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DIRECTORATE GENERAL OF TRADE REMEDIES

Countervailing duty in India: anti-subsidy cases at DGTR

Countervailing duty in India answers a foreign subsidy. If a government subsidizes the making, export or transport of goods sold to India, the central government may charge a duty up to that subsidy (Customs Tariff Act, section 9). The Directorate General of Trade Remedies (DGTR) must first find a subsidy the Act counts and, for World Trade Organization members, injury.

A COUNTERVAILABLE subsidy is a benefit from a foreign government or public body that India may offset with duty. Under section 9(3) of the Customs Tariff Act, it must be tied to export performance or to using local over imported goods, or given to a limited number of firms.

KEY FACTS

LAW

Customs Tariff Act, 1975

QUANTITATIVE RESTRICTIONS

Foreign Trade (Development and Regulation) Act, 1992

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What is a countervailable subsidy under the Customs Tariff Act?

A countervailable subsidy is a benefit from a foreign government or public body that India may offset with duty. Under section 9(3) of the Customs Tariff Act, it must be tied to export performance or to using local over imported goods, or given to a limited number of firms.

Countervailing duty is one of the three trade remedies in our guide to DGTR and trade remedies in India. Section 9(1) counts two kinds of subsidy (its Explanation):

- A financial contribution: grants, loans or equity, tax revenue given up, or goods and services other than general infrastructure.
- Income or price support that raises exports or cuts imports.

A case starts on a written application by or for the Indian industry, with evidence of subsidy, injury and the link between them. Producers expressly backing it must make at least 25% of Indian output (CVD Rules, 1995, rule 6(1) to (3)). DGTR may also start one on its own (rule 6(4)). See filing an application with DGTR.

How does a countervailing case differ from anti-dumping?

A countervailing case measures a government's subsidy, while an anti-dumping case measures an exporter's price below normal value. The CVD Rules, 1995 also invite the exporting government to consultations before the case starts, and cap provisional duty at four months, against six or nine for anti-dumping.

Anti-dumping and countervailing cases compared

Point	Anti-dumping	Countervailing duty
Exporting government before the case	Told (AD rule 5(5))	Invited to consultations (CVD rule 6A)
Case ends if the margin is below	2% of export price (AD rule 14(c))	1% ad valorem; 2% for a developing country (CVD rule 16(1)(c))
Case ends if a country's import share is below	3%, unless together over 7% (AD rule 14(d))	4% for a developing country, unless together over 9% (CVD rule 16(1)(d))
Provisional duty	Not before day 60; up to 6 months, or 9 on request (AD rule 13)	Not before day 60; up to 4 months (CVD rule 15)
Final findings	Within 1 year, plus up to 6 months (AD rule 17(1))	Within 1 year, plus up to 6 months (CVD rule 19(1))
Duty capped at	The dumping margin, or less if that removes injury (AD rule 4(1)(d))	The subsidy, and for WTO members and most-favored-nation partners no more than removes injury (CVD rules 2(f) and 20(1))

Notices, 30-day questionnaires, disclosure and findings follow the same pattern (CVD rules 7, 18 and 19), set out in how a DGTR investigation works.

What does the exporting government do in a countervailing case?

The exporting government is a party to every countervailing case. India invites it to consultations before the case starts, sends it the application, and asks it for information within 30 days of receipt (CVD rules 6A and 7). Instead of a duty, it may offer to withdraw or limit the subsidy (rule 17(1)).

The Government of China PR held consultations on January 20, 2026, before the PVC case opened, and received a government questionnaire (preliminary findings of October 26, 2026, paragraphs 2 and 4). Where it gave no ownership or price data on input suppliers, DGTR drew provisional inferences from the facts available (paragraph 39; CVD rule 7(8)).

An exporter may offer to raise its price instead. DGTR can accept that only after a preliminary finding of subsidy and injury, and only with the exporting government's consent (CVD rule 17(1) and (2)).

How long does countervailing duty in India last, and can it be circumvented?

Countervailing duty lasts five years from the date it's imposed, unless revoked earlier, under section 9(6) of the Customs Tariff Act. A review can extend it by up to five years at a time. Section 9(1A) lets the government extend it to goods that circumvent it.

A sunset review finishes within 12 months and at least three months before the duty ends (CVD rule 24(4)). If a review started before expiry runs late, the duty can stay up to one more year (section 9(6)).

Circumvention means trade changed for no reason but the duty: assembly from imported parts, altered goods, or routing through a country without duty (CVD rule 25). See sunset reviews and anti-circumvention.

Which countervailing duty cases has India run in 2026?

India ran original, sunset and anti-circumvention countervailing cases in 2026. In October DGTR recommended provisional duty on PVC suspension resin from China PR, at the lower of the subsidy and injury margins. In September the Finance Ministry imposed five years of duty on calcium carbonate filler masterbatch from Vietnam.

Countervailing duty documents of 2026

Goods and country	Stage and date	Source
PVC suspension resin, China PR	Initiation, February 26, 2026	Tracker
PVC suspension resin, China PR	Provisional duty recommended, October 26, 2026	Tracker
Saccharin via Thailand (duty on China PR)	Anti-circumvention initiation, March 10, 2026	Tracker
Aluminum wire and wire rod, Malaysia	Sunset review, April 27, 2026; duty kept to March 23, 2027	Tracker, 3/2026-Customs (CVD)

Textured tempered glass, Malaysia	Five more years from June 2, 2026, at 9.71% to 10.14% of CIF value	2/2026-Customs (CVD)
Calcium carbonate filler masterbatch, Vietnam	Five years from September 23, 2026, at US$9.11 to US$69.19 per metric ton	4/2026-Customs (CVD)
Copper tubes, Malaysia, Thailand, Vietnam	Sunset review, September 28, 2026; duty runs to April 27, 2027	Tracker

Our insights cover the PVC resin recommendation and the copper tube review's new reply date.

How IndusDesk helps in countervailing cases

For an Indian industry, we prepare the application. For a producer or exporter abroad, we prepare the questionnaire response, including when your government answers its own questionnaire, and later submissions. We support you through hearings and follow the case to its findings.

Government affairs →

Regulatory & trade advisory →

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Latest notices and insights

- Countervailing duty on calcium carbonate filler masterbatch from Vietnam (Notice, September 23, 2026)
- Five-year countervailing duty on filler masterbatch from Vietnam (Insight, September 23, 2026)
- Countervailing duty on aluminium wire rod from Malaysia extended to March 23, 2027 (Notice, June 10, 2026)

Frequently asked questions

Can goods get both a countervailing and an anti-dumping duty?

Yes, but not for the same dumping or export subsidy (section 9B(1)(a)). Filler masterbatch from Vietnam carries both; Notification No. 4/2026-Customs (CVD) collects the countervailing duty only where the two stay within the producer's injury margin (notes 1 and 2).

Who can apply for a countervailing duty investigation?

The Indian industry, or someone on its behalf, with evidence of subsidy, injury and the link between them. Producers expressly backing the application must make at least 25% of Indian output (CVD Rules, 1995, rule 6(1) to (3)). DGTR may also start a case on its own (rule 6(4)).

How long can provisional countervailing duty last?

Up to four months. It can't come earlier than sixty days after the case starts (CVD Rules, 1995, rule 15).

Sources

- Customs Tariff Act, 1975, section 9: countervailing duty on subsidized articles, sub-sections (1) with its Explanation, (1A), (3) and (6), and section 9B(1)(a) (DGTR's Compendium of Laws & Regulations on Trade Remedies, updated up to June 16, 2026)
- Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995: rules 6, 6A, 7, 15, 16, 17, 18, 19, 20, 24 and 25 (the same compendium)
- Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995: rules 4(1)(d), 5(5), 13, 14 and 17(1) (the same compendium)
- Case No. CVD 02/2025 (corrected to CVD (OI)-07/2025), initiation: PVC suspension resin from China PR, February 26, 2026 (PDF, 889 KB)

- Case No. CVD (OI)-07/2025, preliminary findings: PVC suspension resin from China PR, October 26, 2026, paragraphs 2 to 4, 39 and 128 (PDF, 1.5 MB)
- Case No. CVD(AC)-01/2026, anti-circumvention initiation: saccharin exported from Thailand, March 10, 2026 (PDF, 844 KB)
- Case No. CVD (SSR) 02/2025, sunset review initiation: aluminium wire and wire rod from Malaysia, April 27, 2026 (PDF, 876 KB)
- Case No. CVD (SSR) 001/2026, sunset review initiation: copper tubes and pipes from Malaysia, Thailand and Vietnam, September 28, 2026, paragraphs 3 and 5 (PDF, 799 KB)
- Notification No. 2/2026-Customs (CVD), June 2, 2026: textured tempered glass from Malaysia, five more years (PDF, 1.4 MB)
- Notification No. 3/2026-Customs (CVD), June 10, 2026: duty under Notification No. 4/2021-Customs (CVD) in force up to March 23, 2027 (PDF, 74 KB)
- Notification No. 4/2026-Customs (CVD), September 23, 2026: calcium carbonate filler masterbatch from Vietnam, notes 1 and 2 and paragraph 2 (PDF, 806 KB)

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