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To be published in Part-I Section 1 of the Gazette of India Extraordinary**F. No.6/23/2025-DGTR****Government of India****Ministry of Commerce & Industry****Department of Commerce****(Directorate General of Trade Remedies)****4th Floor, Jeevan Tara Building, 5- Parliament Street, New Delhi 110001**

Dated: June 2026

Notification**Final Findings****(Case No. AD(OI) - 20/2025)**

Subject: Anti-dumping duty investigation concerning imports of “4- (Bromomethyl)-2’-cyanobiphenyl” also known as “Bromo OTBN” originating in or exported from China PR.

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

A. BACKGROUND

1. M/s Neogen Chemicals Limited (hereinafter also referred to as the “Petitioner” or “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as “AD Rules, 1995” or the “AD Rules” or the “Rules”) for imposition of anti-dumping duty on imports of “4- (Bromomethyl)-2'-cyanobiphenyl” also known as “Bromo OTBN” (hereinafter also referred to as the “subject goods” or “product under consideration” or “PUC”) from China PR (hereinafter also referred to as the “subject country”).
2. Whereas, the Authority, on the basis of sufficient *prima facie* evidence submitted by the applicant, issued a Notification No.6/23/2025-DGTR dated 30th June, 2025, published in the Gazette of India, initiating the subject investigation in accordance with Rule 5 of the AD Rules to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from China PR, 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 herein below has been followed by the Authority with regard to the subject investigation:
 - i. The Designated Authority, under the AD Rules, received a written application from the Applicant on behalf of the domestic industry, alleging dumping of subject goods, originating in or exported from China PR.
 - ii. The Authority notified the Embassy of China PR in India about the receipt of the anti-dumping application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra.

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- iii. The Authority issued a public notice dated 30th June 2025 published in the Gazette of India Extraordinary, initiating the anti-dumping investigation concerning imports of the subject goods from the subject country.
- iv. The Authority sent a copy of the initiation notification to the Embassy of China PR in India, known producers/exporters from China PR and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4).
- v. The Authority sent exporter's questionnaires to elicit relevant information to the following known producers/exporters in China PR, (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules.
 - a) Yancheng City Donggang
 - b) Zhejiang Huahai Pharmaceutical Co Limited
 - c) Cidic Co. Limited
 - d) Zhejiang Tianyu Pharmaceutical Co. Ltd.
 - e) Sinolite Industrial Co. Limited
 - f) Jiangsu Gtig Huatai Co. Limited
 - g) Luna Chemicals Co. Limited
- vi. The Authority also issued an economic interest questionnaire (hereinafter referred to as 'EIQ') to the interested parties seeking inputs on the economic impact of the proposed duties.
- vii. In response to the initiation of the subject investigation, the following producers/exporters from the subject country have responded by filing questionnaire response:
 - a) Nantong Huayu Chemical Technology Co., Ltd.
 - b) Linhai Huanan Chemical Co., Ltd.
 - c) Zhejiang Huahai Pharmaceutical Co., Ltd.
 - d) Zhejiang Tianyu Pharmaceutical Co., Ltd.
 - e) Yancheng City DongGang Pharmaceutical Development Co., Ltd.
- viii. The Authority forwarded a copy of the Initiation Notification to the following known importers/users/user associations (whose names and addresses were made available to the Authority by the applicant) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):
 - a) Vasudha Pharma Chem Ltd

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- b) CTX Lifesciences Pvt Ltd
 - c) Sun Pharmaceutical Industries Ltd
 - d) KP Manish Global Ingredients Pvt Ltd
 - e) Laurus Labs Ltd
 - f) Macleods Pharmaceuticals Ltd
 - g) Gensynth Laboratories Pvt Ltd
 - h) Verdant Life Sciences Pvt Ltd
 - i) Glenmark Life Sciences Ltd
 - j) Cadila Healthcare Ltd
 - k) BLD Pharmatech (India) Pvt Ltd
 - l) B K D Health Care
 - m) Granules India Ltd
 - n) Konar Organics Ltd
 - o) Synergy Remedies Private Limited
 - p) Jubilant Generics Ltd
 - q) Mylan Laboratories Limited
- ix. None of the importers/users have filed their Questionnaire/legal submission in the present investigation.
- x. China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE) made legal submissions.
- xi. The Authority *vide* para 7 of the initiation notification dated 30th June 2025 invited comments on the scope of the product under consideration and product control number (PCN) methodology from the stakeholders within 30 days of initiation. The Authority notified the final scope of PUC and PCN methodology *vide* its letter dated 25th August 2025.
- xii. The period of investigation (“POI”) for the purpose of present investigation is from January 2024 –December 2024 (12 Months). The period of injury covers the periods from April 2021 to March 2022, April 2022 to March 2023, April 2023 to March 2024 and the POI.
- xiii. Further information was sought from the applicant and other interested parties to the extent deemed necessary. Verification of the data provided by the domestic industry and other interested parties was conducted to the extent considered necessary for the purpose of the investigation.
- xiv. The non-injurious price (hereinafter referred to as the “NIP”) has been determined based on the cost of production and reasonable return on capital employed for the subject goods in India, based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure

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III to the AD Rules, 1995 so as to ascertain whether anti-dumping duties lower than the dumping margin would be sufficient to remove injury to the domestic industry.

- xv. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. 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 sufficient non-confidential version of the information filed on confidential basis.
- xvi. The Authority made available non-confidential version of the evidence presented by various interested parties. A list of all interested parties was uploaded on the DGTR website, along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties.
- xvii. Request was made to the DG Systems to provide the transaction-wise details of imports of the subject goods for the past three years, and the period of investigation, which was received by the Authority. The Authority has relied upon the DG systems data for computation of the volume of imports and its analysis after due examination of the transactions.
- xviii. The Authority held an oral hearing on 3rd February, 2026 to provide an opportunity to the interested parties to present relevant information orally in accordance with Rule 6(6) of the AD Rules. The interested parties who presented their views orally at the time of oral hearing were asked to file written submissions of the views expressed orally. The interested parties were provided opportunity to offer rejoinder submissions to the views expressed by other interested parties. The interested parties were requested to submit their written submissions by 10th February 2026 and rejoinder submissions by 17th February 2026. The submissions made therein have been duly considered and addressed appropriately.
- xix. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the applicant and the interested parties, which forms the basis of these final findings, to the extent possible and considered relevant and necessary.
- xx. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
- xxi. A disclosure statement dated 9th June 2026 was issued by the Authority, in accordance with Rule 16 of the Rules disclosing the essential facts under consideration in the matter relating to the present anti-dumping investigation. The

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Authority has examined all the post-disclosure comments made by the interested parties in these final findings to the extent relevant. Any submission which was merely a reproduction of the previous submission, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.

- xxii. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded its observations on the basis of the facts available.
- xxiii. ***in these final findings represents information furnished by an interested party on a confidential basis, and so considered by the Authority under the AD Rules.
- xxiv. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs 84.58.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1. Submissions made by the other interested parties

- 4. None of the interested parties have submitted any comments on the product under consideration.

C.2. Submissions by the Domestic Industry

- 5. Following submissions have been made by the domestic industry with regard to the scope of the product under consideration and like article:
 - i) The product under consideration in the present application is “4-(Bromomethyl)-2'-cyanobiphenyl” which is also known as “Bromo OTBN”. Bromo OTBN is a cream / off white colored powder used in the manufacturing of certain pharmaceutical API's, mainly Valsartan, Irbesartan & Telmisartan. It acts as intermediate in the synthesis of pharmaceutical drugs of sartan class such as Losartan, azilsartan ester and telmisartan. It is also used in the synthesis of other pyrazolines and related derivatives.
 - ii) The chemical structure of the subject goods consists of a central biphenyl core with substituents on each benzene ring. The cyano group (-CN) is located on the 2' position of one benzene ring, while the bromomethyl group (-CH₂Br) is situated on the 4 positions of the other benzene ring. This arrangement gives the molecule its unique properties and reactivity.
 - iii) The subject goods are prepared by brominating 2-Cyano-4'- methyl biphenyl (OTBN) in suitable solvent in the presence of catalyst at suitable temperature. Further bromination is completed by addition of Hydrogen Peroxide (H₂O₂) into

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the reaction mass. Work up involves removal of bromine traces by Sodium metabisulfite (SMBS) followed by neutralization process using sodium bicarbonate solution. The resulting solid material is obtained by distilling the organic layer; which on further crystallisation with methanol gives pure product.

- iv) The subject goods are classified under Chapter 29 of the Customs Tariff Act, 1975. The subject goods are imported under different codes from company to company and country to country, and majority of imports are happening under the headings 29269000, 29339990, 29332990, 29420090 and 29152990. It is submitted that the customs classification is indicative only and in no way, it is binding upon the product scope.
- v) There is no difference in the subject goods produced by the domestic industry and that imported from the subject country. The subject goods produced by the domestic industry and the subject goods imported from subject country are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, distribution and market & tariff classification of the goods.

C.3. Examination by the Authority

6. The initiation notification defined the product under consideration as follows:

“The product under consideration in the present case is “4-(Bromomethyl)-2’-cyanobiphenyl” (hereinafter also referred to as “Product under Consideration” or “PUC”). As per the information contained in the Application filed by the domestic industry, the PUC is also known as “Bromo OTBN”. Bromo OTBN is a cream / off white colored powder used in the manufacturing of certain pharmaceutical API’s, mainly Valsartan, Irbesartan & Telmisartan.”

7. The subject goods act as intermediate in the synthesis of pharmaceutical drugs of sartan class such as Losartan, azilsartan ester and telmisartan. It is also used in the synthesis of other pyrazolines and related derivatives. In addition, recently reported studies have indicated the role of subject goods in the determination of potential genotoxic impurities in telmisartan using ESI-MS/MS technique and other solvents using thermodynamic studies.
8. The chemical structure of the subject goods consists of a central biphenyl core with substituents on each benzene ring. The cyano group (-CN) is located on the 2' position of one benzene ring, while the bromomethyl group (-CH₂Br) is situated on the 4 positions of the other benzene ring. This arrangement gives the molecule its unique properties and reactivity.
9. The subject goods are classified under Chapter 29 of the Customs Tariff Act, 1975. The petitioner has submitted that the subject goods are being imported under different HS codes

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and majority of the imports are happening under the headings 29269000, 29339990, 29332990, 29420090, 29152990. However, it is noted that in anti-dumping investigation the customs classification is indicative only and in no way, it is binding upon the product scope. The interested parties, through para 7 of the notice of initiation, were advised to furnish their comments/ suggestions on the product scope and PCN methodology within 30 days from the date of initiation of the investigation. No other interested party has submitted any comment on the scope of the PUC or PCN methodology.

10. Accordingly, the scope of the PUC remains the same as defined in the initiation notification. Further, no interested party proposed any PCN methodology. In the absence of any comment on PCN methodology, no PCN methodology is being adopted for the present investigation.

11. With regard to like article, Rule 2(d) of the Anti-Dumping Rules provides 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;

12. After considering the information on record, the Authority holds that there is no material difference in product under consideration exported from subject country and the product produced by the Indian industry. Product under consideration produced by the domestic industry is comparable to the imported subject product in terms of physical characteristics, production technology & manufacturing process, functions & uses, product specifications, distribution & marketing. The two are technically and commercially substitutable. Accordingly, the Authority concludes that the product produced by the domestic industry are 'like article' to the product under consideration imported from the subject country in terms of Rule 2(d) of the Rules.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1. Submissions made by the other interested parties

13. None of the other interested parties have submitted any comments on the standing of the Domestic Industry.

D.2. Submissions by the Domestic Industry

14. The following submissions have been made by the domestic industry with regard to the domestic industry and standing:

- i. The application for the imposition of anti-dumping duty has been filed by M/s Neogen Chemicals Ltd. As per the information available with the applicant, there are two more

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producers of the subject goods in the country, namely, SV Labs and Saurav Chemicals. However, the applicant accounts for majority of the Indian production of the subject goods (above 50%).

- ii. The applicant has neither imported the PUC nor is related to any producer/exporter of the product under consideration in China PR or any importer of the subject goods in India.
- iii. The production of the Applicant constitutes “a major proportion” of total Indian production in terms of the Rules. Thus, the applicant qualifies the test of Rule 2(b) as well as the standing requirements of Rule 5.

D.3. Examination by the Authority

15. Rule 2 (b) of the AD rules defines domestic industry as under:

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

16. The application in the present case has been filed by M/s. Neogen Chemicals Ltd. As per the applicant, there are two more producers of the subject goods in the country, namely, SV Labs and Saurav Chemicals.
17. Saurav Chemicals (now SCL Lifesciences) sent an email dated 30.01.2026 stating that they support the application filed by the domestic industry. However, it is noted that neither the information in prescribed format was filed nor the party registered and participated in the investigation.
18. As per the information on record, the applicant holds major share in the total domestic production regardless of the support extended by the other domestic producer and constitutes “a major proportion” of total Indian production in terms of the AD Rules. The following table elaborates on the share held by the applicant and that of other producers:

Production	MT	% Share
Applicant	***	***
Other Producer:	***	***
S V Labs	***	***
Saurav Chemicals	***	***

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Total Indian Production	***	100
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19. The applicant has submitted that it has neither imported the PUC nor is related to any producer/exporter of the product under consideration in China PR or any importer of the subject goods in India. In view of the above and after due examination, the Authority notes that the applicant constitutes eligible domestic industry in terms of Rule 2(b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

E. ISSUES RELATING TO CONFIDENTIALITY

E.1. Submissions made by the other interested parties

20. The various submissions made by the other interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are as follows:
- i. The petition suffers from excessive confidentiality. Further, the petition provides no information with respect to volume.
 - ii. Domestic Industry has also not provided sufficient details of their costing.

E.2. Submissions by the Domestic Industry

21. The submissions made by domestic industry are as follows:
- i. Responding exporters have failed to fulfill their obligations under the Indian law by not providing the meaningful summary of the response to exporters' questionnaire. They have claimed excessive confidentiality without any proper justification. Further, non-confidential version of the questionnaire response has not been given for all the information contained in the confidential version without assigning proper reasons.
 - ii. It was obligatory for the exporters to give proper statement of reasons as to why confidentiality was claimed and why summarization was not possible for certain information.
 - iii. The exporters have not only failed to provide the meaningful response but they have also failed to give any reasons for claiming such excessive confidentiality. The appendices enclosed with the responses contain no meaningful non-confidential response and, in some cases, the same are either totally blank or are not enclosed with the response.
 - iv. The law further states that if the Authority finds that a request for confidentiality is not warranted and if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, the

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Authority may disregard such information. Further, the questionnaire responses by the responding exporters are grossly deficient and do not respond to a number of questions raised therein.

E.3. Examination by the Authority

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

“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 parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.*
- (3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the Information public or to authorize its disclosure in a generalized or summary form, it may disregard such information.”*

24. The information provided by the interested parties on a confidential basis was examined with regards to sufficiency of such claims. 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. Wherever possible, the parties providing information on a confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

F. MISCELLANEOUS ISSUES

F.1. Submissions made by the other interested parties

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25. The submissions made by the other interested parties are as follows:

- i. It has been noticed that the petitioner has sourced the import data from the secondary sources. It is submitted that the data sourced from the secondary sources 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. In the past, the Authority has always relied upon the data sourced from DGCI&S and not the secondary sources.
- ii. The petition filed by the domestic industry contains material inconsistencies and contradictory information regarding crucial data points such as the import volume and CIF price for the financial year 2021-22, which is the base year of the injury period.
- iii. The DGTR has consistently adopted 22% Return on Capital Employed (ROCE) for determining the Non-Injurious Price (NIP), which we submit is excessive, outdated, and inconsistent with the principles laid out under the Anti-Dumping Rules. As per Para 4 of Annexure-III to the Rules, a “reasonable return” is to be allowed on capital employed, not a fixed or inflated one. The current method does not account for prevailing interest and tax rates and unjustifiably increases the NIP, thereby overstating injury and granting undue protection to the domestic industry.

F.2. Submissions by the Domestic Industry

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

- i. China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE) cannot be considered as an interested party in terms of Rule 2(c) of the AD Rules.
- ii. There is no dispute that CCCMHPIE is certainly not falling under the category of a producer, exporter or an importer. The association can therefore claim the status of a business Association under Rule 2(c)(i). It may be seen from the above that only that association can be considered as “interested party”, where the majority of the members of which are producers, exporters or importers of “such an article”. Therefore, an association can be permitted to participate as an interested party in the investigation only if it is proved to the satisfaction of the Authority that the majority of the members of such association are either importers or producers of subject goods. It is pertinent to note that the majority test is to be applied in the context of total membership of the respective association.
- iii. The said association has not even made any averment, let alone evidence, to prove that they qualify as an interested party in terms of the Rule cited above. They have not even bothered to submit complete lists of all their members so as to enable the Hon’ble

Authority to ascertain their status as an interested party despite the fact that the responding association as well as their legal representative is well aware of the requirement contained in the Anti-Dumping Rules.

- iv. The submissions made by the interested parties challenging the reliability of the import data relied upon by the applicant are misplaced and constitute unnecessary verbosity. It is important to clarify that as per established practice and repeated clarifications by the Authority, applicants in anti-dumping investigations are permitted to provide import data from any source for the purpose of filing their applications. However, the data that the Authority uses for initiation and further proceedings is duly sourced from government databases such as the Directorate General of Commercial Intelligence and Statistics (DGCI&S), which is the official and reliable repository of import statistics. This ensures the integrity and credibility of the import data on which the investigations are based. Thus, objections focusing merely on the source of applicant-provided data ignore this procedural safeguard and should be dismissed.
- v. As regards the contention that the return on capital employed used for the purpose of computing NIP is inflated, it is submitted that such submission is not based upon any cogent reasoning or submission. The 22% return allowed while computing NIP is historically consistent return which has been found to be adequate/reasonable by the Authority as well as the Hon'ble CESTAT time and again.

F.3. Examination by the Authority

27. The Authority has examined the submission of the domestic industry, raised in its rejoinder dated 17th February, 2026, that CCCMHPIE does not satisfy the conditions prescribed in Rule 2(c)(i) of the Rules for being treated as an interested party. The Authority notes that CCCMHPIE has described itself, in its preliminary submission dated 2nd September, 2025 and in subsequent written submissions, as a national trade association in China established in May 1989, functioning under the Ministry of Commerce of the People's Republic of China, with a membership of over 2,400 companies including manufacturers, trading companies and research and development facilities in the healthcare sector.
28. The Authority published the list of interested parties on 6th August, 2025, in which CCCMHPIE was specifically included, and the domestic industry did not raise any objection to such inclusion at that stage. The Authority further observes that the domestic industry, by its communications dated 10th September, 2025 and 17th November, 2025, expressly acknowledged receipt of the submissions of CCCMHPIE, and engaged with such submissions on merits throughout the investigation, including at the oral hearing held on 3rd February, 2026 and in its written submissions dated 10th February, 2026, without at any point raising any challenge to CCCMHPIE's eligibility to participate. The objection has been raised for the first time in the rejoinder submissions, which are not, in the normal course, circulated for further reply, with the result that CCCMHPIE has had no procedural opportunity to respond. The domestic industry had already engaged with CCCMHPIE's

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submissions on merits without objecting to it before making rejoinder submissions, and the domestic industry's prolonged silence on this issue can be understood as acceptance of CCCMHPIE's participation throughout that period.

29. The Authority also observes that the contentions advanced by CCCMHPIE in the present investigation are substantially the same as those advanced by the cooperating producers and exporters from China PR who have filed questionnaire responses, and would have to be considered on merits in any event. Having regard to the foregoing, the Authority does not entertain the belated challenge to CCCMHPIE's eligibility, and has considered the submissions of CCCMHPIE on merits.
30. As regards the arguments of the interested parties regarding the import data relied by the applicant, the Authority notes that at the time of initiation, the applicant is required to prima-facie satisfy the Authority regarding dumping, injury and causal link. For such purpose, the applicant procures data from secondary sources/market intelligence. However, for the purpose of initiation and the present final findings, the Authority has relied upon the official import data from DG System.
31. As regards the issues raised by the interested parties regarding the computation of NIP for the domestic industry, the Authority has determined NIP for the domestic industry on the basis of principles laid down in AD Rules read with Annexure III and in accordance with the consistent practice of the Authority.

G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Views of the other interested parties

32. The following submissions have been made by the other interested parties during the course of the present investigation and considered relevant by the Authority:
- i. The continued treatment of China PR as a non-market economy (NME) under anti-dumping investigations is without legal basis post-11th December 2016, the date on which Article 15(a)(ii) of China's WTO Accession Protocol expired. As per this Protocol, WTO members were permitted to use surrogate country methodology for a maximum of 15 years. That period has lapsed, and such methodology is now inconsistent with WTO law.
 - ii. The Authority should take into account the actual consumption norms of the cooperating Chinese producer/exporter for determining the constructed normal value for cooperating Chinese producer/exporter. There is no legal justification or economic rationale for substituting actual consumption norm of Chinese producer/exporter with the consumption norm of domestic industry, which may be inefficient.

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- iii. The cooperating Chinese producers/exporters have fully cooperated with the Authority in this investigation and have submitted a complete questionnaire response in the prescribed format and within the timeline prescribed by the Authority. In accordance with Section 9A(6A) of the Customs Tariff Act, 1975, an individual rate of duty must be determined based on the records maintained and information provided by cooperating producers/exporters.

G.2. Submissions by the Domestic Industry

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

- i. None of the exporters have filed the additional questionnaire for claiming the market economy status. Any reliable and verified information relating to the third country exports is also not there on record. Thus, the normal value of the exporters should be computed on the basis of the cost-plus methodology.
- ii. The data on record shows a significantly positive dumping margin. Thus, the Authority is requested to kindly impose the anti-dumping duties to protect the domestic industry.
- iii. As regards the submission that China PR should be granted market economy status, it is submitted that China PR has been considered as a non-market economy country by various authority's world over including DGTR. Para 8 of Annexure I contain a presumption against such country that it is operating on Non-market Economy basis, subject to the rebuttal of the same by the producers/exporters of the said country. Since none of the Chinese producers have filed the requested information in prescribed format which is required for the assessment of market economy situation, in terms of the presumption under para 8 of Annexure-I, China PR has to be treated as a non- market economy country and accordingly the normal value is required to be determined in terms of Para 7 of Annexure I of the Rules.
- iv. As regards the request of the Chinese producers to take into account their actual consumption norms for the purpose of constructing the normal value, it is submitted that such request is not consistent with the practice followed by the Authority.

G.3. Examination by the Authority

G.3.1. Normal Value

34. 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 destined 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*

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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

b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);

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 trans-shipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

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

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

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

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

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

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

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importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

- (iv) *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.*
- (v) *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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

36. The Authority notes that while the provisions of Article 15 (a)(ii) of China PR's Accession Protocol have expired with effect from 11th December 2016. However, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with obligation under 15(a)(i) of the Accession Protocol require criterion stipulated in Para 8 of the Annexure I of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming market economy status.

37. At the stage of initiation, the Authority constructed the normal value for China PR based on best estimates of the cost of production of the domestic industry after duly adjusting the selling, general and administrative expenses and profits. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information.

38. The Authority notes the following provisions under Para 7 and Para 8 of Annexure-I to the Rules with regard to the determination of normal value for producers in China PR

"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 a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duty 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 the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in a similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without 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 respect 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

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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.

39. 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.
40. Paragraph 7 stipulates multiple plausible methods for calculating the normal value for producers in non-market economy, including (a) on the basis of price or constructed value in a market economy third country; (b) price from such a third country to other country, including India; and (c) 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. The Authority notes that the normal value is required to be determined having regard to various sequential alternatives provided under paragraph 7.
41. At the stage of filing the application, the domestic industry had submitted that the normal value for China PR should be constructed based on price actually payable in India, including reasonable profits for the like article being produced in India.
42. No information/evidence has been provided by the interested parties for the consideration of the normal value on the basis of the first and second methods. Therefore, the Authority has decided to construct the normal value based on the third method, i.e., on any other reasonable basis. Under this, the normal value can be determined based on price actually paid or payable in India. For this purpose, the Authority has considered the optimized cost of production of the domestic industry, with a reasonable addition of selling, general and administrative expenses and profits. The normal value so determined is provided in the dumping margin table below.

G.3.2. Export price

43. Following producers and exporters from China PR have participated and filed questionnaire response:
- a) Linhai Huanan Chemical Co., Ltd, Producer Exporter
 - b) Nantong Huayu Chemical Technology Co, Ltd, Exporter
 - c) Zhejiang Huahai Pharmaceutical Co., Ltd, Exporter
 - d) Zhejiang Tianyu Pharmaceutical Co., Ltd, Producer Exporter

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- e) Yancheng City Donggang Pharmaceutical Development Co., Ltd, Producer
Exporter

Yancheng City Donggang Pharmaceutical Development Co., Ltd. (“DongGang”)

44. Yancheng City DongGang Pharmaceutical Development Co., Ltd. (“DongGang”) is a producer/exporter of subject goods in China PR. DongGang has provided relevant information in the prescribed exporter questionnaire format.
45. It is noted that during the POI, DongGang has exported *** MT of subject goods to unrelated customers in India directly. DongGang has claimed adjustments on account of ocean freight, ocean insurance, inland freight, port and handling expenses, credit cost and bank charges which have been allowed by the Authority. The ex-factory export price as determined for DongGang is given in the dumping margin table below.

Zhejiang Tianyu Pharmaceutical Co., Ltd. (“Tianyu”)

46. Zhejiang Tianyu Pharmaceutical Co., Ltd., China PR is a producer/exporter of subject goods in China PR and has provided relevant information in the prescribed exporter questionnaire.
47. During the POI, Zhejiang Tianyu Pharmaceutical Co., Ltd., China PR, has sold *** MT of subject goods to India directly to unrelated buyers in India. The producer/exporter has claimed adjustments on accounts of ocean freight, insurance, inland transportation, port and other related expenses, credit cost and bank charges which have been allowed by the authority.

M/s Linhai Huanan Chemical Co., Ltd., China PR

48. During the POI, Linhai Huanan Chemical Co., Ltd., China PR, has sold *** MT of subject goods to India indirectly through two related exports/traders namely, Nantong Huayu Chemical Technology Co., Ltd., and Zhejiang Huahai Pharmaceutical Co., Ltd., on ex-work basis.
49. Linhai Huanan Chemical Co., Ltd., China PR, has sold *** MT to Nantong Huayu Chemical Technology Co., Ltd., and rest of the quantity *** MT has been sold to Zhejiang Huahai Pharmaceutical Co., Ltd.
50. The *** MT of subject goods which has been sold to Nantong Huayu Chemical Technology Co., Ltd., by Linhai Huanan Chemical Co., Ltd., China PR, has been further resold to Zhejiang Huahai Pharmaceutical Co., Ltd., by Nantong Huayu Chemical Technology Co., Ltd.

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51. It is further noted that out of the ***MT, of subject goods exported to India Zhejiang Huahai Pharmaceutical Co., Ltd., who is the ultimate exporter/trader of subject goods has sold ***MT of subject goods directly to unrelated buyers in India and rest of ***MT has been sold to India indirectly through four unrelated non-participated exporters/traders namely, Hangzhou Dawn Ray Pharmaceutical Co Ltd., Hangzhou Starshine Pharmaceutical Co Ltd., Zhejiang Top Hankook Biopharm Co Ltd., and Zhejiang Ueasy Business Service Co Ltd. The producer/exporter has not claimed any adjustments to ex-work prices.
52. The weighted average ex-factory export price for M/s Linhai Huanan Chemical Co., Ltd. for the POI has accordingly been determined by combining the verified export price for the cooperating portion of ***MT with the facts-available export price for the non-cooperating portion of ***MT, as set out in the dumping margin table below.

G.3.3. Export price for non-cooperative exporters

53. For all other producers/ exporters from China PR, export price has been determined based on facts available taking into account the data examined for the co-operating producer/exporters and the same is mentioned in the dumping margin table below.

G.3.4. Determination of Dumping Margin

54. The dumping margin is provided as under:

Producer's/ exporter's name	CNV (USD/MT)	NEP (USD/ MT)	DM (USD/ MT)	DM %	DM range %
Yancheng City DongGang Pharmaceutical Development Co., Ltd	***	***	***	***	55-65
Linhai Huanan Chemical Co., Ltd.	***	***	***	***	60-70
Zhejiang Tianyu Pharmaceutical Co., Ltd.	***	***	***	***	60-70
All others	***	***	***	***	80-90

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H. METHODOLOGY FOR INJURY ASSESSMENT AND EXAMINATION OF INJURY AND CAUSAL LINK

H.1. Submissions made by the other interested parties

55. The following are the injury related submissions made by the other interested parties during the course of the present investigation and considered relevant by the Authority.
- i. A thorough analysis of the data submitted by the Applicant reveals a consistent and substantial year-on-year improvement across all key volume-related parameters throughout the injury investigation period.
 - ii. The consistent and substantial improvements across all volume-based parameters such as production, capacity utilization, domestic sales, market share, employment, wages, and productivity paint a clear picture of a thriving domestic industry. These indicators collectively demonstrate that the domestic industry is not suffering material injury.
 - iii. The decline in landed price of imports is commensurate with the decline in cost of sales of the domestic industry. In fact, the rate of decline in landed price is lower than the rate of decline in cost of sales of the domestic industry. This means that imports are not exerting price pressure on the domestic industry and is not causing price suppression and depression.
 - iv. The domestic industry has primarily claimed injury due to losses. However, an analysis of the data shows a clear disconnect between the trend of imports and the profitability of the domestic industry.
 - v. If imports were the cause of injury, the losses should have increased in the POI, not decreased. This disconnect demonstrates that the financial performance of the Applicant is not principally governed by the volume or price of imports, suggesting the root cause of losses lies in other factors.
 - vi. The Applicants' own statements in its annual report identify supply chain disruptions, geopolitical tensions, and raw material price corrections as the primary challenges. These challenges affected the company as a whole and not only the PUC. However, it also means that these challenges also affected the performance of domestic industry for PUC and that these factors are entirely unrelated to the alleged dumping and must be considered as the principal causes of any injury.
 - vii. The petitioner has reported financial losses; however, a closer examination of key financial indicators during the POI reveals a significant trend of stabilization and recovery. The indexed data provided by the petitioner clearly demonstrates a consistent improvement in its financial performance, which directly contradicts the assertion of material injury caused by dumped imports.

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- viii. The alleged increase in imports from China PR is not a result of dumping, but a direct consequence of the growth in domestic demand. The total demand for the subject goods in India has shown a consistent upward trend, with the index increasing from 100 in 2022–23 to 163 in the POI (Jan 2024 – Dec 2024), indicating a 63% increase.
- ix. During the POI, the price undercutting is negative, indicating that imports from China PR were priced higher than the domestic selling price. In the previous years as well, price undercutting has remained minimal and inconsistent. This shows that there is no price effect causing injury to the domestic industry.
- x. The increase in inventory levels during the POI appears to be a strategic business decision rather than evidence of injury caused by imports from China PR. This is substantiated by the sharp increase in production (indexed at 210), which naturally necessitates higher inventory stocking to ensure supply continuity. Additionally, domestic sales have also grown significantly (indexed at 168), indicating steady movement of goods and continued market demand.
- xi. The financial losses claimed by the petitioner are not attributable to imports from China PR but are instead the result of its own commercial decisions and internal inefficiencies. The indexed financial data, as submitted in the non-confidential version of the updated petition, reveals that key cost components such as depreciation and interest expenses have risen significantly during the POI.
- xii. The consistent growth in production, capacity utilization and domestic sales demonstrates that the domestic industry is operating efficiently and is not adversely impacted by the subject imports.
- xiii. There is no demonstrable causal link between the dumped imports from China PR and the financial stress faced by the petitioner. The losses incurred are largely due to internal factors such as high costs, investment inefficiencies, and strategic business choices rather than external dumping.
- xiv. Despite no increase in installed capacity, the petitioner's capital employed has increased sharply, indicating poor asset utilization and potentially inefficient investment decisions. The indexed depreciation and interest costs have also risen disproportionately, further exacerbating the financial burden and reflecting internal financial mismanagement rather than external competitive pressure.

H.2. Submissions by the Domestic Industry

56. The following are the injury related submissions made by the domestic industry during the course of the present investigation and considered relevant by the Authority:

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- i. The submission of the interested parties regarding lack of injury is fundamentally flawed and fails to consider the totality of the evidence demonstrating injury to the domestic industry. While it is true that some injury aspects have shown improvement, the injury analysis under Indian anti-dumping laws and WTO Agreement is not limited to just few parameters but, rather, an overall assessment is to be carried out considering the impact of dumped imports, price effect, market share erosion, and adverse effects on the domestic industry's economic parameters. The mere improvement in certain parameters does not negate the material injury caused by dumped imports, nor does it absolve the risk of further injury.
- ii. From the data already on record, it can be concluded that the domestic industry has been severely affected with respect to both volume as well as price parameters. There is significant price suppression / price depression by the subject imports and the price underselling is also positive and significant.
- iii. The economic parameters of the domestic industry have also been adversely affected vis-à-vis capacity utilization, profitability, ROCE, cash flow, market share etc.
- iv. Due to continuous price pressure exerted by imports, the domestic industry is forced to sell the subject goods below cost.
- v. The domestic industry is continuously pressurised by its customers to reduce its prices by matching the import prices and there have been multiple instances where its customers have put already placed orders on hold demanding the domestic industry to match the import prices. In this regard, the domestic industry has submitted few such email conversations with its customers where the customers have asked them to match the imports prices and, in some instances, put the orders on hold, pending price reduction.
- vi. While the production and sales of the domestic industry have increased in the POI, the market share of the domestic industry has declined. On the contrary, the market share of China PR has increased substantially accounting for over two third of the total demand in India.
- vii. There has been a parabolic increase in imports from China PR, which is in excess of and higher than the increase in demand. On the other hand, the increase in sales of the domestic industry is purely because of increase in demand. It is further submitted that the increase in sales of the domestic industry is comparatively lower than the increase in demand and increase in imports.
- viii. While certain interested parties argued during the hearing that there is no correlation between the increase in imports and the losses faced by the domestic industry, it is submitted that such submissions are meaningless without taking into consideration the underlying cost during such period of imports.

- ix. There exists a direct correlation between the capacity utilization of the domestic industry and the resultant impact on profitability and the ROCE. The capacity utilization of the domestic industry improved during 2022-23 as compared to the base year leading to improvement in profitability and ROCE of the domestic industry. However, there was a significant decline in the capacity utilization in 2023-24 leading to significant decline in profitability and ROCE. The domestic industry was again able to significantly improve its capacity utilization in the POI which led to improvement in profitability and ROCE in the POI. Clearly, there exists a direct correlation between the capacity utilization of the domestic with profitability and the ROCE of the domestic industry. Similar trend is visible when the effect of delta between CIF prices of imports and cost of the domestic industry is seen on the PBT and ROCE of the domestic industry. The domestic industry's PBT and ROCE rise in tandem when the gap between its costs and import prices widens. Conversely, both metrics decline as that gap narrows. This clearly establishes direct correlation between the import prices and the profitability of the domestic industry.
- x. None of the interested parties has provided any evidence on record as to how the domestic industry has suffered injury due to factors other than dumping from the subject country. Only bare unsubstantiated statements have been made. Therefore, the submissions of the interested parties are required to be ignored.

H.3. Examination by the Authority

57. Rule 11 of the 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.
58. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties during the course of the present investigation and considered relevant by the Authority.

H.3.1. Volume Effect of Dumped Imports

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a. Assessment of demand/consumption

59. The Authority has determined demand or apparent consumption of the product in India as the sum of domestic sales of the domestic industry, estimated sales of other producers and imports of subject goods from all sources.

Particulars	UOM	2021-22	2022-23	2023-24	POI
Sales of the domestic industry	MT	***	***	***	***
Trend	Indexed	100	132	75	168
Sales of other producers	MT	***	***	***	***
Trend	Indexed	100	135	60	116
Imports from subject country	MT	***	***	***	***
Imports from other countries	MT	0	0	0	0
Total demand	MT	***	***	***	***
Trend	Indexed	100	106	96	125

60. It is seen that the demand for the subject goods increased over the injury investigation period and was the highest in the POI. The sales of domestic industry and other producers increased in 2022-23, thereafter fell in 2023-24 and increased in POI.

61. The imports have also increased over the injury investigation period and were highest in the POI. Regarding the submission of the interested parties that the increase in imports is on account of increase in demand, the Authority notes that although the increase in imports in POI from the base year is less than the increase in demand, significant production capacities of the domestic industry are unutilised.

b. Imports in absolute and relative terms

62. The information on volume of imports in absolute terms and relative terms over the injury period and in the period of investigation is as below.

Particulars	UOM	2021-22	2022-23	2023-24	POI
Subject country imports	MT	456	426	501	538
Other imports	MT	0	0	0	0
Total imports	MT	456	426	501	538
Subject countries import in relation to					
Indian production	%	***	***	***	***
Trend	Indexed	100	65	168	73
Demand	%	***	***	***	***
Trend	Indexed	100	88	115	94
Total Imports	%	100	100	100	100
Trend		100	100	100	100

63. The Authority notes that:

- a. The subject imports in relation to Indian production first fell in 2022-23, thereafter increased in 2023-24 and finally declined in the POI.
- b. The subject imports in relation to demand/consumption has also shown the similar pattern.

H.3.2. Price effect of dumped imports

64. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

65. Accordingly, the impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject country has been examined with reference to price undercutting and price suppression/depression, if any. For the purpose of this analysis the cost of sales and the net sales realization (NSR) of the domestic industry have been compared with the landed price of the subject imports from the subject country.

a. Price undercutting

66. Price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the imports for the period of investigation. The table below shows the price undercutting from the subject country.

Particulars	UOM	Value
Landed price	Rs./MT	***
Net Sales Realisation	Rs/MT	***
Price Undercutting	Rs/MT	***
Price Undercutting	%	***
Price Undercutting	% Range	Negative

67. It is seen that the landed price of subject imports in the POI is marginally above the selling price of domestic industry resulting in negative price undercutting.

68. The domestic industry has claimed that they are continuously pressurised by their customers to reduce prices by matching the import prices and there have been multiple instances where their customers have put already placed orders on hold demanding the domestic industry to match the import prices. In this regard, the domestic industry has submitted sample copies of email conversations with their customers as evidence where the customers have asked them to match the imports prices and, in some instances, put the orders on hold, pending price reduction.

b. Price suppression / depression

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

Particulars	UOM	2021-22	2022-23	2023-24	POI
Landed value	₹/MT	14,69,288	17,59,638	10,15,382	8,01,233
Trend	Index	100	120	69	55
Cost of sales	₹/MT	***	***	***	***
Trend	Index	100	85	83	49
Selling price	₹/MT	***	***	***	***
Trend	Index	100	100	64	47

70. It is seen that the imports from the subject country continue to be below the cost of production of the domestic industry. The low-priced imports have forced the domestic industry to sell the subject goods below their cost of sales. The dumped imports are depressing and suppressing the prices of the domestic industry.

71. As regards the submission of the interested parties that the decline in landed price of imports is commensurate with the decline in cost of sales and that reduction in import price is reflecting the decline in cost of sales of the product and not dumping, the Authority notes that while there has been decline in the cost of production, the landed value of imports is continuously significantly below the cost of production of the domestic industry.

H.3.3. Impact on economic parameters of the domestic industry.

72. The various injury parameters relating to the domestic industry are discussed herein below.

a. Capacity, production, capacity utilization and domestic sales.

73. Information on capacity, production, capacity utilization and domestic sales over injury period is as follows:

Particulars	UOM	2021-22	2022-23	2023-24	POI
Installed capacity	MT	***	***	***	***
Trend	Index	100	100	100	100
Production	MT	***	***	***	***
Trend	Index	100	143	72	210
Capacity utilization	%	***	***	***	***
Trend	Index	100	139	71	207
Domestic sales	MT	***	***	***	***
Trend	Index	100	132	75	168

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74. The Authority notes that: -

- a. The capacity of the domestic industry has remained same over the injury investigation period. However, the domestic industry has significant unutilized capacities.
- b. The production, capacity utilization and sales of the domestic industry increased in 2022-23, thereafter declined in year 2023-24 and increased in POI.

b. Market share

75. Information on market share of imports and the Indian industry over the period was as follows:

Market share of	UOM	2021-22	2022-23	2023-24	POI
Domestic industry	%	***	***	***	***
Trend	Index	100	124	78	134
Other producers	%	***	***	***	***
Trend	Index	100	127	62	92
Imports from subject country	%	***	***	***	***
Trend	Index	100	88	114	94
Other countries imports	%	0	0	0	0
Trend	Index	0	0	0	0

76. The Authority notes that: -

- a. The market share of the domestic industry increased in 2022-23, but declined thereafter in 2023-24, and again increased in the POI. Overall, the market share of the domestic industry increased during the injury period.
- b. The market share of imports from China PR firstly declined in 2022-23, thereafter increased in 2023-24 and finally declined during the POI. Overall, the market share of the imports from China PR marginally declined during the injury period.
- c. The imports from the subject country command majority of the market share in the Indian market.
- d. Regarding improved volume parameters during the POI, the Authority notes that the imports from the subject country command the majority of the market share despite significant unutilised capacities with the domestic industry. Further, the market share of other Indian producers has also declined.

c. Profitability, cash profits and return on investment

77. Information on profitability, return on investment and cash profits is as follows:

Particulars	UOM	2021-22	2022-23	2023-24	POI
Profit/(Loss)	₹/MT	***	***	***	***

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Trend	Index	-100	-43	-140	-57
Profit/(Loss)	₹ lakhs	***	***	***	***
Trend	Index	-100	-56	-106	-97
Cash Profit	₹/ MT	***	***	***	***
Trend	Index	-100	-36	-142	-52
Cash Profit	₹ lakhs	***	***	***	***
Trend	Index	-100	-47	-108	-83
ROCE	%	***	***	***	***
Trend	Index	-100	-31	-95	-32

78. It is seen that the per unit losses of the domestic industry increased in 2023-24 and thereafter declined during the POI. PBIT, cash profit and ROCE has also seen a similar trend. The domestic industry is continuously in losses over the entire injury investigation period.

79. Regarding improved financial performance of the domestic industry, it has been noted that the profitability of the domestic industry has increased whenever their capacity utilisation has increased and has declined with decline in capacity utilisation. Thus, the high quantum of imports lead to underutilisation of capacities of the domestic industry which, in turn, leads to losses to the domestic industry.

80. Regarding the submission of other interested parties that despite no increase in installed capacity, the petitioner's capital employed has increased sharply, indicating poor asset utilization and potentially inefficient investment decisions, the Authority notes that the domestic industry uses common plant for manufacturing the subject goods and other products not covered in the present investigation. The increase in production and capacity utilisation of subject goods led to increase in apportionment of higher capital employed, depreciation and interest cost towards the subject goods.

d. Inventories

81. Information on inventories is as follows:

Particulars	UOM	2021-22	2022-23	2023-24	POI
Opening inventory	MT	***	***	***	***
Closing inventory	MT	***	***	***	***
Average inventory	MT	***	***	***	***
Trend	Index	100	2350	3809	7864

82. It is seen that the average inventory of the domestic industry has increased significantly over the injury period.

e. Employment, wages and productivity

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83. Information on employment, wages and productivity over the injury period is as under:

Particulars	UOM	2021-22	2022-23	2023-24	POI
No of employees	MT	***	***	***	***
Trend	Index	100	125	142	140
Salary & Wages	₹ Lacs	***	***	***	***
Trend	Index	100	170	107	337
Productivity per day	MT/Days	***	***	***	***
Trend	Index	100	144	74	211
Productivity per employee	MT/Emp	***	***	***	***
Trend	Index	100	114	51	150

84. The number of employees increased during the injury period. The wages paid to them have also increased. The productivity per day and per employee has increased.

f. Growth.

85. The information on growth is provided below: -

Growth	UOM	2022-23	2023-24	POI
Capacity	%	0%	0%	0%
Production	%	43%	-50%	193%
Domestic sales	%	32%	-43%	124%
Profit/(Loss) (Rs/MT)	%	57%	-229%	59%
Cash Profit (Rs/MT)	%	64%	-291%	63%
ROCE	%	69%	-207%	74%

86. The Authority notes that although the domestic industry has recorded positive growth in the period of investigation in terms of all price parameters like profitability, cash profits and ROCE etc., they are still incurring losses. The Authority also notes that the domestic industry has recorded positive growth in volume parameters like production, sales and capacity utilization etc.

g. Magnitude of dumping

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

h. Ability to raise capital investment

88. It is noted that the profitability and return on capital employed by the domestic industry has remained negative during the period of investigation. The domestic industry was in losses during the period of investigation and the injury investigation period. It has impacted the ability to raise capital investment.

i. Factors affecting domestic prices

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89. Examination of import price shows that the import price from the subject country is materially below the cost of sales of the domestic industry. As imports from the subject country entered the domestic market at such prices, the domestic industry has been unable to align its prices in line with the increase in the cost of sales.

j. Observation on injury

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

- a. Exporters from the subject country are exporting the subject goods to India at dumped prices. The dumping margin determined is positive and significantly high.
- b. The imports from the subject country have increased significantly in absolute terms.
- c. The price undercutting is negative. The authority notes the submission of the domestic industry that it was forced to reduce its prices in view of growing imports in the country and in the light of pressure from its customers to match import prices.
- d. Imports from the subject country have suppressed & depressed the prices of the domestic industry.
- e. The domestic industry is suffering significant losses.
- f. The domestic industry has not been able to get substantial returns. In fact, the ROCE has been negative.
- g. The imports from the subject country have not allowed the domestic industry to perform well and, thus, have caused continuous losses to the domestic industry.

H.4. NON-ATTRIBUTION ANALYSIS (OTHER FACTORS)

91. The Authority examined whether other factors listed under the anti-dumping Rules could have caused injury to the domestic industry. The Authority examined known factors other than the dumped imports and ascertain whether these at the same time have been injuring the domestic industry, so that the injury caused by other, if any, is not attributable to the dumped imports. Factors which are relevant in this respect include, *inter alia*, the volume of subject goods not sold at dumped prices, contraction in demand or changes in the pattern of consumption, trade restrictive practices, changes in technology, the export performance of the domestic industry and the productivity of the domestic industry

(a) Volume and prices of imports from third countries

92. There are no imports of the product under consideration from other countries. Therefore, imports from other countries could not have caused any injury to the domestic industry.

(b) Contraction of demand and changes in the pattern of consumption

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93. There has been a rise in demand of the product under consideration over the injury period. Therefore, decline in demand is not a possible reason of injury to the Domestic Industry.

(c) Developments in technology

94. Technology for production of the product concerned has not undergone any significant change. Thus, development in technology is also not a factor causing injury to the domestic injury.

(d) Conditions of competition and trade restrictive practices

95. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry as the raw materials as well as the subject goods are freely importable in the country.

(e) Export performance of the domestic industry

96. Only domestic performance of the domestic industry has been considered for this injury analysis purpose. Therefore, performance in the export market has not affected the present injury analysis in any manner whatsoever.

(f) Performance of other products

97. The domestic industry has provided the injury data for the like article and the same has been adopted by the Authority for the purpose of injury analysis. Performance of other products produced and sold by the domestic industry has not been considered. Therefore, the performance of other products produced and sold is not a possible cause of the injury to the domestic industry.

98. It is thus noted that other factors do not show that the domestic industry could have suffered injury due to these other factors.

H.5. DETERMINATION OF INJURY MARGIN

99. 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 product under consideration has been determined by adopting the 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 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 were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. average net fixed assets plus average working capital) for the product under consideration

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was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

100. Based on the landed price and the NIP determined as above, the injury margin as determined by the Authority is provided in the table below.

Producer's/ exporter's name	NIP (Rs./ MT)	Landed Value (Rs/MT)	Injury margin (Rs./ MT)	Injury margin %	Injury margin % range
Yancheng City Donggang Pharmaceutical Development Co., Ltd.	***	***	***	***	50-60
Linhai Huanan Chemical Co., Ltd.	***	***	***	***	60-70
Zhejiang Tianyu Pharmaceutical Co., Ltd.	***	***	***	***	50-60
All others	***	***	***	***	80-90

I. EXAMINATION OF CAUSAL LINK

101. The Authority has examined whether the dumped imports from China PR are, through the effects of dumping, causing injury to the domestic industry, and notes the following.

- i. Dumped imports from the subject country reached their highest level of ***MT in the POI, capturing 64% of total Indian demand, and the domestic industry remained in losses, with negative cash profits and negative ROCE, throughout the injury investigation period.
- ii. The landed value of dumped imports in the POI was materially below the cost of sales of the domestic industry, compelling the domestic industry to sell below cost and incur losses in the POI.
- iii. The domestic industry has placed on record communications from its customers requiring it to match import prices, and instances in which orders were put on hold pending price reduction.
- iv. The per-unit losses of the domestic industry have widened when the gap between its cost of sales and the landed value of dumped imports has widened, and have reduced when the gap has narrowed, indicating that the profitability of the domestic industry is governed by the price at which dumped imports enter the Indian market.
- v. The dumped imports have suppressed the domestic industry's prices below its cost of production.
- vi. Notwithstanding the increase in Indian demand, the share of imports from China PR remained dominant at 64% in the POI, while the domestic industry held only 20%,

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indicating that the domestic industry has been unable to translate growth in demand into a corresponding growth in market share.

102. Having regard to the foregoing, and the non-attribution analysis at paragraph above, the Authority concludes that there is a causal link between the dumped imports from China PR and the material injury suffered by the domestic industry.

J. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

J.1. Submissions made by the other interested parties

103. The various submissions made by the other interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are as follows:
- i. The imposition of anti-dumping duties is not a mechanical consequence of the existence of dumping or injury; rather, it is subject to a comprehensive assessment of the public interest under Rule 17(3) of AD Rules. Public interest forms a crucial test for trade remedy actions and ensures that duties do not unduly harm domestic consumers, downstream industries, or broader economic goals. In the present case concerning imports of Bromo OTBN from China PR, the imposition of anti-dumping duties would be clearly detrimental to public interest.
 - ii. Bromo OTBN is a critical intermediate chemical used in the synthesis of several Active Pharmaceutical Ingredients (APIs) belonging to the "sartan" class of drugs. These APIs are essential for manufacturing widely prescribed antihypertensive medicines such as Valsartan, Telmisartan, Irbesartan, and Losartan, which are used to treat high blood pressure, heart failure, and kidney disease in diabetic patients. These drugs are listed in essential medicine lists, and their affordable availability is a matter of significant public health concern in India. The imposition of duties on the key intermediate (Bromo OTBN) would directly raise input costs for Indian API manufacturers, thereby increasing the production cost of these critical drugs.
 - iii. The Indian pharmaceutical industry, particularly API manufacturers, has limited domestic sourcing options for Bromo OTBN. The entire demand cannot be met by the petitioner, Neogen Chemicals Ltd. or any other Indian producers due to capacity constraints, cost factors, and reliability of supply. As per the available data, domestic sales by the petitioner were unable to match demand growth, and a significant portion of market needs has been met through imports. Blocking or burdening these imports through duties would lead to supply chain disruptions in a highly sensitive sector
 - iv. Imposing a high anti-dumping duty, as claimed by the domestic industry (80-90% dumping margin and 70-80% injury margin), would make this essential raw material

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prohibitively expensive. This would escalate the production costs of vital medicines, which is not desirable

- v. It is also important to highlight that there is no reported shortage of domestic production capacity for the final pharmaceutical products in question. On the contrary, the increase in imports of Bromo OTBN has enabled more efficient and cost-effective production of APIs in India. Any disruption in this supply chain by way of protectionist trade measures would only benefit one domestic supplier, while harming dozens of downstream users and lakhs of patients and would be against the public interest.
- vi. If the domestic industry does not possess sufficient capacity to meet the growing domestic demand, imports are not just a choice but a necessity to prevent a supply deficit for the downstream pharmaceutical industry.

J.2. Submissions by the Domestic Industry

104. The submissions made by domestic industry are as follows:

- i. As per the available information from the market, there will be insignificant impact of the anti-dumping duties on the end-users. The PUC is mainly used in manufacturing pharmaceutical APIs and synthesis of other pyrazolines and related derivatives. Such products range from Rs 8,000 per KG to Rs 14,000 per KG. It is pertinent to note that the end-price is not dependent upon the price of the subject goods. This is evident from the fact that the prices of the subject goods have reduced to half in the injury period, however, as per the information available with the applicant no such decline has occurred in the selling prices of the downstream products.
- ii. The submission made by the interested parties that the imposition of duties shall not be in public interest, is incorrect as the same is based upon incorrect premise.
- iii. The imposition of the duties shall not only be fundamental for the survival of the producers of the subject goods in the country, the same would also serve the general public interest.
- iv. Before the POI, the following industries were producing the subject goods in India, apart from the applicant:
 - a) Saurav Chemicals
 - b) SV Labs
 - c) Aether Industries Ltd.
 - d) Vijayasri Organics
 - e) Element Chemlink

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- v. However, all the above manufacturers, including major producers such as Saurav Chemicals, have either severely curtailed the production or have stopped producing the subject goods altogether. This drastic situation stems directly from dumped imports priced at landed values significantly below domestic production costs, rendering continued operations economically unsustainable. The few remaining producers persist only to retain key customers, absorbing severe losses in a desperate bid to maintain market presence.
- vi. It is submitted that absent anti-dumping duties, the domestic producers will have no choice but to shut shop entirely, wiping out domestic capacity and making the downstream users entirely dependent on imports from the subject country.
- vii. It is further submitted that the subject goods are primarily only produced in the subject country and India. The need for protection of domestic industries where global supply is highly concentrated and where denial of access would impose immediate and asymmetric national costs was aptly highlighted in the Economic Survey of India (2025-26). The relevant excerpts are provided hereinbelow:

“16.33. This tier [Tier I] includes goods, components, and technologies where denial of access would impose immediate and asymmetric national costs, and where global supply is highly concentrated. Typical examples include defence-critical systems, core infrastructure inputs, energy security components, public health essentials, and foundational industrial technologies.

16.34. For Tier I items, the objective is assured availability under stress, not short-term efficiency. Domestic production may be justified, even if it is initially costly....”

- viii. It is also pertinent to note that none of the users of the subject goods have opposed the present application for imposition of duties. The lack of opposition by the users of the subject goods also clearly indicates that the users are also aware of the dire state of the industry and the need for imposition of duties.

J.3. Examination by the Authority

105. The Authority notes that the primary objective of trade remedial measures is to counteract the injurious effects caused to the domestic industry by unfair trade practices and restore open and fair competition in the Indian market, which is in the general interest of the country. Trade remedial measures do not intend to limit imports from the subject country. On the contrary, the Authority concludes that the positive effects of measures prevent further deteriorations of the domestic industry, maintaining a competitive and diversified supply to the consumers of the subject goods.

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106. The Authority issued initiation notification inviting views from all the interested parties. The Authority also prescribed a questionnaire for the users/ consumers to provide relevant information about the present investigation including any possible effects of the measures on their operations. Information was sought on, inter-alia, interchangeability of the product supplied by various suppliers from different countries, impact of measures on the consumers, etc. The Authority had prescribed an economic interest questionnaire which was sent to all interested parties to this investigation. Only the domestic industry and participating exporter has responded to the economic interest questionnaire. No user or importer participated in the present investigation.
107. The Authority observes that the other interested parties, while raising concerns about cost escalation in essential medicines, have not placed on record any quantitative material, any estimate of the incremental cost that would arise from the proposed measure. The domestic industry has also not quantified the impact, recording that "*it is extremely difficult to exactly quantify the impact of duty on end-use products*". The users of the subject goods who are best placed to quantify such impact, have not participated in the investigation and have neither opposed the measure nor placed any concerns on record. However, the Authority has quantified the impact of anti-dumping duties on one of the final products i.e. Losartan 50 mg tablets for the consumers / patients based on available information, as detailed below:

Particulars	Particulars	Remarks
Requirement of Bromo-OTBN for 1 Kg. of Losartan Potassium	1.15 kg.	As per SION Norms
Expected ADD (Dumping margin)	\$ 5,688 /- MT	Average Dumping margin of cooperative producers
Impact of 1 Kg. of Losartan Cost (Rs.)	621.41	Exchange rate Rs. 95 per USD
Impact on 1 tablet 50mg (Rs.)	0.03	Normal dosage of 50mg.
Impact on monthly cost (Rs.)	0.93	for 30 tablets
Approx. MRP of Losartan 50mg 30 Tablets (Rs.)	150	
Impact on patients as % of MRP	0.62%	

108. It is seen that the impact of anti-dumping duties on consumers is insignificant. The Authority further notes the submission of the domestic industry that the downstream products manufactured using the subject goods are subject to price control measures of the Government of India. Any measure recommended by the Authority would in any event be calibrated by application of the lesser duty rule so as not to exceed what is necessary to remove the injury caused to the domestic industry. In view of the foregoing, and in the

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absence of any quantified evidence demonstrating a material adverse impact on downstream users or end-consumers, the Authority is of the view that the imposition of an anti-dumping measure, on the facts of the present investigation, is consistent with the wider public interest, including the interest of maintaining a viable domestic manufacturing base for an essential pharmaceutical intermediate where global supply is highly concentrated in a few countries.

109. The Authority notes that there exists a gap between the domestic demand for the subject goods and the available indigenous production capacity. The Authority clarifies, however, that the existence of a demand-supply gap does not, in itself, displace the case for an anti-dumping measure. The subject of the present investigation is not whether imports of the subject goods should occur, but the price at which such imports occur. The Authority's examination has established that imports from the subject country have entered the Indian market at prices materially below the cost of production of the domestic industry, that such imports have suppressed and depressed domestic prices, and that the domestic industry has accordingly been forced to sell the subject goods at non-remunerative prices and absorb continuous losses notwithstanding increase in production and sales volumes. The supply gap can continue to be met through imports at fair prices, while injurious dumping is corrected.
110. The Authority observes that the submission made by the domestic industry regarding curtailment or stoppage of production by other Indian producers has not been substantiated with supporting evidence on record. The Authority is, accordingly, not in a position to record a finding on this submission. Considering the fact that the imports of the subject goods are happening much below the cost of the domestic industry, the Authority notes that the condition of the domestic industry is vulnerable due to imports from subject country. The domestic industry was suffering losses in the period of injury including period of investigation.

K. POST DISCLOSURE COMMENTS

K.1 Submissions by other interested parties

111. The following comments on the Disclosure Statement have been filed by other interested parties.
- i. The export price and landed value as disclosed by the Authority for DongGang should be confirmed in the final findings. In the event of any change in these determinations, the respondent requests the Authority to issue a revised Disclosure Statement and grant an opportunity to comment thereon.
 - ii. The continued treatment of China PR as a non-market economy is without legal basis. The provision of Article 15(a) of China's Accession Protocol permitting the use of surrogate country methodology expired on 11th December 2016. Post

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expiry, WTO Members, including India, are required to determine normal value in accordance with Article 2 of the WTO Anti-Dumping Agreement using domestic prices and costs of Chinese producers or verified exporter data. A mechanical application of Para 7 of Annexure I without examining exporter data would be inconsistent with India's WTO obligations. The Authority is requested to examine the actual cost and price information submitted by the responding exporters and determine normal value on that basis.

- iii. Linhai Huanan Chemical Co., Ltd. has fully cooperated in the present investigation and has provided complete information. However, the Authority has determined the weighted average export price by combining verified export price for the cooperating portion with facts-available export price for the volume exported through unrelated non-cooperating traders over whom the producer/exporter exercises no control. The Anti-Dumping Rules do not prescribe participation of every trader in the export chain as a mandatory precondition for determination of an individual dumping margin. The application of facts available has artificially inflated both the dumping margin and the injury margin disclosed. The Authority is requested to determine the export price and dumping margin solely on the basis of verified information submitted by the cooperating entities.
- iv. There is no demonstrable causal link between the alleged dumped imports from China PR and the financial losses claimed by the domestic industry. The domestic industry was incurring significant losses in 2021-22, a period when import volumes were at their lowest. Conversely, in the POI, when import volumes were at their highest, the per-unit losses of the domestic industry reduced by more than 40% compared to the base year. The rate of decline in the landed price of imports is lower than the rate of decline in the cost of sales of the domestic industry. This establishes that imports are not exerting price pressure on the domestic industry.
- v. The Authority has found that price undercutting from imports from China PR is negative during the POI, establishing that the landed price of imports was higher than the selling price of the domestic industry. In such circumstances, imports cannot be said to have suppressed or depressed domestic prices or prevented the domestic industry from increasing its prices. A finding of price injury in these circumstances is inconsistent with the facts on record.
- vi. The economic parameters examined by the Authority do not establish material injury. The data on record shows improvement in key parameters during the POI, including production, sales, capacity utilization, productivity, employment, wages, and market share. Profitability indicators such as Profit Before Tax, Cash Profit, and Return on Capital Employed have also shown improvement during the POI compared to the previous year. When most economic parameters show improvement, a finding of material injury is not justified.

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- vii. The adoption of a uniform 22% pre-tax return on average capital employed for determination of the Non-Injurious Price is excessive and inconsistent with the requirement of "reasonable return" under Annexure III of the Anti-Dumping Rules. Capital employed includes a debt component that already attracts interest cost. Applying a uniform 22% return on the entire capital base results in an artificially inflated return on equity, which inflates the Non-Injurious Price and distorts the injury margin determination.
- viii. The ongoing Russia-Ukraine conflict has resulted in significant disruptions across global trade and supply chains, adversely impacting availability of raw materials, increasing energy and logistics costs, and creating uncertainties in international transportation. These developments have had a direct bearing on the production, pricing, and supply of chemical intermediates including Bromo OTBN, and constitute a relevant non-attribution factor that must be examined by the Authority while assessing injury, causal link, and public interest.
- ix. The injury suffered by the domestic industry, if any, is attributable to factors other than the alleged dumped imports from China PR. The domestic industry's own Annual Report for 2024-25 identifies supply chain constraints, geopolitical tensions, trade policy uncertainties, changing tariff rates, and persistent inventory de-stocking as the primary challenges. These factors are entirely unrelated to the alleged dumping and must be considered as the principal causes of any injury suffered.
- x. Imposition of anti-dumping duties on imports of Bromo OTBN would be contrary to public interest. The domestic industry has not demonstrated sufficient capacity to reliably meet the entire domestic demand. Imposition of duties would increase input costs for Indian pharmaceutical manufacturers, adversely affect their competitiveness, and create supply-chain risks in a sector directly linked to public health.

K.2 Submissions by the Domestic Industry

112. The following comments on the Disclosure Statement have been filed by the domestic industry.

- i. The domestic industry concurs with the views expressed by the Authority in the Disclosure Statement and requests the Authority to uphold such views in the final findings.
- ii. As regards the observation of the Authority in paras 27 and 28 of the Disclosure Statement regarding the eligibility of CCCMHPIE to be treated as an eligible interested party, the issue is a legal issue and not a dispute on facts. It is settled that issues relating to the validity of a legal act can be questioned at any stage and cannot be treated as time barred. Unless the interested parties or CCCMHPIE can establish the standing of the said party in the investigation

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through their comments, CCCMHPIE should not be treated as an eligible interested party.

- iii. As regards the computation of the impact of anti-dumping duties on users as set out in the Disclosure Statement, the impact has been computed based on the impact on final consumers (patients). The impact on downstream users of the subject goods would be even more minuscule and can be easily absorbed by them. While the impact on downstream users shall be minuscule, the same shall provide significant relief to the domestic producers of the subject goods, essentially reviving the ailing domestic industry.
- iv. As regards the observation of the Authority regarding the existence of a demand-supply gap, there is in fact no demand-supply gap for the subject goods in India. The two other existing producers have almost similar capacities as the domestic industry. Further, other manufacturers who have stopped production and producers of bromination-based drugs such as Aarti Industries could easily manufacture the subject goods, but for the low-priced dumped imports.
- v. As regards the observation of the Authority that the domestic industry has not substantiated its submission regarding curtailment or stoppage of production by other Indian producers, the production-related details of every producer are confidential and were not in the possession of the domestic industry. However, the submission was made in written submissions duly circulated to all interested parties, and no interested party has disputed it. The domestic industry also submits that a producer of the subject goods, namely Saurav Chemicals, has made a submission before the Authority. While such submission has not been taken on record due to procedural issues, the data/information contained therein may be used to validate the domestic industry's submission.
- vi. The domestic industry requests the Authority to recommend imposition of anti-dumping duties on a fixed basis. Significant fluctuation in the prices of the subject goods over the injury investigation period indicates that a reference price-based duty may not be effective against the imports of the subject goods.
- vii. The domestic industry requests the Authority to uphold its findings with respect to dumping by the Chinese exporters causing injury to the domestic industry, and to recommend the imposition of anti-dumping duties at the earliest to protect the domestic industry from dumped and injurious imports from China PR.

K.3 Examination by the Authority

113. The Authority has examined the post-disclosure submissions made by the interested parties. It is observed that the majority 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. For the sake of brevity, the Authority has

refrained from repeating responses to such submissions in this post-disclosure examination. However, new submissions raised for the first time in post-disclosure comments, as well as those previously addressed but deemed necessary to examine further, are addressed hereunder.

114. With regard to the submission of Linhai Group that the treatment of China PR as a non-market economy is without legal basis and that Article 15(a) of China's Accession Protocol permitting use of surrogate country methodology expired on 11th December 2016, the Authority notes that this contention is not supported by the legal position as applicable. The Authority's determination of normal value is based on Article 15(a)(i) of China's Accession Protocol read with Para 7 of Annexure I to the Anti-Dumping Rules, which constitutes the legally applicable methodology in the present investigation. No evidence has been placed on record by any interested party to warrant application of the first or second methods for determination of normal value. The Authority finds no merit in this contention.
115. With regard to the submission of Linhai Group that the application of facts available for the portion of exports made through non-participating unrelated traders is unwarranted and has artificially inflated the dumping margin and injury margin, the Authority notes that the application of facts available for the non-cooperating portion is in accordance with the provisions of the Anti-Dumping Rules. Linhai Huanan's export price has been determined as a weighted average combining verified data for the cooperating portion with facts-available data for the non-cooperating portion, consistent with the Authority's established practice. The Authority finds no merit in this submission.
116. With regard to the contention that volume parameters of the domestic industry show substantial improvement and that this negates a finding of material injury, the Authority reiterates that an injury determination under the Anti-Dumping Rules requires an objective examination of all relevant economic factors. The domestic industry has remained continuously in losses throughout the injury investigation period including the POI, has been unable to realize prices commensurate with its cost of production due to the price-suppressing and price-depressing effect of dumped imports, and has been unable to access market share consistent with its production capacity. Improvement in certain volume parameters in the POI does not, in the overall assessment, negate the finding of material injury.
117. With regard to the submission that there is no causal link between the alleged dumped imports and the financial performance of the domestic industry, the Authority notes that causal link analysis examines the relationship between the price at which dumped imports enter the market and the pricing and profitability of the domestic industry, not merely the volume trajectory of imports. The landed value of dumped imports from China PR has throughout the injury investigation period remained materially below the cost of sales of the domestic industry, compelling it to sell below cost and incur continuous losses. The

direct correlation between the gap in landed value versus cost of production and the per-unit losses of the domestic industry has been established in the relevant paragraphs of these final findings.

118. With regard to the submission that the injury, if any, is attributable to other factors including supply chain disruptions, geopolitical tensions, raw material price corrections, and the Russia-Ukraine conflict, the Authority has conducted a non-attribution analysis in the relevant paragraphs of these final findings and has examined all factors other than dumped imports that could have caused injury. The raw material prices of the domestic industry and the landed price of imports have moved in the same direction over the injury period. However, the landed value of imports has throughout the period remained materially below the cost of production of the domestic industry. The claimed other factors do not provide any basis for concluding that injury caused to the domestic industry is not attributable to the dumped imports.
119. With regard to the submission of Linhai Group that the ROCE of 22% adopted for computation of the Non-Injurious Price is excessive, the Authority notes that a pre-tax return of 22% on average capital employed is the practice under Annexure III of the Anti-Dumping Rules, as amended, applied consistently across investigations. The Authority finds no merit in this submission.
120. With regard to the contention that if any measure is recommended, it should be in the form of a reference price, the Authority notes that the domestic industry has specifically requested recommendation of duties on a fixed basis in view of significant price fluctuations of the subject goods observed during the injury investigation period. The Authority has considered all relevant submissions on the form of measure in arriving at its recommendation.
121. With regard to the submissions regarding public interest, the Authority reiterates its findings recorded in the relevant paragraphs of these final findings. The impact of anti-dumping duties on downstream pharmaceutical users and end-consumers has been quantified and found to be insignificant. No user or importer has participated in the present investigation and no quantified evidence of material adverse impact on downstream users has been placed on record. The downstream APIs manufactured using the subject goods are subject to price control measures of the Government of India. The Authority remains of the view that the imposition of an anti-dumping measure in the present investigation is consistent with the wider public interest, including the interest of maintaining a viable domestic manufacturing base for an essential pharmaceutical intermediate. The Authority finds no merit in the submissions seeking non-imposition of duty on public interest grounds.

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122. With regard to the submission of the domestic industry regarding the eligibility of CCCMHPIE as an interested party, this question has been considered and addressed in the relevant paragraphs of these final findings.
123. With regard to the submission of the domestic industry that there is no demand-supply gap, the Authority notes that apart from the domestic industry, there are other Indian producers of the subject goods as well. The imposition of an anti-dumping measure will correct the price distortion caused by dumped imports and restore fair competition in the Indian market. Any residual gap between domestic supply and demand can continue to be met through imports entering at fair prices.

L. CONCLUSION

124. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority, as recorded in the above findings, and on the basis of the above analysis of dumping, injury, causal link, and public interest, the Authority concludes as follows:
- i. The product under consideration is 4-(Bromomethyl)-2'-cyanobiphenyl, also known as Bromo OTBN. The like article produced by the domestic industry is like or similar to the product under consideration in all material respects.
 - ii. M/s Neogen Chemicals Limited constitutes the domestic industry within the meaning of Rule 2(b) of the Anti-Dumping Rules, and the application satisfies the criteria of standing in terms of Rule 5(3).
 - iii. The dumping margin for cooperating producers/exporters from China PR is positive and significantly above the de minimis threshold. Imports from China PR have entered the Indian market at significantly dumped prices.
 - iv. The imports of the subject goods from China PR have increased in absolute terms over the injury investigation period, were at their highest level during the POI, and command a dominant share of Indian demand.
 - v. The price undercutting is negative in the POI. The domestic industry has placed on record evidence indicating that it has been compelled to reduce its prices in response to customer pressure to match import prices. The landed value of imports has throughout the injury investigation period remained materially below the cost of production of the domestic industry, causing price suppression and depression.
 - vi. The domestic industry has suffered material injury. The domestic industry has been continuously incurring losses, with negative cash profits and negative return on capital employed, throughout the injury investigation period including

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the POI. The injury margin for cooperating producers/exporters from China PR is positive and significant.

- vii. There is a causal link between the dumped imports from China PR and the material injury suffered by the domestic industry. The Authority has examined all other known factors that may have caused injury and concluded that they do not negate the causal link between the dumped imports and the injury.
- viii. The imposition of anti-dumping duty is consistent with the wider public interest, including the interest of maintaining a viable domestic manufacturing base for an essential pharmaceutical intermediate where global supply is highly concentrated.

M. RECOMMENDATION

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

126. Having regard to the lesser duty rule followed by the Authority, the Authority recommends the imposition of an 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. Accordingly, the Authority recommends imposition of anti-dumping duty on imports of the subject goods, originating in or exported from China PR, for a period of five (5) years from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col. 7 of the duty table below.

Duty Table

S No.	HS Code	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	29269000, 29339990, 29332990, 29420090, and 29152990	4 (Bromomethyl)- 2'- cyanobiphenyl (Bromo OTBN)	China PR	Any country including China PR	Yancheng City DongGang Pharmaceutical Development Co., Ltd	5,089	MT	USD

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2.	-do-	-do-	China PR	Any country including China PR	Linhai Huanan Chemical Co., Ltd.	5,500	MT	USD
3.	-do-	-do-	China PR	Any country including China PR	Zhejiang Tianyu Pharmaceutical Co., Ltd.	5,440	MT	USD
4.	-do-	-do-	China PR	Any country including China PR	Any producer other than S No. 1 to 3	6,305	MT	USD
5.	-do-	-do-	Any country other than China PR	China PR	Any	6,305	MT	USD

Note - The application of the individual duty rates specified for the producers mentioned in the above shall be conditional upon presentation to 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 (product concerned) sold for export to India covered by this invoice was manufactured by (producer name and address) in the (name of country). I declare that the information provided in this invoice is complete and correct.’ If no such invoice is presented, the duty applicable to all other producers shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs law and regulations.”

N. FURTHER PROCEDURE

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

Amitabh Kumar
(Designated Authority)