

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

No. 06/67/2025-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

Date: 26th February, 2026

**INITIATION NOTIFICATION
(Case No. CVD 02/2025)**

**Subject: Initiation of countervailing duty investigation concerning imports of
“PVC Suspension Resins” from China PR.**

1. F. No.06/67/2025-DGTR: An application has been filed by Chemplast Cuddalore Vinyls Limited, DCM Shriram Limited and DCW Limited (hereinafter referred to as the “Applicants”), before the Designated Authority (hereinafter referred to as the “Authority”) under the provisions of 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 Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter also referred to as the “CVD Rules” or the “Rules”) for imposition of countervailing duty investigation concerning imports of “PVC Suspension Resins” (hereinafter referred to as the “product under consideration” or the “subject goods” or the “PUC”) originating in or exported from China PR (hereinafter referred to as the “subject country”).

A. Allegation of subsidization

2. The Applicants have alleged that the producers/exporters of the subject goods in the subject country have benefitted from the actionable subsidies provided at various levels by the Government of the subject country, including the Governments of different Provinces and Municipalities in which producers/exporters are located, and other ‘Public Bodies. The Applicants have relied upon the relevant Laws, Rules and Regulations and other Notifications of the relevant Government Agencies and Public Bodies available in the public domain and in the determination of other investigating Authorities who conducted comprehensive investigation of such schemes and concluded existence of countervailable subsidy Programmes. The Applicants have requested the authority to recommend provisional assessment of imports and retrospective imposition of Anti-Subsidy duty in the present case as per the conditions laid down in Section 9(4) of the Customs Tariff Act 1975.

B. Consultation

3. In terms of Article 13 of the Agreement on Subsidies and Countervailing Measures (ASCM) pre-initiation consultations were held on 20.01.2026 with the representatives of the Government of **China PR**. The comments received have been taken on record and the same will be duly taken into consideration during the course of the investigation.

C. Product under Consideration

4. The product under consideration is Homopolymer of Vinyl Chloride Monomer (suspension grade) also known as PVC Suspension Resin manufactured through suspension polymerisation process with K-Value above 55 and upto 77.
5. The scope of product under consideration excludes PVC suspension resins with K-Value below 55 and above 77. Further, specialty PVC suspension resin such as cross-linked PVC, chlorinated PVC (CPVC), vinyl chloride – vinyl acetate copolymer (VC-VAc), PVC paste resin / emulsion resins, Mass Polymerisation PVC and Polyvinyl Chloride Blending Resins are also excluded from the scope of product under consideration.
6. The product under consideration is manufactured using suspension polymerisation process. PVC manufactured through emulsion polymerisation, bulk mass polymerization and micro-suspension polymerization process are also excluded from the scope of the product under consideration.
7. In order to produce the subject goods, Vinyl Chloride Monomer (“VCM”) is converted into Vinyl Polymer through polymerization process. VCM is either produced using ethylene dichloride (“EDC”) or by using Calcium Carbide (“Carbide”). PVC produced through both routes is included within the scope of the product under consideration.
8. PVC Suspension Resins are commonly used in manufacturing various products like pipes and fittings, flexible hoses, films/sheets, bottles, profiles, wire and cables, footwear, etc.
9. The subject goods are classified under Chapter 39 of Schedule I to the Customs Tariff Act, 1975 under the Customs classification 3904 10 20. However, the product under consideration is also being imported under HS Codes 3904 10 10, 3904 10 90, 3904 21 00, 3904 22 00, 3904 90 10 and 3904 90 90. Accordingly, HS code at 4-digit level, that is, 3904 has been considered for the purpose of the present investigation. The Customs classification is only indicative and is not binding on the scope of the product under consideration.

D. Like article

10. The Applicants have submitted that the subject goods produced by the Applicant companies and the subject goods imported from the subject country are like articles. There is no known difference between the subject goods exported from the subject country and those produced by the Applicants. "subject goods" produced by the domestic industries and imported from the subject country are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'Like Article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the Applicants in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

E. Allegation of subsidization: Subsidy Programmes

11. The prima facie evidence provided by the applicants show that the producers and exporters of the subject goods in the subject country have benefitted from a number of subsidy schemes/Programmes, granted by the governments of subject country and/or their respective public bodies as listed below. The alleged subsidies consist of direct transfer of funds and potential direct transfer of funds or liabilities; Government revenue that is otherwise due is fore gone or not collected; provision of goods and services for less than adequate remuneration; etc.

Programmes in the form of goods and services at Less Than Adequate Remuneration (LTAR)

- i. Provision of water at LTAR
- ii. Land at LTAR
- iii. Preferential access to land at less than adequate remuneration to state-owned enterprises (SOEs)
- iv. Provision of Steam Coal at LTAR
- v. Provision / supply of electricity at preferential rates.
- vi. Land use rights at discounted rates in industrial zones
- vii. Provision / supply of caustic soda at preferential rates
- viii. Provision of Chlorine for LTAR

Programmes in the form of Tax and VAT incentives

- ix. Tax Policies for the deduction of research and development (R&D) expenses
- x. Income Tax Refund for Re-investment of Foreign Invested Enterprises (“FIE”) Profits by Foreign Investors
- xi. Full income tax exemption for FIEs
- xii. Income Tax Reduction for Advanced Technology FIEs
- xiii. Tax credit on the purchase of domestic equipment
- xiv. Preferential tax policies for research and development
- xv. VAT refunds for the purchase of domestically produced equipment by FIE
- xvi. Reduced income tax for FIEs
- xvii. Shanghai Municipal Tax Refund for High-tech Achievement Commercialization Projects
- xxviii. Local income tax and reduction program for FIEs
- xix. Local Income Tax Exemption and/or Reduction in SEZs in Guangdong and Hainan Island
- xx. Preferential Tax policies for FIEs Established in Pudong Area of Shanghai
- xxi. Tariff and VAT Exemptions for Imported Equipment
- xxii. Preferential tax policies for companies that are recognized as high and new technology companies
- xxiii. Tax concessions for Western Regions
- xxiv. Tax Preference Available to Companies that Operate at a Small Profit
- xxv. Enterprise Income Tax Rate Reduction in the Tianjin Port Free Trade Zone
- xxvi. Tax credit concerning the purchase of special equipment for environment protection
- xxvii. Income tax concessions for the enterprises engaged in comprehensive resource utilisation (special raw materials)
- xxviii. Income Tax Reduction for Enterprises with Foreign Investment and Foreign Enterprises established in Special Economic Zones and other designated zones
- xxix. Preferential Tax Policies for Foreign Invested Export Enterprises
- xxx. Accelerated depreciation of fixed assets
- xxxi. Preferential income tax policy for the enterprises in the Northeast region

Programmes in the form of preferential loans and lending

- xxxii. Preferential Lending (Including policy loans)
- xxxiii. Preferential export financing from the Export-Import Bank of China
- xxxiv. Preferential Loans for SOEs
- xxxv. Allowance to Pay Loan Interest
- xxxvi. Policy Loans to the Chemicals Industry

- xxxvii. Preferential Financing under One Belt One Road Initiative for Companies making Outward Investments

Programmes in the form of Grants

- xxxviii. Famous Brands Program/ Incentive fund for famous-brand products
- xxxix. Grants for Antidumping Investigations
- xl. Research & Development (R&D) Assistance Grant
- xli. Export Assistance Grant
- xl.ii. Grants for Listing Shares
- xl.iii. Grants provided through the Provincial Fund for Fiscal and Technological Innovation.
- xl.iiii. International Market Fund for Export Companies
- xl.v. State Special Fund for Promoting Key Industries and Innovation Technologies
- xl.vi. Superstar Enterprise Grant
- xl.vii. Funds for Outward Expansion of industries in Guangdong Province
- xl.viii. Grant - Special Funds for Fostering Stable Growth of Foreign Trade
- xl.ix. Interim Measures of Fund Management of Allowance for Zhongsham Enterprises to Attend Domestic and Overseas Fair
- l. Treasury Bonds Loans or Grants
- li. Various grants provided to Fuyang City and Hangzhou City
- a. Grant for Enterprises Paying Over RMB 10 Million in Taxes
- b. Grants under the Export of Sub-Contract Services Program
- c. Grants under Excellent New Products/Technology Award
- d. Investment grants from Fuyang City Government for key industries
- e. Grants for Enterprises Operating Technology and Research and Development Centers
- f. Local and Provincial Government Reimbursement Grants on export Credit
- g. Insurance Fees
- h. Initial Public Offering (IPO) Grants from the Hangzhou Prefecture and the City of Fuyang (Zhejiang Province) & (Anhui Province)
- lii. Grants provided by Hebei Province
- a. Grants under the Science and Technology program of Hebei Province
- b. Government of Shijiazhuang City Export Award
- liii. Various grants provided to Shandong Province
- a. Shandong Province's Special Fund for the Establishment of Key Enterprise Technology Centers
- b. Shandong Province's Award Fund for Industrialization of Key Energy-Saving Technology

- c. Shandong Province's Environmental Protection Industry Research and Development Funds
- d. Shandong Province's Construction Fund for Promotion of Key Industries
- liv. Subsidies Provided in Tianjin Binhai New Area and the Tianjin Economic and Technological Development Area

Programmes in the Form of Export Financing and Export Credit

- lv. Export Seller's Credit
- lvi. Export Buyer's Credit
- lvii. Export Credit Insurance Subsidies
- lviii. Other export financing from State Owned Banks
- lix. Credit Guarantee by GOC

Programmes in the form of equity infusion

- lx. Debt for equity swaps
 - lxi. Equity infusions
 - lxii. Non-Collection of dividends
 - lxiii. Debt Forgiveness
 - lxiv. Deed Tax Exemption for SOEs Undergoing Mergers or Restructuring
 - lxv. Dividend exemption between qualified resident enterprises
12. It has been alleged that the above schemes are subsidies since they involve a financial contribution from the Government of the subject country or other regional or local governments of such subject country, including public bodies and confer benefit on the recipient (s). They are also alleged to be limited to certain enterprises or groups of enterprises and/or products and/or regions and therefore specific and countervailable. They are also in some cases alleged to be contingent upon the use of domestic over imported goods and/or contingent upon export performance.
13. The producers/exporters are advised to provide information with respect to any other subsidy scheme that may have been availed by them. The Designated Authority reserves the right to investigate other subsidies, which may be found to exist and availed by the producers and exporters of the subject goods, during the course of investigation.

F. Domestic Industry

14. Rule 2(b) defines domestic industry as follows:

“domestic industry’ means the domestic producers as a whole of the like article or domestic producers 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 subsidised article, or are themselves importers thereof, in which case such producers shall be deemed not to form part of domestic industry”

15. The application has been filed by Chemplast Cuddalore Vinyls Limited, DCM Shriram Limited and DCW Limited. The applicants have submitted that there are two more domestic producers of the subject goods in India, namely, Finolex Industries Limited and Reliance Industries Limited. Further, the domestic industry has submitted that two new producers, namely, Mundra Petrochem Limited and Indian Oil Corporation Limited, are in the process of setting up capacities in India. The applicants have also claimed that both Finolex Industries Limited and Reliance Industries Limited are regular importers of the subject goods and have imported substantial volumes of subject goods during the period of investigation into India.
16. After examining the information available on record, it is noted that the applicants account for a major share of the total domestic production of the like product in India. Accordingly, the applicants constitute domestic industry as defined under Rule 2(b) of the CVD Rules, 1995 and the application satisfies the requirements of standing in terms of Rule 6(3) of the CVD Rules, 1995.

G. Allegation of Injury and Casual Link

17. The applicants have provided prima facie evidence with respect to the injury suffered by the domestic industry because of the subsidized imports from the subject country. The volume of the subject imports from the subject country has increased in both absolute as well as in relative terms. The price suppression and depression caused by the dumped imports have been preventing the domestic industry from increasing its prices to recover the full cost and achieve a reasonable rate of returns. The subject imports have an adverse impact on the profitability parameters of the domestic industry due to which the cash profits, PBIT and ROCE are negative. There has also been an increase in the inventory levels of the domestic industry. Thus, the evidence provided by the applicants prima facie shows injury to the domestic industry caused by the alleged subsidized imports from China.

H. Retrospective Imposition of Duties and Provisional Assessment

18. The applicants have requested for retrospective imposition of the anti-subsidy duty on imports of product under consideration from the subject country. The applicants have claimed that retrospective imposition is necessary due to the following:
 - a. The imports from the subject country have increased significantly in a short period of time and account for the majority of imports in the period of investigation. The share of such imports has increased substantially over the injury period.
 - b. The injury caused to the domestic industry is difficult to repair as the domestic industry is on the verge of shutdown. The domestic industry has incurred substantial losses in the POI. Further, the domestic industry is in losses even before accounting for interest. The return on capital employed of the domestic industry is negative.
19. The applicants have requested the Authority to recommend to the Central Government the provisional assessment of imports and the retrospective imposition of anti-subsidy duty from the date of initiation of the investigation, in accordance with Section 9(4) of the Act and Rules 19 and 22 of the Rules. In this regard, the interested parties may offer their comments within the time limits specified in this notification.
20. After examining the submissions made by the applicants, the Authority deems it appropriate to examine the claims for retrospective imposition of anti-subsidy duty on the subject goods imported from China. In view of the above, the Authority recommends to the Ministry of Finance the provisional assessment of all imports of the product under consideration, pending the outcome of the anti-subsidy investigation, while providing an opportunity to all interested parties to offer their comments within the timelines mentioned in this notification.

I. Initiation of the Investigation

21. On the basis of the duly substantiated application by the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the applicants substantiating the existence of subsidization and consequent injury to the domestic industry, the Authority hereby initiates an anti-subsidy investigation in accordance with Section 9 of the Act read with Rule 6 of the Rules, to determine the existence, degree, and effect of the alleged subsidization and to recommend the amount of countervailing duty, which if levied, would be adequate to remove the injury to the domestic industry.

J. Country involved

22. The application has been filed in respect of alleged subsidization of the product under consideration originating in or exported from China. Therefore, the subject country for the present investigation is China.

K. Period of Investigation (POI)

23. The period of investigation for the present application is proposed from 1st October 2024 – 30th September 2025 (12 months) as the period of investigation. The injury information has been provided for the period of investigation and three preceding years, that is 2022-23, 2023-24, 2024-25 and the POI.

L. Submission of Information

24. All the interested parties are required to register themselves on SETU Portal (<https://setu.dgtr.gov.in>). All communications and submissions from the interested parties shall be uploaded on the SETU portal under their registered name and corresponding Case ID- CVD/OI/1522025/01. It should be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
25. The known producers/exporters in the subject country, the Government of the subject country through its Embassy in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
26. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
27. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
28. Interested parties are further directed to regularly visit the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in/>) to stay updated and apprised with the information as well as further processes related to the investigation.

M. Time Limit

29. Any information relating to the present investigation should be uploaded on the SETU portal (<https://setu.dgtr.gov.in>) under their registered name and corresponding Case ID-CVD/OI/1522025/01. Both versions of each submission, the confidential version (CV) and the non-confidential version (NCV) must be uploaded in the respective designated columns within 37 days from the date on which the non-confidential version of the application filed by the domestic industry would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 7(4) of the CVD Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Rules.
30. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification.
31. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 7(4) of the CVD Rules, 1995 and such request must come within the time stipulated in this notification.

N. Submission of Information on Confidential Basis

32. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 8 of the CVD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
33. Such submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as "non-confidential" information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
34. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information which is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
35. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.

36. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 8 of the CVD Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.
37. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days from the date of circulation of the non-confidential version of the documents filed before the Authority.
38. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 8 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
39. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
40. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.
41. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions and other information to all other interested parties.

O. Non-Cooperation

42. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification or subsequently time period provided through separate communication, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.



**Amitabh Kumar,
Designated Authority**