, export price and dumping margin:
    i. China PR should be considered a non-market economy. Should it be contended that Article 15(a)(ii) of China PR's Accession Protocol has already ceased and therefore the same cannot be applied to the present case, Article 15(a)(i) is still applicable and must be considered for determination of normal value for China PR.
    ii. The obligation under 15(a)(i) of China PR's Accession Protocol require the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied by the exporter.
    iii. Since Chinese producers are not entitled to market economy treatment, the Designated Authority should follow para 7 of Annexure I of the Rules for the determination of Normal Value.
    iv. As per *Shenyang Matsushita S. Battery Co. Ltd. v. Exide Industries Ltd. & Ors.*, 2005 (181) ELT 320 (SC), the obligation to inform interested parties and invite comments arises only where a market economy third country is, in fact, selected for

determination of normal value. In the present case, the applicants have provided in the application their inability to determine normal value on the basis of a market economy third country, owing to the non-availability of reliable and verifiable information in this regard.

v. The interested parties have themselves failed to furnish any information whatsoever relating to prices or costs in a market economy third country for constructing normal value.

vi. Adjustments for export price have been made on estimate basis, details of which have been provided within the non-confidential version of the application.

vii. Normal vale has been determined by the applicants based on their cost of production, which is business sensitive in nature. Normal value and dumping margin have been therefore provided in range.

F.3 Examination by the Authority

F.3.1 Normal value

38. 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 oi 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.*

39. 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."

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

S. No.	Name of interested party
a.	M/s Zibo Feiyuan Chemical Co., Ltd.
b.	Ruyuan Dongyangguang Fluorine Co., Ltd
c.	Shandong Dongyue Refrigerants Co., Ltd.
d.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.

41. 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.

42. 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."

43. 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.

44. 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.

45. 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.

46. In the application filed before the Authority, the domestic industry had submitted that data relating to cost and price in market economy third country is not available. It is seen that the import volume from other market economy third country to India is insignificant in volume and therefore, was not sufficient to be considered as a basis for normal value. The domestic industry had claimed normal value based on the price payable in India, duly adjusted for reasonable administrative, selling and general costs, and profits.

47. With regard to the interest 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.

48. None of the interested parties, including the domestic industry have provided any information on record which would allow determination of normal value based on price or constructed value in a market economy third country, or price of exports from a third country to other countries, including India. The Authority therefore determines the normal value based on the price payable in India, having regard to the optimised cost of production in India, duly adjusted for reasonable administrative, selling and general costs, and profits. Separate normal value has been accordingly determined for "HFC-125 Packed" and "HFC-125 Unpacked". However, since no packing cost was incurred for the product during the POI, the normal value for both packed and unpacked forms will remain the same.

F.3.2 <u>Export price</u>

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

49. M/s Zibo Feiyuan Chemical Co., Ltd. is a limited liability company incorporated in China PR under the Company Law of China PR. During the period of investigation, the producer-exporter has directly sold *** MT to unrelated buyers in India.

50. The volume reported has been cross verified with DG System data. 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-125 Packed" form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for "HFC-125 Unpacked" form.

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

ii. Ruyuan Dongyangguang Fluorine Co., Ltd

52. Ruyuan Dongyangguang Fluorine Co., Ltd is a limited liability company incorporated in China PR under the Company Law of China PR. During the period of investigation, the producer-exporter has directly sold *** MT to unrelated buyers in India.

53. The volume reported has been cross verified with DG System data. 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-125 Packed" form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for "HFC-125 Unpacked" form.

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

iii. Shandong Dongyue Refrigerants Co., Ltd

55. Shandong Dongyue Refrigerants Co., Ltd is a limited liability company incorporated in China PR under the Company Law of China PR. During the period of investigation, the producer-exporter has directly sold *** MT to unrelated buyers in India.

56. The volume reported has been cross verified with DG System data. 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-125 Packed" form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for "HFC-125 Unpacked" form.

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

iv. Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.

58. Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd. is a limited liability company incorporated in China PR under the Company Law of China PR. During the

period of investigation, the producer-exporter has directly sold *** MT to unrelated buyers in India.

59. The volume reported has been cross verified with DG System data. 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-125 Packed” form have been reported during the POI in DG Systems transaction wise data, export price has been determined only for “HFC-125 Unpacked” form.

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

v. Non-cooperative producers/exporters

61. In the absence of cooperation from the remaining producers/exporters from China PR, the Authority has determined the export price of “HFC-125 Unpacked” for non-cooperative producers/exporters on the basis of facts available. As no imports of “HFC-125 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>

62. 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	Ruyuan Dongyangguang Fluorine Co., Ltd	***	***	***	***	0-10
2	Shandong Dongyue Refrigerants Co., Ltd.	***	***	***	***	40-50
3	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	***	***	***	***	20-30
4	M/s Zibo Feiyuan Chemical Co., Ltd.	***	***	***	***	30-40
5	All other producers/exporters	***	***	***	***	50-60

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

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submission by opposing interested parties

64. The opposing interested parties have made the following submissions with regard to assessment of injury and causal link:

i. Inclusion of 2021-22 and 2022-23 in the injury period renders the analysis fundamentally flawed since demand and domestic sales were virtually non-existent.

ii. Analysis of injury to the applicants in the period of investigation on the basis of the information of 2021-22, 2022-23 and 2023-24 would be misleading because of negligible domestic merchant sales.

iii. Imports of R-125 from China PR were virtually non-existent in the initial years of the injury period. Base year of the injury period begins with an almost zero import scenario.

iv. 2023-24 was characterised by exceptional market conditions driven by the Kigali Amendment's baseline-year dynamics, leading to a temporary and regulatory-induced surge in global HFC production and exports.

v. Import surge from China PR is directly linked to the Kigali Amendment. To secure higher future production quotas for HFCs, China strategically increased its production of the product under consideration during its baseline years of 2020, 2021, and 2022. This elevated production, exceeding China's domestic demand, resulted in a significant increase in exports, including to India.

vi. Demand excluding captive consumption has increased significantly over the injury period.

vii. Increase in imports is a consequence of significant merchant demand growth in the Indian market.

viii. Imports volumes have nevertheless remained limited post the subject goods being places under the "restricted" import category pursuant to notification dated 9th March 2022.

ix. Subject to import restriction for subject goods, the applicants have expanded capacity from 2022 onwards.

x. The decline in cost of sales of the applicants in the period of investigation in comparison to 2023-24 indicates improved operational efficiencies and better absorption of fixed costs due to higher production volumes.

xi. The mere existence of lower selling price in the period of investigation does not establish price depression or suppression, particularly when profitability remains positive.

xii. The Hon'ble CESTAT in *Bridge Stone Tyre Manufacturing (Thailand) Vs. DA 2011 (270) E.L.T. 696 (Tri. - Del.)* had held that price undercutting and price underselling are not factors of injury. A similar view was also taken by the Authority in the *Sunset Review Anti-dumping Investigation concerning Imports of Gypsum Plaster Board* dated 19th April 2018.

xiii. The installed capacity of the applicants has more than doubled over the injury period, increasing by 109%.

xiv. Production of the applicants has nearly doubled in the period of investigation as compared to the base year of 2021-22.

xv. Decline in capacity utilisation in the period of investigation in comparison to 2021-22 is a direct consequence of capacity expansion undertaken by the applicants.

xvi. Analysis of capacity utilization is irrelevant in the present case since the applicants have increased their capacity over the injury period and since the produced goods are not only made for domestic merchant market but also for export market and captive consumption.

xvii. Both domestic merchant sales and captive consumption of the applicants have increased significantly from 2021-22 to the period of investigation.

xviii. The prevailing domestic prices of the applicants in the post period of investigation continue to remain higher than import prices.

xix. Injury faced by the applicants is a consequence of decline in export sales of the applicants in the period of investigation in comparison to 2022-23.

xx. Market share of applicants should be analysed based on its merchant sales and not its total sales inclusive of captive consumption. The market share inclusive of captive consumption has increased in the period of investigation.

xxi. The decline in percentage market share is a mathematical consequence of the sudden emergence in demand and rapid market expansion in a newly developing market.

xxii. Since the applicants made sales of the subject goods in domestic market, export market and also transferred for captive consumption, the analysis of inventory is irrelevant as there would not be any separate inventory maintained for the above three markets.

xxiii. Closing inventory of the applicants declined in the period of investigation in comparison to 2023-24.

xxiv. Profitability parameters of the applicants have improved over the injury period.

xxv. Any decline in net profitability is attributed to the significant increase in interest and depreciation expenses in the period of investigation in comparison to 2021-22.

xxvi. Decline in return on capital employed appears to be a natural mathematical consequence of the sharp increase in the capital base, as returns may not rise proportionately with such large investments.

xxvii. The number of employees and wages of the applicants have increased over the injury period.

xxviii. The productivity per day of the applicants has increased over the injury period.

xxix. The decline in productivity per employee in the period of investigation in comparison to 2021-22 is a direct consequence of increase in employment and capacity expansion undertaken by the applicants.

xxx. Net fixed assets, working capital and total capital employed have increased manifold, indicating significant investments and capacity additions undertaken by the applicants.

xxxi. Anti-dumping duty on blends and sourcing change can be the factors causing injury to the applicants.

xxxii. The plant shutdowns by the applicants are abnormal and unplanned and these shutdowns have contributed towards injury to the applicants.

xxxiii. The actual performance of the applicants has improved in all economic parameters excluding profitability.

xxxiv. The facts of the present investigation are similar to the decision of the Hon'ble CESTAT in *Bridge Stone Tyre Manufacturing (Thailand) Vs. DA 2011 (270) E.L.T. 696 (Tri. - Del.)* wherein, (a) both the volume of imports and domestic sales of the domestic industry had improved thereby making it difficult to conclude that the imports have given rise to an adverse volume effect on sale of subject goods domestically produced, (b) increase in inventories was held to be due to increase in sales volume and (c) the levels of price undercutting and price underselling did not explain how on the face of such price undercutting and price underselling, the domestic industry managed to increase its domestic sales volume in the POI.

xxxv. Import prices from China PR have consistently increased from January 2025. Further, while the import volumes surged dramatically in the years 2023-24 and 2024-25, it fell post the period of investigation.

xxxvi. Authority in the final findings concerning imports of "*Metronidazole*" had analysed the post period of investigation data.

xxxvii. The Authority should reconsider the fixed 22% Return on Capital Employed ("ROCE") methodology and adopt the actual return on capital employed earned by the applicants during periods free from dumping allegations as the benchmark for a reasonable return.

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

65. The applicants have made the following submissions with regard to assessment of injury and causal link:

i. Neither the Act nor the Rules mandate that an anti-dumping investigation cannot be conducted merely because demand or domestic sales were negligible or non-existent during certain years of the injury period.

ii. The assumption that 2023–24 constituted an exceptional year owing to the Kigali Amendment is misplaced and ignores the structured and long-known design of the Amendment's phasedown schedules.

iii. 2023-24 was not part of the China's baseline period and therefore, could not have led to increased exports. The period of investigation has seen an increase in the imports of the product under consideration even when compared to 2023-24.

iv. Producers in China PR have also resorted to circumvention practices in the United States wherein HFC blends on which duties are in place were circumvented through country and product circumvention.

v. There was no market for R-125 in India prior to imposition of duty for HFC blends and R-32.

vi. These imports have entered the domestic market because of anti-dumping duties in force on the imports of HFC blends. These imports have diluted the anti-dumping duties imposed on the imports of HFC blends.

vii. Dumping of the product is negatively impacting captive consumption as well. This is because since the producers of blend have access to low priced raw material, they are able to sell blend at materially lower prices which is adversely affecting the sales of the applicants.
viii. Exports of R-125 significantly increased in the period of investigation and the immediately preceding year while exports of R-32 and HFC blends declined during the same period.
ix. Even the participating producer Ruyuan Dongyangguand Fluorine Co., Ltd. who were not exporting the product under consideration, started exporting the same to India in the period of investigation and the immediately preceding year.
x. In the period of investigation and the immediately preceding year, the volume of imports made by the participating importer (Gupta Oxygen Private Limited) and the amount of product under consideration used for making HFC blends by the importer have significantly increased.
xi. China PR's ability to increase exports of R-125 post the Kigali Amendment baseline period is evidenced from the fact that HFC quotas are not fixed for specific HFCs but for HFCs as a whole in China PR, thereby allowing exporters to adjust the production and consumption of different HFC's as per supply and demand.
xii. Even after domestic consumption, a significant quota of the product under consideration is available with China PR for exports. Therefore, the ending of baseline period and commencement of freezing period for China PR is no barrier in itself that is going to make dumped imports go down.
xiii. The phasing out stage for China PR would start much later in 2029. The Chinese producers would easily cause injury to the applicants till then.
xiv. China PR has not included the '65% of HCFC baseline production/consumption' factor for the purpose of releasing quota in the recent years. This means that the production of HFCs in the coming years could be at a greater level than what it should have been. This would allow China to therefore export greater than expected number of HFCs and flood Indian markets.
xv. Dumping of the product under consideration started in 2023-24 with a sudden increase in demand for the product under consideration.
xvi. Faced with the situation of intensified dumping from China PR in 2023-24, the applicants first suffered volume injury as import volume increased, and the applicants were forced to curtail their domestic sales.
xvii. In the period of investigation, the applicants decided to lower their prices to try and match the import price as much as possible. This resulted in the applicants suffering in profitability parameters.
xviii. There was low merchant demand of the product till 2022-23. The demand increased sharply in 2023-24 and further shot up in the period of investigation.
xix. The imports from China PR increased sharply from 2023-24 to period of investigation.
xx. Imports have increased in absolute terms over the injury period.
xxi. Imports have increased in relation to Indian production over the injury period.

xxii. Imports in relation to Indian consumption increased till 2023-24 and thereafter declined in the period of investigation since the applicants sacrificed on their profitability to keep their market share in check.

xxiii. Price and cost undercutting is positive and significant in the period of investigation.

xxiv. Landed price has been below the applicants' cost of sales and selling price in 2023-24 and period of investigation.

xxv. The applicants' prices are significantly depressed in the period of investigation.

xxvi. Capacity increased significantly in 2022-23 because Gujarat Fluorochemicals Limited restarted production of R-125 during 2021-22 with operations commencing from March 2022.

xxvii. The restart of production and the subsequent addition of capacity were undertaken in view of the increase in demand for HFC blends and also in consideration of the baseline period prescribed for India under the Kigali Amendment.

xxviii. The production and capacity utilization increased in 2022-23, declined in 2023-24 and thereafter marginally increased in the period of investigation.

xxix. Production and capacity utilization increased till 2022-23 because of captive sales and export sales.

xxx. Production and capacity utilization declined in 2023-24 because of dumped volume of imports but increased in the period of investigation as applicants sacrificed on their profitability.

xxxi. Merchant domestic sales were low in 2021-22 and 2022-23 in the absence of any demand.

xxxii. Domestic sales marginally increased in 2023-24 and increased again in period of investigation with increase in demand. However, domestic sales in period of investigation are much below the applicants' ability to cater.

xxxiii. Since the applicants provided segregated data for the domestic and export operations, decline in performance in the domestic operations cannot be attributed to the export operations.

xxxiv. Applicants have sufficient capacity to cater the entire demand. Market share of applicants declined over injury period and is below the applicants' ability to cater.

xxxv. In the absence of dumped imports, the applicants could have sold 72% more in the domestic market.

xxxvi. Closing inventory were minimal in 2021-22 and 2022-23 in the absence of demand in the Indian market.

xxxvii. Once demand arose in 2023-24, the inventory with the applicants increased since they were not able to compete with the dumped imports from the subject country.

xxxviii. In the period of investigation, the inventory declined in comparison to the immediately preceding year with applicants sacrificing on their profitability to keep market share in check.

xxxix. All profitability parameters steeply declined in the period of investigation. The profit before interest and cash profit has also steeply declined in the proposed period of investigation.

xl. When seen forsubject goods as a whole, the net fixed assets and working capital declined over the injury period.

xli. The share of interest cost, depreciation and salary and wages are respectively only [2.9%, 3.1% and 1.9] % of the total cost of applicants. Therefore, depreciation cost, interest cost and salary and wages cannot be a cause of injury to the applicants.

xlii. The plant shutdowns by the applicants are not abnormal and unplanned and have therefore not contributed towards injury to the applicants.

xliii. The applicants are suffering in both volume and price parameters.

xliv. The dumping margin is above *de minimis* and significant.

xlv. The interested party has not contended that the import price of the subject product declined in the injury period in tandem with any reduction in the price of raw materials. Their entire argument rests on the contention that post the period of investigation, the import price of the subject goods has increased, while raw material prices have remained relatively stable.*In any event*, post the period of investigation, the subject goods continue to be imported below the non-injurious price of the applicants, and the price has once again declined towards the end of calendar year 2025.

xlvi. It is the consistent and well-established practice of the Authority to adopt a ROCE of 22% for the purpose of determination of non-injurious price.

xlvii. The Hon'ble CESTAT Tribunal's decision in *Hyosung Corporation v. Designated Authority*, referred to by the interested part for rejecting 22% ROCE predates the introduction of Annexure-III to the Anti-Dumping Rules.

xlviii. With respect to the Hon'ble CESTAT's decision in the *Bridge stone* case, referred to by the interested party for rejecting 22% ROCE, it is pertinent to note that the interested parties therein produced specific evidence before the Hon'ble CESTAT justifying a departure from the Authority's consistent practice in that particular case. No such evidence has been placed on record by any interested party in the present investigation.

xlix. The Hon'ble CESTAT in *Merino Panel Products v. Designated Authority and M/s Perstorp Chemicals GmbH & Anr. v. Designated Authority & Ors.*, has consistently upheld the Authority's practice of adopting a 22% ROCE for injury analysis.

G.3 **Examination by the Authority**

66. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the 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.

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

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

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Import from China - R-32	MT	6,144	8,774	7,129	1,571
2	Import from China - HFC blend	MT	3,468	5,225	2,286	403
3	Import from China - R-125	MT	20	60	1,308	2,020
4	Demand of HFC	MT	***	***	***	***

69. It is seen that following the imposition of anti-dumping duties on imports of HFC blends from the subject country on 22nd December 2021, exports of HFC blends from the subject country to India declined significantly from 2023-24. At the same time, exports of the product under consideration from the subject country increased significantly. It is also seen that prior to the imposition of anti-dumping duties on imports of HFC blends, the merchant market for R-125 in India was almost non-existent with producers other than the domestic industry significantly reliant on imports of HFC blends while the domestic industry primarily produced and consumed HFC-125 captively for the manufacture of HFC blends. The Authority considers the above information relevant for the purpose of examining injury to the domestic industry. This information indicates that the pattern of consumption of R-125 underwent a significant change following the imposition of anti-dumping duties on HFC blends.

70. With regard to the interested party's submission that the inclusion of periods 2021-22, 2022-23 and 2023-24 would render the injury analysis flawed and misleading due to the absence or negligible levels of merchant demand, the Authority notes that while there was negligible merchant demand for the subject goods in 2021-22 and 2022-23, the injury period is defined as a period of 4 years. The inclusion of 2021-22, 2022-23 and 2023-24 for injury analysis becomes relevant to understand the pattern of trade in R-125 before and after the imposition of anti-dumping duties on HFC, and the effect of the same on the volume of subject imports, effect of subject imports on prices in the domestic market for the like article and consequent impact of these subject imports on the domestic industry.

71. With regard to the interested party’s submission that interested parties on 2023-24 being characterised by exceptional market conditions driven by the Kigali Amendment’s baseline-year dynamics, the Authority notes that imports have increased significantly not only in 2023-24 but also during the period of investigation.

72. With regard to the interested party’s submission that increase in imports was temporary and imports are not likely to increase in future because of the Kigali Amendment, it is noted that the baseline years for China PR under the Kigali Amendment were calendar years 2020 to 2022, with the first reduction starting at only 10% in 2029. The evidence on record shows that production and consumption quotas in China PR are prescribed for HFCs as a whole and not for individual HFCs, thereby allowing producers to alter the production mix of different HFCs based on market conditions. Further, as alleged by the applicants based on information provided from Chinese regulations and related documents, surplus quota are available in China PR during calendar years 2024, 2025 and 2026 for HFC R-32 and HFC Blends, even after meeting their domestic consumption requirements. Considering these facts, particularly that the next reduction obligation under the Kigali Amendment arises only in 2029, the Authority does not find merit in the contention that the increase in exports of HFC-125 from the subject country is merely a temporary consequence of the Kigali Amendment baseline-year dynamics.

73. With regard to the interested party’s submission that import prices from China PR have consistently increased and import volumes have declined post the period of investigation, thereby requiring a post period of investigation analysis by relying on the Authority’s anti-dumping duty recommendation in *Metronidazole*, the Authority notes that the present case is a fresh anti-dumping investigation and that the data for the period of investigation is accordingly sufficient to make a determination. Further, with regard to the interested parties' reliance on the Authority's findings in the *Metronidazole* investigation, the Authority notes that the examination of post period of investigation data in that case was undertaken due to the specific facts and circumstances of the investigation, wherein injury was not evident during a substantial part of the period of investigation and it was necessary to determine whether the injury observed during the latter part of the period of investigation was a temporary or a continuing trend. In the present case, however, injury is evident throughout the period of investigation. Accordingly, the Authority does not find the reliance placed on the *Metronidazole* findings to be relevant in the facts of the present case.

74. With regard to the interested party’s submission that net fixed assets, working capital and total capital employed increased, indicating significant investments and capacity additions undertaken by the domestic industry, the Authority notes that the absolute values net fixed assets, working capital and total capital employed increased during the period of investigation.

75. With regard to the interested party's submission that the injury suffered by the domestic industry is attributable to depreciation cost, interest cost and salary and wages, the Authority notes that the share of depreciation cost, interest cost and salary and wages in the total cost of sales of the domestic industry during the period of investigation is only 3.1%, 2.9% and 1.9% respectively. It is also seen that the share has declined steeply over the injury period. Depreciation cost, interest cost and salary and wages cannot therefore be the sole reason for injury caused to the domestic industry.

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Depreciation cost	Rs/MT	***	***	***	***
2	Trend	Indexed	100	-	47	17
3	Interest cost	Rs/MT	***	***	***	***
4	Trend	Indexed	100	-	135	74
5	Salary and wages	Rs/MT	***	***	***	***
6	Trend	Indexed	100	97	125	73
7	Cost of sales	Rs/MT	***	***	***	***
8	Trend	Indexed	100	-	108	97
9	Share of depreciation cost	%	***	***	***	***
10	Trend	Indexed	100	-	44	17
11	Share of interest cost	%	***	***	***	***
12	Trend	Indexed	100	-	125	77
13	Share of salary and wages	&	***	***	***	***
14	Trend	Indexed	100	-	115	75

76. With regard to the interested parties submission on reconsideration of the fixed 22% return on capital employed methodology for calculation of non-injurious price and on adopting the actual return on capital employed earned by the domestic industry during periods free from dumping allegations as the benchmark for a reasonable return by placing reliance on the Hon'ble CESTAT Tribunal's decision in *Bridge Stone Tyre Manufacturing & Others vs. Designated Authority* and *M/s Hyosung Corporation vs. Designated Authority*, the Authority notes that Annexure III of the Rules refers to reasonable return (pre-tax) on the capital employed and it is a consistent practice of the Authority to determine the non-injurious price of the domestic industry based on reasonable return on capital employed, which is 22%.

77. With regard to the interested parties reference to *Bridge Stone Tyre Manufacturing & Others vs. Designated Authority*, the Authority notes that that the interested parties in this case had produced specific evidence before the Hon'ble CESTAT justifying a departure from the Authority's consistent practice in this particular case. However, interested parties in the present case have not placed any evidence on record to justify such departure. With regards to the interested parties' reference to *M/s Hyosung Corporation vs. Designated Authority*, the Authority notes that post this decision by the Hon'ble CESTAT in 2011, there have been multiple cases including *Tangshan Sanyou Group*

Hong Kong International Trade Co. Limited v. Union of India, Merino Panel Products v. Designated Authority and *M/s Perstorp Chemicals GmbH & Anr. v. Designated Authority & Ors.* wherein the Hon'ble CESTAT Tribunal has consistently upheld the Authority's practice of adopting a 22% ROCE for injury analysis. Therefore, the Authority finds considering a 22% return on capital employed as appropriate in the present investigation.

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

78. 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. 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	Trend	Indexed	100	-	1,452	69,982
3	Imports from the subject country	MT	20	180	634	2,090
4	Trend	Indexed	100	900	3,170	10,450
5	Imports from other countries	MT	-	-	-	60
6	Trend	Indexed	-	-	-	-
7	Demand excluding captive	MT	***	***	***	***
8	Trend	Indexed	100	750	2,884	20,622
9	Captive consumption	MT	***	***	***	***
10	Trend	Indexed	100	80	128	156
11	Demand including captive	MT	***	***	***	***

79. It is seen that there was negligible merchant demand till 2022-23. Entities which have imported R-125 in 2023-24 and the period of investigation were dependent on imports of HFC blends till 2022-23. Once anti-dumping duty was imposed on HFC blends from the subject country in 2021-22, a market was created from the subject goods in India in 2023-24. Merchant demand has marginally increased in 2022-23, significantly increased in 2023-24 and thereafter significantly increased again in the period of investigation. Overall, the demand excluding captive consumption has increased over the injury period.

80. Demand including captive consumption declined in 2022-23, increased in 2023-24 and thereafter increased again in the period of investigation. Overall, the demand including captive consumption has increased over the injury period.

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

81. With regard to the volume of imports, the Authority is required to consider whether there has been a significant increase in dumped imports from the subject country, either in

absolute terms or relative to production or consumption (both excluding and including captive consumption of the domestic industry) in India. The same is analysed in the table below.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Subject imports	MT	20	180	634	2,090
2	Trend	Indexed	100	900	3,170	10,450
3	Subject import in relation to:					
4	Production	%	***	***	***	***
5	Trend	Indexed	100	452	1,805	5,439
6	Consumption excluding captive	%	***	***	***	***
7	Trend	Indexed	100	120	110	51
8	Consumption including captive	%	***	***	***	***
9	Trend	Indexed	100	1,061	2,116	3,309
10	Total imports	%	***	***	***	***
11	Trend	Indexed	100	100	100	97

82. It is seen that:

a. Imports from the subject country in absolute terms increased over the injury period. While the volume of imports was negligible in 2021-22 and 2022-23,they witnessed a significant increase in 2023-24 and the period of investigation. The negligible imports in 2021-22 and 2022-23 were because of lack of demand in the domestic merchant market during the same periods.

b. Imports from the subject country in relation to Indian production has increased over the injury period with significant increase in 2023-24 and the period of investigation.

c. Imports from the subject country in relation to Indian demand (excluding captive consumption) has increased till 2023-24 and thereafter declined in the period of investigation. The domestic industry was not selling in the domestic market in the year 2022-23 and there was negligible demand. As the demand increased, the domestic industry sold the material in the domestic market.

d. Imports from the subject country in relation to Indian demand (including captive consumption) has increased over the injury period.

e. Imports from the subject country in relation to total imports remained constant at 100% till 2023-24 with marginal decline in the period of investigation. Overall, imports from the subject country in relation to total imports have increased over the injury period.

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

83. With regard to the effect of the dumped imports on prices of the domestic industry, it is required to be analyzed whether there has been a significant price undercutting by the

alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production and net sales realization ('NSR') of the domestic industry have been compared with the landed price of imports of the subject goods from the subject country.

a. Price undercutting

84. 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. As no imports of "HFC-125 Packed" form have been reported during the POI in DG Systems transaction wise data, Price undercutting has been determined only for "HFC-125 Unpacked" form. The table below shows the PCN wise price undercutting over the period of investigation.

SN	Particulars	Unit	Packed	Unpacked	Total
1	Total imports	MT	-	2,090	2,090
2	Net selling price	Rs/MT	***	***	***
3	Landed price	Rs/MT	-	3,12,900	3,12,900
4	Price undercutting	Rs/MT	***	***	***
5	Price undercutting	%	***	60-70%	60-70%

85. It is seen that in the period of investigation, the price undercutting is positive and significant.

b. Price suppression/depression

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

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Cost of sales	Rs/ MT	***	***	***	***
2	Trend	Indexed	100	-	108	97
3	Selling price	Rs/ MT	***	***	***	***
4	Trend	Indexed	100	-	90	64
5	Landed price	Rs/ MT	4,65,335	4,37,100	3,20,672	3,12,900
6	Trend	Indexed	100	94	69	67

87. It is seen that the cost of sales of the domestic industry declined in the period of investigation by around Rs [***] per MT while the selling price of the domestic industry declined at a much higher rate by around Rs [***] per MT.

88. It is seen that the landed price during the period of investigation was below the cost of sales and selling price of the domestic industry. It is, therefore, considered that the prices of the domestic industry have therefore been depressed in the period of investigation because of dumped imports.

G.3.4 Economic parameters of the domestic industry.

i. Capacity, production, capacity utilization and sales volumes

89. 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	Unit	2021-22	2022-23	2023-24	POI
1	Installed capacity	MT	***	***	***	***
2	Trend	Indexed	100	187	209	209
3	Total production	MT	***	***	***	***
4	Trend	Indexed	100	199	176	192
5	Capacity utilization	%	***	***	***	***
6	Trend	Indexed	100	106	84	92
7	Domestic sales	MT	***	***	***	***
8	Trend	Indexed	100	-	1,452	69,982
9	Export sales	MT	***	***	***	***
10	Trend	Indexed	100	391	201	168
11	Captive sales	MT	***	***	***	***
12	Trend	Indexed	100	80	128	156

90. It is seen that:
   i. The capacity of the domestic industry increased in 2022-23 and 2023-24 and thereafter remained the same in the period of investigation.
   ii. One of the applicants, Gujarat Fluorochemicals Limited started its production of R-125 in 2021-22 in the month of March 2022. Thereafter in 2022-23, Gujarat Fluorochemicals Limited has expanded its capacity in 2023-24.
   iii. The production of the domestic industry increased in 2022-23, marginally declined in 2023-24 and thereafter marginally increased in the period of investigation. Production increased in 2022-23 for the purpose of export sales and captive consumption because of negligible merchant demand in the domestic market.

iv. Production thereafter declined in 2023-24 despite significant increase in domestic merchant demand for R-125. The production marginally increased in the period of investigation.

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

vi. The domestic sales of the domestic industry were almost non-existent in 2021-22 and 2022-23 in the absence of any domestic demand. There were negligible sales made by the domestic industry in 2023-24 when demand increased significantly. Domestic sales thereafter increased in the period of investigation but is nowhere near its ability to cater to domestic sales despite having sufficient capacity to cater the entire domestic market.

vii. Captive consumption of the domestic industry declined in 2022-23, but has increased thereafter in 2023-24 and increased in the period of investigation.

viii. The export sales of the domestic industry have increased in 2022-23, and thereafter declined

ii. <u>Market share</u>

91. The market share (including and excluding captive consumption of the domestic industry) is given in the table below.

SN	Market share of	UOM	2021-22	2022-23	2023-24	POI
	Excluding captive consumption					
1	Applicant	%	***	***	***	***
2	Trend	Indexed	100	-	50	339
3	Subject country	%	***	***	***	***
4	Trend	Indexed	100	120	110	51
5	Other countries	%	***	***	***	***
6	Trend	Indexed	-	-	-	100
	Including captive consumption					
1	Applicant	%	***	***	***	***
2	Trend	Indexed	100	94	87	78
3	Subject country	%	***	***	***	***
4	Trend	Indexed	100	1,061	2,116	3,309
5	Other countries	%	***	***	***	***
6	Trend	Indexed	-	-	-	100

92. It is seen that:

i. The market share of the domestic industry excluding captive consumption declined in 2022-23, marginally increased in 2023-24 and thereafter increased again in the period of investigation. The increase of market share in 2023-24 and the period of investigation is because of increase in demand. However, the market share of the domestic industry as on the period of investigation is not commensurate with the domestic industry's ability to cater.

ii. The market share of the subject country excluding captive consumption increased in 2022-23, marginally declined in 2023-24 and thereafter declined again in the period of investigation.

iii. The market share of the domestic industry including captive consumption marginally declined in 2022-23, declined in 2023-24 and further declined in the period of investigation.

iv. The market share of the subject country including captive consumption has consistently increased over the injury period.

iii. Inventory

93. 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	156	154	775
3	Closing inventory	MT	***	***	***	***
4	Trend	Indexed	100	99	496	113
5	Average inventory	MT	***	***	***	***
6	Trend	Indexed	100	128	324	447

94. The Authority notes that the closing inventory of the domestic industry declined marginally in 2022-23, increased significantly in 2023-24, and thereafter declined during the period of investigation.

95. The inventory levels were relatively low in 2021-22 and 2022-23 due to limited merchant demand, with the subject goods being primarily consumed captively by the domestic industry. With the emergence of merchant demand in 2023-24, coupled with an increase in imports from the subject country at prices below the cost of sales and selling price of the domestic industry, the closing inventory increased significantly in that year.

iv. Profitability

96. The relevant information is given below:-

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Profit/ (loss)	₹/MT	***	***	***	***
2	Trend	Indexed	100	-	60	9
3	Profit/(loss)	₹ Lacs	***	***	***	***
4	Trend	Indexed	100	-	871	6,342
5	PBIT	₹/MT	***	***	***	***
6	Trend	Indexed	100	-	64	13
7	PBIT	₹ Lacs	***	***	***	***

8	Trend	Indexed	100	-	936	9,061
9	Cash profit	₹/MT	***	***	***	***
10	Trend	Indexed	100	-	57	11
11	Cash profit	₹ Lacs	***	***	***	***
12	Trend	Indexed	100	-	827	7,600
13	Return on investment	%	***	***	***	***
14	Trend	Indexed	100	-	28	9

97. It is seen that:
    i. The profitability, PBIT and cash profit in absolute terms have increased in the period of investigation because of increase in domestic sales of the domestic industry.
    ii. The profitability, PBIT, cash profit and return on investment on a per unit basis has declined in the period of investigation with the landed price falling below the cost of sales and selling price of the domestic industry.

v. <u>Productivity, employment and wages.</u>

98. Employment, wages and productivity 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	Production per day	MT	***	***	***	***
2	Trend	Indexed	100	199	176	192
3	Production per employee	MT	***	***	***	***
4	Trend	Indexed	100	106	70	95
5	No. of employees	Nos.	***	***	***	***
6	Trend	Indexed	100	188	250	203
7	Salary and wages	Rs Lakhs	***	***	***	***
8	Trend	Indexed	100	210	205	167

99. It is seen that:
    i. The production per day and production per employee of the domestic industry has increased in 2022-23, declined in 2023-24 and increased again in the period of investigation.
    ii. The employment of the domestic industry have increased till 2023-24 and thereafter declined in the period of investigation.
    iii. The salary and wages of the domestic industry have increased in 2022-23 and thereafter declined till the period of investigation.
    iv. The domestic industry has submitted that these parameters are dependent on several other parameters and therefore do not reflect the injury suffered by the domestic industry.

vi. <u>Ability to raise capital investment.</u>

100. The Authority notes that the profitability of the domestic industry in the period of investigation is adverse. The domestic industry has suffered steep decline in profits in the period. The applicants have submitted that they have no plans to expand its business in product under consideration as there is no demand and supply gap in the Indian market and there is no incentive for any producer to enter into the product considering the dumped prices at which the product under consideration is being sold.

vii. Growth.

101. 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	%	87	12	0
2	Production	%	99	(12)	9
3	Capacity utilization	%	6	(21)	9
4	Domestic sales	%	0	0	4721%
6	Profit/(Loss) – Rs/MT	%	0	0	(85)
7	PBIT – Rs/MT	%	0	0	(80)
8	Cash profit – Rs/MT	%	0	0	(81)
9	Return on investment	%	0	0	(67)

102. It is seen that the growth of the domestic industry has recorded significant decline in terms of price parameters. While the volume parameters, including production, capacity utilization and domestic sales have recorded a positive growth in the period of investigation because of sudden increase in demand, the growth in these parameters is not in line with the capacity available with the domestic industry. The price parameters on a per unit basis, including profitability, cash profit and return in investment have recorded a negative growth in the period of investigation.

viii. Magnitude of dumping margin.

103. 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.

104. It is seen that the import price is directly affecting the prices of the domestic industry in the domestic merchant market. The landed price of the product from the subject country is below the cost and selling price of the domestic industry. The landed prices of subject imports have depressed the prices of the domestic industry, leading to the domestic industry suffering significantly on price parameters.

x. Conclusions on injury

105. The examination of the imports of the product under consideration and performance of domestic industry shows that:

a. The demand excluding and including captive consumption has increased over the injury period.
b. Imports from the subject country in absolute terms increased over the injury period.
c. Imports from the subject country in relation to Indian production have increased over the injury period.
d. Imports from the subject country in relation to Indian demand (including captive consumption) have increased over the injury period.
e. Imports from the subject country in relation to total imports have increased over the injury period.
f. Price undercutting is positive and significant in the period of investigation.
g. Prices of the domestic industry have been depressed in the period of investigation.
h. The capacity of the domestic industry increased in 2022-23 and 2023-24 and thereafter remained the same in the period of investigation.
i. The production and capacity utilization of the domestic industry increased in the period of investigation.
j. Domestic sales of the domestic industry increased in the period of investigation.
k. Captive consumption of the domestic industry increased in the period of investigation.
l. Export sales of the domestic industry declined in the period of investigation.
m. The market share of the domestic industry excluding captive consumption declined in 2022-23, marginally increased in 2023-24 and thereafter increased again in the period of investigation. The market share of the domestic industry including captive consumption marginally declined in 2022-23, declined in 2023-24 and further declined in the period of investigation.
n. The closing inventory of the domestic industry declined in the period of investigation as compared to the immediately preceding year as the domestic industry reduced its prices.
o. The profitability, PBIT, cash profit and return on investment of the domestic industry on a per unit basis has declined in the period of investigation, with the landed price falling below the cost of sales and selling price of the domestic industry.
p. The production per day and production per employee of the domestic industry increased in the period of investigation.
q. The employment and salary and wages of the domestic industry declined in the period of investigation.
r. The domestic industry's ability to raise capital investment has been impacted.
s. Growth in price parameters is negative in the period of investigation when seen on per unit basis, and growth in volume parameters, despite increase, is not in line with the capacity available with the domestic industry.
t. The dumping margin is above *de minimis* and significant.

H. NON-ATTRIBUTION ANALYSIS

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

a. Volume and price of imports from third countries.

107. The Authority notes that apart from the subject country, imports have not been reported in significant quantities from any other country. Therefore, the injury is not attributable to imports from any country other than the subject country.

b. Contraction of demand.

108. India's HFC baseline is computed as the average of its 2024-2026 HFC consumption and therefore, there as no cap on the consumption in the period of investigation. The Authority also notes that while the product under consideration falls under restricted category to regulate consumption, there was no restriction with regard to the actual consumption. The demand has increased over the injury period. Therefore, any injury to the domestic industry is not attributed to the contraction of demand.

c. Changes in pattern of consumption.

109. 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.

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

e. Developments in technology.

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

f. Productivity.

112. Production per employee and production per day of the domestic industry increased in 2022-23, declined in 2023-24 and thereafter increased in the period of investigation. The Authority notes that injury to the domestic industry therefore cannot be because of decline in productivity.

g. Export performance.

113. The export sales of the domestic industry have improved over the injury period. 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.

h. Performance of other products.

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

I. FACTORS ESTABLISHING CAUSAL LINK

i. Causal link between dumping and injury.

115. The Authority notes that other known factors which could have caused injury to the domestic industry have been duly examined in the non-attribution analysis above and do not appear to have caused injury to the domestic industry. The following factors establish that the injury to the domestic industry has been caused by dumped imports.

a. Demand for the product under consideration increased during 2023-24 as well as the period of investigation. Correspondingly, imports from the subject country increased both in absolute terms and relative terms.

b. The landed price of the subject imports remained below the domestic industry's cost of sales as well as selling price during 2023-24 and the period of investigation. Further, the subject imports undercut the prices of the domestic industry during the period of investigation and exerted significant price-depressing effects, preventing the domestic industry from maintaining remunerative prices.

c. Although the domestic industry recorded an increase in production, capacity utilisation, domestic sales, and market share during the period of investigation, these improvements were not commensurate with the growth in demand or with the applicants' available production capacity and ability to cater to the domestic market. The domestic industry was therefore unable to realise the full benefits of the expanding market.

d. Further, despite the increase in sales volumes, the domestic industry's per-unit profitability parameters declined in the period of investigation. The decline in profitability was a direct consequence of the dumped imports, which compelled the domestic industry to depress their prices in order to compete with the low-priced subject imports.

e. Accordingly, the injury suffered by the domestic industry is directly attributable to the dumped imports from the subject country.

J. MAGNITUDE OF INJURY MARGIN.

I.1 Non-injurious price

116. 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 period of investigation. 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.

I.2 Landed price

117. 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.

118. The landed price determined as above have been compared for the product under consideration.

I.3 Injury margin

119. 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	Ruyuan Dongyangguang Fluorine Co., Ltd	***	***	***	***	30-40
2	Shandong Dongyue Refrigerants Co., Ltd.	***	***	***	***	80-90
3	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	***	***	***	***	50-60
4	M/s Zibo Feiyuan Chemical Co., Ltd.	***	***	***	***	60-70
5	All other producers/exporters	***	***	***	***	90-100

K. INDIAN INDUSTRY'S INTERESTAND OTHER ISSUES

K.1 Submission by opposing interested parties

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

i. Imposition of anti-dumping duty will severally impact the businesses of downstream users.
ii. Any additional duty on PUC will directly increase the cost of HFC blends and refrigerant and air conditioning equipment's.
iii. Anti-dumping duties are stated to be in place for R-32 and on HFC blends, including R-410A. This will create a cascading duty incidence on the value chain.
iv. The applicants do not cater to the demand of all downstream users.
v. The applicants prioritise captive consumption of the subject goods for the manufacture of HFC blends rather than supplying the subject goods to the domestic merchant market. This structural preference inevitably results in a demand-supply gap in the domestic market for the subject goods.
vi. The product under consideration is subject to quota restrictions under the Kigali Amendment, and therefore demand, supply, and prices are influenced by regulatory quotas rather than normal market forces. The imposition of anti-dumping duty would exacerbate existing supply constraints and increase prices of the product under consideration from the subject country, thereby adversely affecting the user industry.
vii. During 2022-23, neither of the applicants sold even a single ton to the domestic market, despite continued production. The applicants have the ability to withdraw from the domestic market at its discretion at any time by prioritizing captive consumption and exports.
viii. The imposition of anti-dumping duty on the product under consideration would gravely undermine public interest due to its critical role in producing air conditioner components, which forms a cornerstone of the Production Linked Incentive Scheme for White Goods ("PLIWG").

K.2 Submission by the applicants

121. The applicants have made the following submissions with regard to Indian industry's interest and other issues:

i. Since the imports of HFC blends are attracting anti-dumping measures, a blend producer will not have to bear the cost of these measures and will easily pass on the increase in cost to the end consumer.
ii. Impact of duty on the product under consideration on the end customer is negligible.
iii. Capacity with the applicants is sufficient to cater the entire demand in India.
iv. The domestic industry has sufficient capacity to cater the complete demand for R-32, HFC blends and R-125 in India.
v. The import value of the product under consideration over the injury period has been more than Rs 9,969 Lakhs. In the period of investigation alone, the import value amounted to Rs 5,759 Lakhs. This import is without the demand and supply gap in the country, thereby adding to the unnecessary trade deficit.

vi. Imposition of anti-dumping duty will not create any situation of monopoly since there is one other producer of the subject goods in Indian, namely Navin Fluorine International Limited which has commenced production post the period of investigation.

vii. There are also imports of the product under consideration from Turkey in the period of investigation, which shows that there are other sources of supply.

viii. In case of procurement from the applicants, the consumers have the option of maintaining lower inventory levels in comparison to relying on imports for the same. Therefore, imposition of anti-dumping duty would be in the interest of consumers.

ix. Domestic Refrigerant Importers Association is not fully representative of importers of the product under consideration in India.

x. Of the limited number of companies in which the members of DRIA are directors, only Gupta Oxygen Private Limited has participated in the present investigation.

xi. Kiro Refrigerants Private Limited, which was the largest importer of the product under consideration during the period of investigation has not participated in the present investigation, despite being represented through membership in the participating association.

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

122. The Authority considered whether imposition of the recommended 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.

123. 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.

124. 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 level playing field and 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.

125. 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 had thereafter 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.

126. With regard to interested parties' submission on the sever impact of anti-dumping duty on downstream users, the Authority notes that the domestic industry has quantified the impact of anti-dumping duty, which is provided below:

SN	Particulars	Unit	Air conditioners (Residential)	Chillers (Small sized)	Heat pumps (Small sized)
1	Impact on price increase on R-410	Rs	15,432	15,432	15,432
2	R410 used in final product	%	1	3	2
3	Impact on final product price	%	15	52	23
4	Average price of end product	Rs	37,000	1,62,000	55,000
5	Impact on end product (where R-410 is used)	%	0.04%	0.03%	0.04%

SN	Particulars	Unit	Air conditioners (Residential)	Chillers (Small sized)	Heat pumps (Small sized)
1	Impact on price increase on R-407	Rs	7,716	7,716	7,716
2	R407 used in final product	%	1	15	3
3	Impact on final product price	%	8	116	26

4	Average price of end product	Rs	37,000	3,00,000	1,62,000
5	Impact on end product (where R-407 is used)	%	0.02%	0.04%	0.05%

Note: Impact quantified by the domestic industry

127. It is seen that the impact of anti-dumping duties is miniscule. It is also noted that the user industry has not been able to establish the inability to pass on the increase in the cost.

128. The Authority notes the submission of the interested parties that the anti-dumping duties in force on R-32 and HFC blends would result in a cascading duty incidence across the value chain. In this regard, the Authority notes that the product under consideration is primarily used in HFC blends, namely R-410 and R-407. R-407 is a blend of R-32, R-125 and R-134a, while R-410 is a blend of R-32 and R-125. These blends are subsequently used in residential and commercial refrigeration and cooling applications. Anti-dumping duties are presently in force on R-32, R-134a and HFC blends, with the same expiring on 21st December 2026, 24th December 2030 and 23rd December 2026 respectively, and sunset review investigations concerning R-32 and HFC blends are currently ongoing. The Authority notes that each of these products constitutes a distinct product under consideration with an independent domestic industry, and the duty on each has been determined on the basis of its own dumping and injury margins. The mere co-existence of duties on an intermediate product and its downstream blends does not, by itself, amount to an unwarranted cascading effect, as the duty in each case is remedial and confined to the extent necessary to offset injury caused by dumped imports of that specific product. The interested parties have not placed any evidence on record to show that the downstream industry has been rendered uncompetitive on this account. Accordingly, the Authority does not find merit in this argument.

129. The Authority further notes that with regard to interested parties'submission on the existing demand-supply gap in the country and the domestic industry's ability to prioritise its captive market and export over domestic merchant sales of the product under consideration, the Authority notes that the imposition 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 imposition of duty would, therefore, not affect the availability of the product. In any case, the capacity of the domestic industry is more than sufficient to cater the entire Indian demand, even after meeting its captive requirements, thereby ensuring that there remains sufficient supply in the country. Furthermore, there is one other domestic producer, namely Navin Fluorine International Limited which has commenced production of the product under consideration post the period of investigation.

130. The Authority also notes that there is no demand and supply gap in the country. The capacity with the Indian industry is sufficient to cater the entire demand. Further, the

domestic industry is suffering material injury, and the imposition of antidumping duty will be in interest of domestic producers.

L. POST DISCLOSURE COMMENTS

131. In accordance with Rule 16 of the Rules, the Authority issued a disclosure statement dated 16th September 2026, disclosing the essential facts under consideration, and granted time to all the interested parties to furnish their 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.

L.1 Submissions of other interested parties

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

    i. The Authority should adopt a quarter-wise comparison for the determination of the dumping margin and the injury margin. The price of the product under consideration varied substantially over the period of investigation and was lowest in the third quarter, in which the exports of the respondent to India were concentrated. The prices of the principal raw materials, namely anhydrous hydrogen fluoride and perchloroethylene, declined in the second quarter and, having regard to the production and export approval cycle, the effect of the lower raw material price was reflected in the selling price of the third quarter. A single weighted average annual comparison does not adequately capture price comparability in these circumstances.

    ii. The increase in import volumes is a direct and logical consequence of the growth of merchant demand in the Indian market, which increased by over two hundred times during the injury period following the imposition of anti-dumping duty on HFC blends. The increase in imports is therefore a symptom of market growth and not a cause of injury. The merchant market for R-125 was almost non-existent before the imposition of anti-dumping duty on HFC blends. The increase in R-125 imports during 2023-24 and the POI therefore coincided with the creation and rapid development of the merchant market. Accordingly, the increase in imports, by itself, cannot establish displacement of domestic sales or injury and must be examined in the context of the changed market conditions and actual causal link

    iii. The volume parameters recorded in the disclosure statement, namely installed capacity, production, domestic sales and market share, have all improved during the injury period, and such improvement does not support a conclusion of material injury.

    iv. Inventory cannot be assessed in isolation from sales and market expansion. Reliance is placed on the decision of the Hon’ble CESTAT in Bridge Stone Tyre Manufacturing (Thailand) v. Designated Authority, 2011 (8) TMI 672, wherein it was held that an increase in inventory cannot straightaway be treated as an injury indicator where the sales volume has also increased and the level of inventory remains broadly proportionate to sales.

v. Paragraph 35 of the disclosure statement incorrectly records that Shandong Dongyue Refrigerants Co., Ltd. has not filed its rejoinder submissions and that Trilegal represents Ruyuan Dongyangguang Fluorine Co., Ltd. The rejoinder submissions were filed on 10th February 2026 and Trilegal does not represent Ruyuan Dongyangguang Fluorine Co., Ltd.

vi. Rejoinder submissions on behalf of M/s Zibo Feiyuan Chemical Co., Ltd. were filed vide email dated 10th February 2026 and were again forwarded on 21st July 2026, and the observation in paragraph 35 of the disclosure statement to the contrary is incorrect.

vii. The Authority has not considered the request of the interested parties for recommendation of a benchmark form of duty in lieu of an ad valorem duty. A benchmark duty, under which the difference between a reference price and the landed value alone is collected, would address any proven injury without unnecessarily restricting imports or inflating prices, particularly in a nascent and transitional market such as that for R-125. The Authority adopted a similar approach in the anti-dumping investigation concerning imports of 1,1,1,2-Tetrafluoroethane (R-134a) from China PR.

viii. Domestic prices of the subject goods have increased to approximately ₹ 6,50,000 per MT and the CIF import price from China PR to approximately ₹ 6,04,160 per MT in the post period of investigation period, representing an increase of more than 128% in domestic selling prices and approximately 112% in import prices since the period of investigation. The domestic industry is therefore already benefiting from substantially higher market prices and does not require additional protection in the form of a fixed or ad valorem anti-dumping duty. A short meeting before issuance of the final findings has also been requested.

ix. The injury period is inherently distorted, as 2021-22 and 2022-23 were years of negligible merchant demand and virtually non-existent domestic sales. Comparing subsequent years of market expansion with such abnormal base years artificially magnifies the growth in imports and sales.

x. The increase in imports is attributable to the implementation of the Kigali Amendment and not to any dumping practice. Any remedial action, if warranted, would more appropriately lie in a safeguard measure rather than an anti-dumping duty.

xi. The post period of investigation data, showing a sharp decline in Chinese import volumes and an increase in Chinese import prices from about USD 2.99 per kg in January 2025 to about USD 4.75 per kg in December 2025, may be taken into account, and demonstrates that the subject imports are neither causing continued injury nor exerting downward pressure on domestic prices.

xii. The increase in interest and depreciation costs is a consequence of the domestic industry's own capital expenditure and financing decisions. An industry that is aggressively expanding its fixed assets and working capital cannot reasonably contend that it is suffering material injury on account of imports.

xiii. The subject goods are a globally traded commodity whose prices are driven by international demand-supply dynamics, feedstock costs and global energy prices. The subject imports merely met expanding demand in a newly developing market and did not displace domestic production or suppress domestic prices.

xiv. The domestic industry's own commercial decision to prioritise exports and captive consumption in the initial years of the injury period allowed imports to serve domestic merchant demand. Any loss of market opportunity is therefore a consequence of its own business strategy and not of import competition.

xv. The non-confidential version of the application was not a replica of the confidential version as required under Trade Notice No. 1 of 2013, and the disclosure statement contains no analysis as to why a replica was not filed.

xvi. The source of the market intelligence relied upon by the applicants for import data has not been disclosed, although such disclosure is mandatory under Trade Notice No. 10 of 2018 and Question No. 5 of Part I of the application proforma.

xvii. The details of the plant shutdowns of the applicants, including the reasons for the shutdowns and the total period of shutdown in each financial year of the injury period, were not disclosed in the non-confidential version, and the submissions made in this regard have not been examined in the disclosure statement.

xviii. The normal value for the exporter may be determined on the basis of its own records. Determination of normal value for China PR under Para 7 of Annexure I without accepting the data of the Chinese companies would render Article 15(a)(ii) of China's Accession Protocol a nullity, and the provisions ought to be harmoniously interpreted so as to give them full effect.

xix. There is no injury to the domestic industry and the imposition of anti-dumping duty is not in the interest of the users and the public. The investigation may accordingly be terminated; in the alternative, it may be held that the domestic industry has not suffered injury and that there is no causal link and, if at all injury is found, a benchmark duty may be recommended.

xx. The public-interest assessment should also consider the cumulative burden of duties across the HFC value chain and the practical availability of merchant supplies, particularly in view of the existing duties on R-32, R-134a and HFC blends.

L.2 Submissions of the domestic industry

133. The following comments were submitted by the domestic industry with regard to the disclosure statement and the methodology adopted therein:

i. In determining the constructed normal value for China PR on the basis of the price paid or payable in India, the Authority adds 5% towards reasonable profit in all situations, irrespective of the nature of the industry and the product, the degree of investment required for producing the product and the extent to which inputs are produced and consumed captively. The Rules do not prescribe any methodology for arriving at the profit margin.

ii. Section 9A(1)(c) of the Act provides for a reasonable addition for profits for the purpose of normal value, while Annexure III provides for a return towards interest and profit for the purpose of non-injurious price. The reasonable profit for the purpose of constructed normal value cannot be materially different from the reasonable return allowed for the purpose of non-injurious price.

iii. Both constituents of the domestic industry captively produce a chain of upstream inputs. SRF Limited captively produces anhydrous hydrofluoric acid, methylene chloride, perchloroethylene, trichloroethylene and R-134a, while Gujarat Fluorochemicals Limited captively produces anhydrous hydrofluoric acid, tetrafluoroethylene, R-22, chloroform and chlorine.

iv. Where an upstream input is procured, its consumption price accounts for the supplier's costs and profits, and the return allowed in the non-injurious price represents the production activity of the product under consideration alone. Where, however, the input is captively produced, the input enters the constructed normal value at cost, whereas for the purpose of non-injurious price the same input is taken at cost plus 22% return on capital employed.

v. A reasonable addition towards profit is therefore required to be made both for the production of the product under consideration and for the production of captive inputs while determining the constructed normal value, as is done for the purpose of the non-injurious price.

L.3 Examination by the Authority

134. 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 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.

135. With regard to the submissions of M/s Zibo Feiyuan Chemical Co., Ltd. and Shandong Dongyue Refrigerants Co., Ltd. that the observation recorded in the disclosure statement regarding non-filing of rejoinder submissions is factually incorrect, the Authority has verified the record and notes that both parties filed their rejoinder submissions on 10th February 2026. The observation has accordingly been corrected in these final findings, and the contents of the rejoinder submissions have been considered by the Authority.

136. With regard to the request for a quarter-wise comparison of normal value with export price and of landed value with non-injurious price, the Authority notes that the period of investigation in the present case is a period of twelve months and that, in terms of Annexure I to the Rules, the dumping margin is normally determined on the basis of a comparison of the weighted average normal value with the weighted average export price

for the period of investigation as a whole. A departure from this practice is warranted only where a particular market situation or a significant and demonstrated pattern of price movement renders an annual comparison incapable of a fair comparison. The data placed on record by the exporter itself shows that the prices of the principal raw materials, namely anhydrous hydrogen fluoride and perchloroethylene, remained within a narrow band throughout the period of investigation, and no cost-based justification has been established for the variation in its selling prices. Further, the normal value in the present case has been determined under Para 7 of Annexure I on the basis of the price payable in India and not on the basis of the exporter's domestic sales, so that a quarterly comparison of the exporter's own domestic prices is not relevant to the determination. It is also noted that the request has been made by the interested party at a very belated stage. The request is therefore not accepted.

137. With regard to the submissions of the interested parties that the duty, if recommended, should take the form of a benchmark or reference price duty rather than an ad valorem duty, and that market prices have risen substantially after the period of investigation, the Authority notes that the duty recommended in these final findings based on the factual matrix of present case is a duty of a fixed amount expressed in US dollars per metric tonne and is not an ad valorem duty. The concern underlying the request for a benchmark duty is therefore substantially addressed by the form of duty recommended. The Authority further notes that the material placed on record in support of the claimed post period of investigation price increase consists of individual invoices, which do not by themselves establish a verified and sustained price trend, and that the recommendation in the anti-dumping investigation concerning imports of 1,1,1,2-Tetrafluoroethane (R-134a) proceeded on the facts and circumstances of that investigation. The applicants have in their comments to disclosure provided information on the raw material prices in the post period of investigation showing that the raw material prices have increased leading to increase in the cost of sales and selling price of the domestic industry. Accordingly, the Authority does not consider it appropriate to recommend a benchmark form of duty in the present investigation.

138. With regard to the request of the interested parties for consideration of post period of investigation data, the Authority has already examined this contention in the relevant paragraph of these final findings. The Authority reiterates that the present case is a fresh anti-dumping investigation, that injury is evident throughout the period of investigation, and that the twelve-month period of investigation together with the three preceding years affords a sufficient basis for the determinations made herein.

139. With regard to the request of Gupta Oxygen Private Limited and the Domestic Refrigerant Importers Association for a further meeting before issuance of the final findings, the Authority notes that an oral hearing was held on 27th January 2026, in which all interested parties were afforded an opportunity to present their views orally, followed by written submissions and rejoinder submissions, and that a further opportunity has been afforded

through the disclosure statement. The interested parties have been granted adequate opportunity to defend their interests in terms of Rule 6(6) and Rule 16 of the Rules.

140. With regard to the contentions concerning the choice of the injury period, the attribution of the increase in imports to the Kigali Amendment, the improvement in the volume parameters of the domestic industry, the movement in inventory, the role of interest and depreciation costs, and the characterisation of the subject goods as a globally traded commodity, the Authority notes that these contentions are reiterations of submissions already made during the investigation and already examined in the relevant paragraphs of these final findings. The Authority reiterates that Annexure II to the Rules does not require every economic parameter of the domestic industry to show a decline before a finding of material injury can be reached, and that in the present case the improvement recorded in the volume parameters is accompanied by a steep decline in the per unit price parameters of the domestic industry, with the landed price remaining below both the cost of sales and the selling price of the domestic industry throughout 2023-24 and the period of investigation. The finding of injury does not rest on the movement in inventory, and the decision in Bridge Stone Tyre Manufacturing (Thailand) v. Designated Authority does not therefore assist the interested parties.

141. With regard to the submission that the details of the plant shutdowns of the domestic industry were not disclosed and were not examined, the Authority notes that the dates, duration and reasons for shutdown of a plant constitute business sensitive information that is not susceptible of meaningful summarisation, and the claim of confidentiality in respect thereof has been accepted in terms of Rule 7 of the Rules. The Authority has, however, examined the information furnished on a confidential basis and notes that the non-injurious price has in any event been determined by adopting the best utilisation of raw materials, utilities and production capacity over the injury period, so that the effect of any shutdown on the cost of production of the domestic industry stands neutralised in the determination of the non-injurious price.

142. With regard to the submissions concerning the certificate of correctness, the declaration of the legal representative, the non-confidential version of the application and the source of the import data relied upon by the applicants, the Authority notes that these submissions have already been examined in the relevant paragraphs of these final findings. The Authority reiterates that the said documents were filed along with the application checklist prior to initiation and were found to be in order, that the non-confidential version of the application has been found to be adequate, and that the Authority has relied upon the transaction-wise import data procured from DG Systems, and not upon the data sourced by the applicants, both at the stage of initiation and for the purpose of these final findings. No prejudice has therefore been caused to any interested party.

143. With regard to the submission that the normal value for the participating producers/exporters ought to be determined on the basis of their own records and that the

application of Para 7 of Annexure I renders Article 15(a)(ii) of China's Accession Protocol a nullity, the Authority notes that this contention has already been examined in the relevant paragraphs of these final findings. The Authority reiterates that while Article 15(a)(ii) expired on 11th December 2016, the obligation under Article 15(a)(i) read with Para 8 of Annexure I to the Rules requires the producers under investigation to clearly show that market economy conditions prevail, and that none of the producers/exporters from China PR has filed the market economy treatment questionnaire so as to rebut the presumption. The Authority has therefore rightly proceeded under Para 7 of Annexure I.

144. With regard to the submissions of the domestic industry that a reasonable profit ought to be added towards the production of captive inputs while determining the constructed normal value, the Authority notes that the normal value under Para 7 of Annexure I has been determined on the basis of the price payable in India, having regard to the optimised cost of production in India, duly adjusted to include reasonable administrative, selling and general costs and a reasonable profit margin. The addition towards profit under Section 9A(1)(c) of the Act and the reasonable return on capital employed under Annexure III serve distinct statutory purposes, the former being referable to the determination of normal value and the latter to the determination of the non-injurious price of the domestic industry, and the two are not required to be identical. The Authority has consistently adopted a reasonable profit margin for the purpose of constructed normal value, and no material has been placed on record in the present investigation to warrant a departure from the consistent practice. The submission is therefore not accepted, and the normal value determined in the disclosure statement remains unchanged.

M. CONCLUSION

145. Having regard to the contentions raised, information provided and submissions made by the interested parties, and the facts available before the Authority as recorded above, and on the basis of the above analysis of dumping, injury and causal link, the Authority concludes that:

i. The present investigation was initiated under Section 9A of the Act read with Rule 5 of the Rules on the basis of a duly substantiated application filed by SRF Limited and Gujarat Fluorochemicals Limited concerning imports of Hydrofluorocarbon (HFC) Component R-125 originating in or exported from China PR.

ii. SRF Limited and Gujarat Fluorochemicals Limited account for 100% of the total Indian production of the like article during the period of investigation, constitute the "domestic industry" within the meaning of Rule 2(b) of the Rules and satisfy the requirement of standing under Rule 5(3) of the Rules.

iii. The product produced by the domestic industry is a like article to the product under consideration imported from the subject country within the meaning of Rule 2(d) of the Rules.

iv. None of the producers/exporters from China PR filed the market economy treatment questionnaire so as to rebut the presumption of non-market economy status. The normal value has accordingly been determined under Para 7 of Annexure I to the

Rules on the basis of the price payable in India, having regard to the optimised cost of production in India, duly adjusted for reasonable administrative, selling and general costs and profits.

v. The product under consideration has been exported to India from the subject country at prices below its normal value, resulting in dumping. The dumping margin determined for the producers/exporters from the subject country is above the de minimis level and is significant.

vi. Imports of the product under consideration from the subject country increased significantly over the injury period, both in absolute terms and in relation to production and consumption in India, and constituted substantially the entirety of the imports into India during the period of investigation.

vii. Price undercutting by the subject imports is positive and significant during the period of investigation. The landed price of the subject imports remained below both the cost of sales and the selling price of the domestic industry, and the prices of the domestic industry have been depressed during the period of investigation.

viii. Although the domestic industry recorded an increase in production, capacity utilisation, domestic sales and market share during the period of investigation, such improvement was not commensurate with the growth in demand or with the capacity available with the domestic industry and its ability to cater to the domestic market.

ix. The profitability, profit before interest and tax, cash profit and return on investment of the domestic industry on a per unit basis declined steeply during the period of investigation, and the ability of the domestic industry to raise capital investment has been adversely affected.

x. The other known factors examined in the non-attribution analysis, namely imports from third countries, contraction in demand, changes in the pattern of consumption, trade restrictive practices, developments in technology, productivity, export performance and the performance of other products, have not caused injury to the domestic industry.

xi. The domestic industry has suffered material injury and there exists a causal link between the dumped imports of the product under consideration from the subject country and the material injury so suffered.

xii. The injury margin determined for the producers/exporters from the subject country is positive and significant.

xiii. Imposition of anti-dumping duty is not against the wider public interest. The impact of the duty on the price of the downstream products, namely air conditioners, chillers and heat pumps, is negligible and in the range of 0.02% to 0.05% of the price of the end product.

xiv. The capacity of the domestic industry is sufficient to cater to the entire Indian demand even after meeting its captive requirement, and a further producer, namely Navin Fluorine International Limited, has commenced production of the product under consideration after the period of investigation. Imposition of anti-dumping duty will therefore not lead to scarcity of the subject goods or to a situation of monopoly in the Indian market.

N. RECOMMENDATION

146. The Authority notes that the investigation was initiated and notified to all interested parties and that adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to furnish information and to present their views on the issues arising in the investigation. Having concluded that the product under consideration has been exported to India from the subject country at dumped prices, that the domestic industry has suffered material injury and that such injury has been caused by the dumped imports, the Authority is of the view that imposition of anti-dumping duty is necessary on imports of the product under consideration from the subject country.

147. The Authority, in terms of the second proviso to Rule 17(1)(b) of the Rules, recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury, so as to remove the injury to the domestic industry.

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

DUTY TABLE

SN	Heading/ sub-heading	Description of goods	Country of origin	Country of export	Producer/ exporter	Amount (USD)/MT
1	2	3	4	5	6	7
1	38276300	Hydrofluorocarbon (HFC) Component R-125	China PR	Any country including China PR	Ruyuan Dongyangguang Fluorine Co., Ltd.	92.00
2	-do-	-do-	China PR	Any country including China PR	Shandong Dongyue Refrigerants Co., Ltd.	1,254.00
3	-do-	-do-	China PR	Any country including China PR	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	743.00
4	-do-	-do-	China PR	Any country	M/s Zibo Feiyuan Chemical Co., Ltd.	903.00

				including China PR		
5	-do-	-do-	China PR	Any country including China PR	Any other than S. No. 1 to 4	1,335.00
6	-do-	-do-	Any country other than China PR	China PR	Any	1,335.00

**Note: Customs classification is only indicative and the determination of anti-dumping duty shall be made as per the description of the product under consideration. The product under consideration was earlier imported under sub-headings 29033919, 29034200 and 29034400 of the First Schedule to the Customs Tariff Act, 1975.*

149. 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-125 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.'

150. 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

151. 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 and the Rules.

Digitally signed by
Amitabh Kumar
Date: 23-09-2026
16:45:28

(Amitabh Kumar)
Designated Authority