

# Trade talks: DPDP Act, IT rules dominate

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Deputy US Trade Representative (USTR) Rick Switzer-led American team, which was in New Delhi this week for trade talks, discussed with its Indian counterparts the executive rules under the Digital Personal Data Protection (DPDP) Act and the Information Technology Rules of 2021, sources told *Business Standard*.

During the meetings held on December 10-11 with Industry Minister Piyush Goyal, Commerce Secretary Rajesh Agrawal and India's chief negotiator Darpan Jain, Washington flagged specific provisions in the DPDP rules and IT Rules that it considers non-tariff barriers for American companies.

One of these is the data localisation norms prescribed under the DPDP executive rules, which allow cross-border data transfers but says a government-appointed committee can, at any time, decide if particular types of data will no longer be allowed to be transferred or processed outside India.

Another issue raised relates to the strict compliance norms for social media and internet intermediaries under the IT Rules, 2021.

These rules require all such companies to appoint nodal officers for round-the-clock coordination with law enforcement agencies and to look into users' grievances. Failure to comply with these obligations, along with provisions such as urgent content take-down, can attract fines and potential jail terms for employees.

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# Cabinet okays Bill for private foray in nuclear power

The panel had also recommended allowing any company, rather than only a central government-owned firm, to operate nuclear plants and handle fuel cycle activities under licence. It had also suggested the government should distance itself from the process of tariff regulation of nuclear projects.

For the changes in the CLND Act, the government has been looking at recommendations on capping the liability of the supplier, apart from changing the definition of a supplier to focus exclusively on providers of critical equipment. Apart from setting up of plants and generation of power, the legislative changes could also open up areas like exploration and mining of critical minerals, and fuel fabrication.

Experts say it is critical for India to align civil nuclear liability for operators and suppliers with international standards to attract global technology providers as well as private investors.

Currently, the tariff for nuclear power is governed by the Department of Atomic Energy (DAE) in consultation with the Central Electricity Authority (CEA). "However,



private sector participation will necessitate governance by an independent regulator (such as Central Electricity Regulatory Commission, or CERC), enabling the possibility of competitive determination of tariffs," said Anujesh Dwivedi, partner, Deloitte India.

He also said that involving the private sector in research and development (R&D) of nuclear technologies — such as the development of Small Modular Reactors (SMRs) — by allowing the creation of intellectual property rights would be a progressive step and in line with the approach adopted by several developed countries.

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M "The US (side) feels that certain aspects of the digital personal data protection law are a non-tariff barrier for American companies," a person aware of the matter told Business Standard.

It is learnt that the Indian side had made its offer during the October round of talks. Since then, the Indian side has maintained that most differ-

ences have been narrowed down and there is no need for a fresh round of negotiation.

The US team, on the other hand, has been insisting that agriculture-related market access, digital trade, and non-tariff barriers are some of the issues that still need to be sorted. That apart, some work of the legal text also needs to be fine-tuned.

Having missed the 'Fall' deadline, India is aiming to conclude the first tranche of the bilateral trade agreement (BTA) before the end of the calendar year. Yet, despite the latest round of meetings in New Delhi and a phone call between Prime Minister Narendra Modi and US President Donald Trump on Thursday, there is still no clarity regarding the finalisation of the deal.

On Thursday, Goyal said India is not negotiating the trade deal with a fixed deadline and that the US should sign on the dotted line if it is satisfied with India's offer. He was responding to comments

by USTR Jamieson Greer, who said Washington had received the "best-ever" offer from New Delhi, though India is resisting market access to certain farm items.

Commerce ministry sources said the visit by US trade officials offered both sides an opportunity for productive exchanges on a wide range of issues related to India-US trade and economic ties, including the ongoing negotiations for a mutually beneficial bilateral trade agreement. Both sides agreed to continue their purposeful and positive engagement, they added.

## India Inc's profits relative to capital employed at 14-yr high

Financial and engineering companies are expected to continue to do well in the future. The automobile sector may have reached some saturation temporarily and information technology continues to face uncertainties. Domestic-focused companies are expected to do well as are some export-oriented ones like the pharmaceutical sector. The outlook for broader market-level return ratios may face some downward pressure from new-age companies getting listed, according to Jasani.

"There are a lot of new startups (being) listed. Their profitability is poor so far while net worth is bulky due to a series of fund raises," he said.

The broader sectoral data shows some improvement in ventures like manufacturing, which saw profit after tax relative to capital employed rise to double-digit territory of 13.74 per cent in September. Non-financial services also showed an improvement. Electricity dipped. Mining as well as construction and realty also saw a decline (chart 2).

Higher-return ratios can have implications for foreign-portfolio investment.

Foreign investors often look to invest in countries where companies are able to

generate higher returns relative to equity capital invested by shareholders. This return on equity (RoE) is higher in India than in many other emerging markets (EMs), noted an October 2025 Motilal Oswal Financial Services India Strategy report authored by research analysts including Deven Mistry, Gautam Duggad, Aanshul Agarawal, and Abhishek Saraf.

"While geopolitical risks remain a key concern in the near term, India's improving corporate earnings outlook, sustained domestic inflows, superior RoEs among EM peers (at over 15 per cent), and the historically underweight positioning of foreign investors (since 2009) suggest a higher likelihood of upside from current levels," it said.

Foreign portfolio investors (FPIs) have been net sellers by ₹ 45,054.65 crore in 2025-26 (FY26), after having sold over ₹ 1.2 trillion in FY25.

"Moreover, India's rising dominance within EM is expected to continue, supported by its diversified investment opportunities and deepening market, making it increasingly difficult for global investors to ignore for long," added the Motilal Oswal report.