FINANCIAL EXPRESS, ND 20-03-2025

Cutting tariffs on imports from US will hurt us: Medical device makers

MANU KAUSHIK
New Delhi, March 19

VOICING CONCERNS OVER the likely reduction in tariffs on the medical devices being imported from the US, domestic manufacturers have said such a move will give "undue advantage" to foreign players and requested the government to have a rethink on the matter.

The Association of Indian Medical Device Industry (AiMeD) made the request after the ministry of commerce asked the export promotion council to find ways to provide better market access to US device makers.

"India is one of the few countries with relatively low tariffs on medical imports, leading to over 70% import dependence. A further reduction in tariffs would be far more damaging for the domestic industry," a leading medical device maker said on condition of anonymity.

Rajiv Nath, forum coordinator, AiMeD, said that India currently imposes basic customs duties (BCDs) ranging from 0% to 7.5% on medical devices imported from countries like the US. "Medical devices like mass spectrometers, gas analysis apparatus and many other analytical and diagnostic equipment are at 0% duty and the US has the largest market share already from overseas suppliers, and in many medical devices, (its share is) more than domestic manufacturers," he said.

AiMeD has called for a more balanced approach, urging the government to consider not just the tariff rates but also non-tariff barriers (NTBs). Experts said that Indian companies pay huge NTBs in the forms of exorbitant US FDA registration fees and the requirement for costly clinical trials. "These costs are a significant deterrent for Indian manufacturers seeking to enter the US market, where approval can take years and cost millions," Nath said.

For instance, the regulatory fees for Indian companies to sell devices in the US ranges from $6,000 to $540,000 per device, with the duration of registration lasting 1-30 months. In comparison, the regulatory fees for US entities to sell medical devices in India ranges from $50 to $3,000, with a duration of just 3-6 months. "If the US wants to slap reciprocal tariffs, it should also take into account these NTBs being imposed on Indian exporters in the US," said an industry expert.

"We proposed that in the spirit of reciprocity, India should seek a fair trade arrangement that includes uniformity in tariff and non-tariff measures like regulatory costs between the US and India," Nath said.

HT MINT, NEW DELHI 20 MARCH 2025

Small drug firms under watchdog's quality lens

Priyanka Sharma
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NEW DELHI

India's standards watchdog for drug manufacturing will start random checks of small drugmakers' plants by the end of this year, according to two officials aware of the matter who spoke on the condition of anonymity.

The Central Drugs Standard Control Organization (CDSCO), headed by the Drugs Controller General of India (DCGI), will do the checks to review the compliance status of MSME drug firms' good manufacturing practices (GMP), the people added.

"Right now, DCGI is still getting applications as the deadline is open," the first official said. "Only after the deadline will the government conduct random checks at these MSME drugmakers to verify whether they are meeting GMP requirements or not. Strict actions including notices and cancellation of licence will be taken against the manufacturers found non-compliant."

"This exercise would be done at the end of this year, but how this plan would be

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Small drug firms under watchdog's lens

FROM PAGE 1

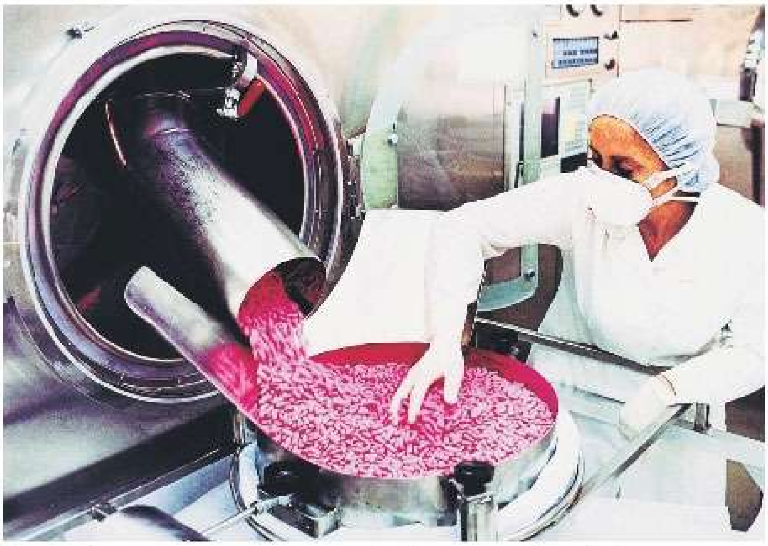
executed is yet to be designed," the second official cited above said. "State governments may be roped in."

Notably, this January, the Centre extended the deadline to 31 December 2025 for micro, small and medium enterprises (MSMEs) to upgrade their facilities, with the previous deadline ending on 31 December 2024.

The action is meant to prevent criticism of the quality of drugs produced in India and to prevent any non-tariff barriers to Indian drug exports. Entities found non-compliant will face strict action, including closure of their factories.

The first official added that MSME drug firms that want an extension to upgrade their plants have to do a gap analysis in areas like lab equipment, utilities, technical staff, HVAC (heating, ventilation, and air conditioning) systems. "The companies will also have to justify why they need extension," this person said.

Industry sources said that less than 10 MSME drug firms have filed applications before the DCGI seeking extension in the timeline to upgrade their plants.



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According to government estimates, only 2,000 pharmaceutical manufacturing units in India have the GMP certification, mostly comprising large companies (with revenue more than ₹250 crore), and with a sprinkling of MSMEs.

The remaining drug makers, which add up to 8,500 MSMEs, are yet to upgrade their plants to standards set by the WHO (World Health Organization). To be sure, the MSME drug manufacturing units comprise more than 80% of the market by volume in India.

Queries sent to the Union health ministry spokesperson remained unanswered.

Right now, MSME drug firms, which have annual turnover of ₹250 crore or less, are under the radar of the government to comply with the GMP rules.

Harish Jain, president of the Federation of Pharmaceutical Entrepreneurs (FOPE), an association of MSME drug firms, said, "At FOPE, we are motivating our member companies to upgrade their facilities, which is the opportunity to upgrade our business. We are educating them on how to file the application. With our efforts, we got the extension for one year and on 16 March, we organized a workshop with the drug companies to motivate them to register for GMP compliance."

Good manufacturing practices or GMP are being implemented in the country to bring quality into products by way of control on materials, methods, machines, processes, personnel and facility or environment. In 2023, the government notified revised Schedule M of the Drugs and Cosmetics Rules, 1945, which prescribes GMP standards for drug firms.

In the first phase, drugmakers with an annual turnover of ₹250 crore and above were to compulsorily follow GMP within six months from the date of notification, while the smaller firms were given a year to comply.

India is the world's largest supplier of generic medicines. Its drug-making hubs include Himachal Pradesh, Madhya Pradesh, Hyderabad, Maharashtra and Gujarat, which fall under the regulatory purview of both the state and the central drug licensing authorities.

TIMES OF INDIA, HYDERABAD 20 MARCH 2025

T's aerospace & defence sector flies past pharma in merchandise exports

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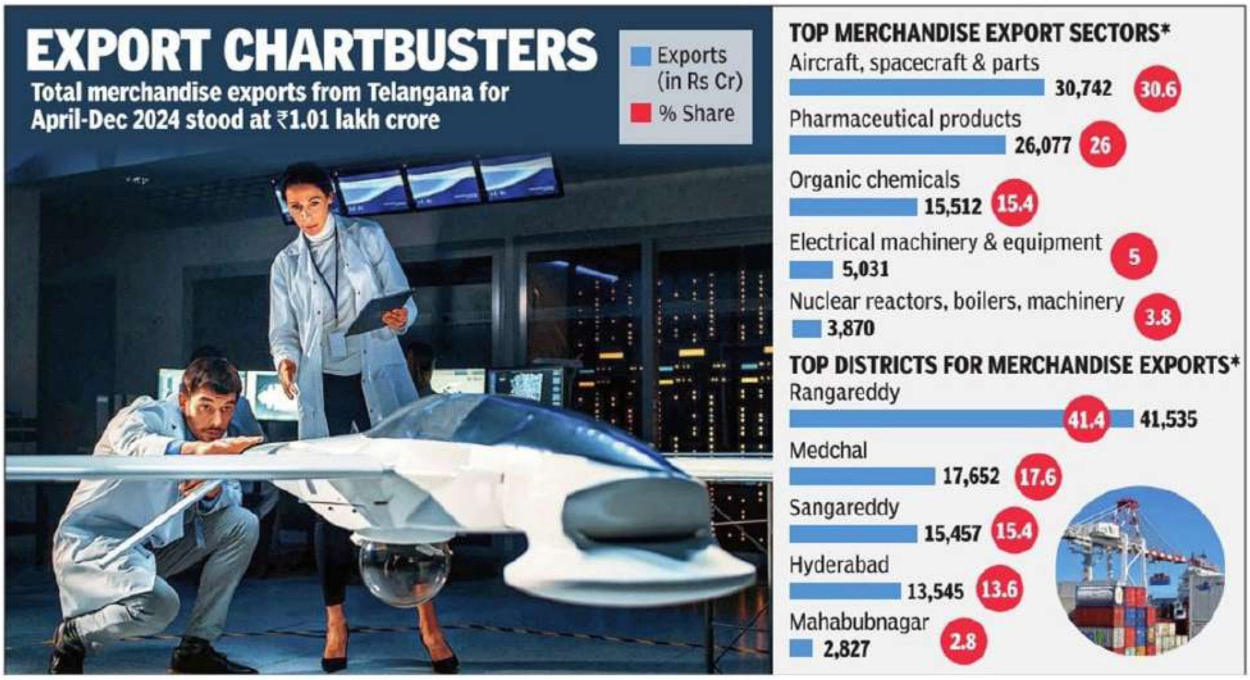


Hyderabad: Telangana's pharmaceutical sector, the traditional topper of the state's merchandise exports basket, is all set to be dislodged by a new kid on the block – the aerospace & defence sector.

For the first time ever, the aerospace & defence sector has flown past Telangana's pharmaceutical sector going by the merchandise exports estimates for the April to December 2024 period of financial year 2024-25 (FY25), according to the Telangana Socio Economic Outlook 2025.

Aerospace & defence lead exports with 31% share

Of total estimated merchandise exports of ₹1,00,268 crore from Telangana in the April to December 2024 period, aircraft, spacecraft & parts exports accounted for a lion's share at nearly 31% with ₹30,742 crore, ahead of pharmaceutical products at ₹26,077 crore with 26% share.

This was nearly double the merchandise exports the sector clocked in FY24 at ₹15,907 crore, contributing 14% to the total merchandise exports of ₹1,16,182 crore from Telangana.

In FY24, pharmaceutical products topped the charts at ₹36,893 crore with a 32% share of the state's merchandise exports, followed by organic chemicals at 20% (₹23,357 crore) and aircraft, spacecraft, and parts in third place. In FY24, Telangana registered merchandise exports of ₹1,16,182 crore, accounting for a 3.21% share of India's total merchandise exports of ₹36,19,292 crore.

From April to Dec 2024, total merchandise exports (estimates) stood at ₹1,00,268 crore. Out of 33 districts, only five districts (Rangareddy, Medchal-Malkajgiri, Sangareddy, Hyderabad, and Mahabubnagar), accounted for over 90.78% of merchandise exports from the state. Other major contributing districts include Yadadri Bhuvanagiri (2.04%), Medak (1.38%), and Nalgonda (1.07%).

Rangareddy not only continues to lead but has also increased its overall contribution to nearly 41.5% at ₹41,535 crore in the first nine months of 2024, up from 29% (₹34,249 crore) in FY24, followed by Medchal-Malkajgiri at 17.6% (₹17,652 crore), which continues to hold the second position but with a lower contribution compared to 22% (Rs 25,444 crore) in FY24.

While Sangareddy and Hyderabad have retained their third and fourth positions with 15.4% at ₹15,457 crore and 13.5% at ₹13,545 crore, respectively, they have both seen a reduction in their contribution from 19% (₹21,939 crore) and 17% (₹19,435 crore) in FY24. On the other hand, Nalgonda, which was the fifth top merchandise exporting district in FY24 with ₹2,961 crore (3%), has been edged out by Mahabubnagar with ₹2,827 crore (2.8%) of total merchandise exports from Telangana.

Patanjali scientists' research on Renogrit among top 100 papers of 2024 in Scientific Reports

STATESMAN NEWS SERVICE
NEW DELHI, 18 MARCH

Inspired by the vision of Yoga guru Baba Ramdev and driven by evidence-based Ayurvedic research, scientists at Patanjali have achieved a significant milestone as their research paper on the herbal formulation Renogrit has been recognised among the top 100 research papers of 2024 in the prestigious *Scientific Reports* journal, part of the globally renowned Nature Portfolio publication.

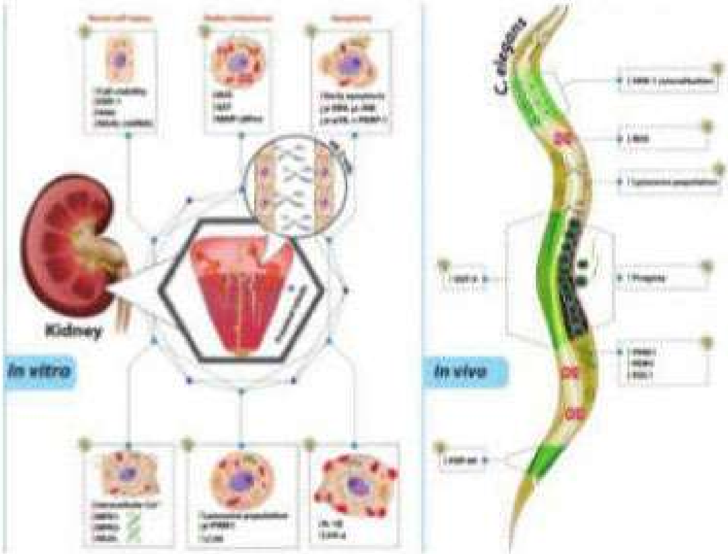
With an Impact Factor of 3.8, *Scientific Reports* ranks as the fifth most-cited journal worldwide. The study on Renogrit has already been downloaded 2,568 times, highlighting the increasing global interest in Ayurvedic medicines as not only effective therapeutic solutions but also as a subject of scientific exploration.

The research underscores how a simple herbal formulation can combat severe diseases without adverse side effects, reinforcing Ayurveda's scientific credibility on an international scale.

Patanjali's Ayurvedic formulation, Renogrit, has demonstrated its potential not only in repairing kidney damage caused by the allopathic anti-cancer drug, cisplatin but also in alleviating oxidative stress on kidney cells.

On this occasion, Acharya Balkrishna, who was also part of the research team, stated that the success of Renogrit is a significant step in establishing the scientific credibility of Ayurveda on a global scale. It demonstrates that when ancient wisdom is tested on modern scientific parameters, it yields groundbreaking results.

Patanjali's Ayurvedic formulation, Renogrit, has demonstrated remarkable potential in mitigating kidney damage caused by cisplatin, a widely used anti-cancer drug.



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The study revealed that Renogrit not only repairs cisplatin-induced nephrotoxicity but also alleviates oxidative stress on kidney cells. This groundbreaking discovery paves the way for integrating Ayurvedic medicine with modern therapeutic approaches to enhance patient outcomes.

Conducted by a team of scientists including Acharya Balkrishna, Vivek Gohel, Nishit Pathak, Monali Joshi, Rani Singh, Ankita Kumari, Rishabh Dev, and Anurag Varshney, the research focused on the pharmacological effects of Renogrit on cisplatin-induced nephrotoxicity.

The study utilized human renal proximal tubular (HK-2) cells and the Caenorhabditis elegans model to examine the protective effects of the herbal formulation.

Renogrit was effective in regulating renal injury markers such as KIM1, NAG levels, and NGAL mRNA expression.

The formulation helped in reducing oxidative stress by controlling reactive oxygen species (ROS) generation and GST levels.

It improved mitochondrial function by stabilizing mitochondrial membrane potential and regulating SKN1 and HSP60 expression.

Renogrit modulated key cell death pathways, including apoptosis, necroptosis, mitophagy, and inflammation.

Importantly, while protecting kidney cells, Renogrit did not interfere with the anti-cancer effects of cisplatin on cancer cells, making it a viable candidate for adjunctive therapy.

THE ECONOMIC TIMES, MUMBAI,20 MARCH 2025

SHORT-TERM HEADWINDS Delay in drug approvals and patent expiry of its product early next year weigh on pharma co's margins

Capacity Push and New Drugs Critical for Aurobindo's Health

Snehal Mergu

Practising Care

(Fig in ₹crore)

	Dec 2024	Dec 2023	YoY Chg (%)
Revenue from Operations	7,978.5	7,351.8	8.5
Total Income	8,135.8	7,514.3	8.3
EBITDA (before forex and other income)	1,628.0	1,601.0	1.6
EBITDA Margin (%)	20.4	21.8	-138 bps
Net Profit	845.6	940.0	10.0

EBITDA: Earnings before interest, tax, depreciation & amortisation

Bps: Basis points (100 bps = One percentage point)

Sources: **Company data, ETIG**

ET Intelligence Group: The stock of Aurobindo Pharma has lost 13% in 2025 so far, underperforming the 10% drop in the BSE Healthcare index. The lacklustre performance can be attributed to short-term challenges including slow US approvals and patent expiry of Revlimid in January 2026, which may put pressure on margins. The company is expanding product lines to offset the impact aided by capacity addition in China and the US.

A delay in drug approvals in the US market remains a concern for Aurobindo. The company stated that eight ANDAs (abbreviated new drug application) received final approval in the December 2024 quarter while 56 were still pending. According to YES Securities, the revenue contribution of the new approvals will likely be weak in the March quarter.

Further, Aurobindo's gRevlimid (generic Revlimid) patent expires in January 2026. The firm expects the March and June quarters in 2025 to see peak sales before the patent expiry. During the later quarters, margins are expected to take a hit due to pricing pressure amid higher competition. The company is banking on penicillin G (Pen-G) profitability, recovery in injectables, biosimilars product line, and complex generics to offset the anticipated revenue drop from gRevlimid.

"The company has invested around $300 million in the new Pen-G facility at Kakinada, Andhra Pradesh. With a capacity of 15 kilo tonnes of Pen-G annually, the facility could meet up to 80% of the country's requirement for Pen-G and derivatives," noted Elara Securities in a report. The company anticipates break-even for the facility by March 2025 and full profitability by FY27.

In addition, Aurobindo is investing in respiratory and biosimilar drugs — two respiratory products have been filed in the US along with a respiratory product under development in partnership with a global player. Biosimilars including Filgrastim and Bevacizumab will be launched in Europe by July 2025.

Aurobindo's China plant, with an annual two billion units of oral solid dosage (OSD) capacity, began operations in November 2024. The plant is expected to contribute to revenue in FY26. The company's US expansion includes Dayton oral solids plant, expected to be commercialised in FY26.

Aurobindo reported its highest-ever quarterly revenue of ₹7,979 crore in the December 2024 quarter, marking an 8.5% year-on-year increase. International sales contributed about 90% to total revenue, with the US accounting for 46%. The operating margin before depreciation and amortisation (Ebitda margin) shrank by 138 basis points to 20.4% amid higher cost overheads. Net profit declined 10% year-on-year to ₹846 crore due to foreign exchange losses.

Elara Securities maintains a 'buy' rating on the stock, setting a target price of ₹1,568 a 35% upside from the current level of around ₹1,160.

TIMES OF INDIA, HYDERABAD 20 MARCH 2025

Decentralising industrial growth by 2050

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Hyderabad: With an intention to decentralise industrial development in the state and not confine it to only Hyderabad and surrounding areas, the govt said a mega master plan for 2050 was proposed. It also mentioned that greenfield cluster development would be taken up in the erstwhile Rangareddy and Mahabubnagar districts.

As part of this initiative, the govt is establishing sector-specific industrial clusters across Telangana in key industries such as information technology, pharmaceuticals, healthcare, food processing, sports, automobiles, garments, metalware, handlooms, and jewellery manufacturing, among others. These clusters will drive economic expansion, job creation, and infrastructure development throughout the state.

"To strengthen Telangana's position as a global pharmaceutical and life sciences hub, the govt plans to establish Greenfield Pharma Clusters in the Rangareddy and Mahabubnagar districts. These clusters will be equipped with world-class infrastructure, providing essential support for pharmaceutical, biotech, and life sciences companies to scale up their operations. The Pharma City will serve as a dedicated hub for the production of antibiotics, synthetic drugs, vaccines, nutraceuticals, herbal medicines, and cosmetics-related products," the govt said.

The state govt is planning to develop greenfield clusters at Lagacherla and Hakimpet areas in Vikarabad district.

Image: AI

FOSTERING EQUITABLE GROWTH ACROSS TELANGANA

₹3,527 **crore** has been allocated for industries

5% of plots in new industrial parks to go to women entrepreneurs, **15% to SC/STs**

- Hyd-Warangal Industrial Corridor to come up along NH-163

50% of land cost subsidy for SC/ST entrepreneurs

Apart from this, the govt said it would allocate 5% of plots in new industrial parks to women entrepreneurs and 15% to SC/ST entrepreneurs. Additionally, SC/ST entrepreneurs will receive a land cost subsidy of up to 50%, subject to a maximum limit of ₹50 lakh, to encourage their participation in the industrial sector.

To further support private factory complexes, the govt is offering stamp duty reductions, electricity tariff concessions, and land cost subsidies. To help industries overcome financial challenges, a Capital Investment Subsidy Scheme was introduced, ensuring greater access to funding and fostering sustainable industrial development.

PIONEER NEW DELHI,20 MARCH 2025

Weathering the storm of US trade winds

The global economy is at a crossroads as the US introduces a disruptive reciprocal tariff model, challenging the foundation of global trade. This shift threatens developing nations, including India, by undermining WTO principles

The world is facing an uncertain and challenging time. The reciprocal tariff model introduced by the new Trump administration's economic policies has disrupted the seamless flow of global trade and commerce. This poses a significant economic challenge for developing nations, as it undermines the World Trade Organization (WTO) model, which upholds the principle of higher tariffs imposed by developing nations on imports from developed nations to protect their domestic industries.

The immediate consequences include the crippling of these industries, creating an unequal playing field. Rising unemployment and a slowdown in export-driven growth appear inevitable. India is not immune to this trade war, where global cooperation is being overshadowed by forced trade negotiations favoring the stronger party. A new world order is taking shape, and India must navigate this landscape not cautiously, but courageously.

Between April 2024 and November 2024, India, the second-largest trading partner of the US, exported goods worth USD 52.89 Billion while importing USD 29.63 Billion, resulting in a trade surplus of USD 23.26 Billion in India's favor. This trade imbalance is at the heart of the issue. India's key exports include diamonds, medical appliances and accessories, jewelry, agricultural products, refined petroleum, rice, textiles and apparel, automotive components, chemicals and petrochemicals, and machinery. Meanwhile, India's imports from the US primarily consist of mineral fuels and oils, pearls, precious and semi-precious stones, nuclear reactors, boilers, machinery, electrical equipment, crude petroleum, petroleum products, electronic components, and gold.

A closer look at these product categories reveals that India has room to further expand its market share in these sectors by enhancing cost efficiencies and quality standards. In contrast, the US has limited options for increasing its exports to India, apart from pushing crude oil and defense products-both heavily supported by the US government. This is due to the cost and consumption limitations of US goods in the Indian market. Consequently, the US, in its bid to reduce the trade deficit, will likely attempt to penetrate new segments currently dominated by Indian domestic industries, such as automobiles.

This is not just a trade negotiation, it is a full-fledged trade war aimed at capturing market share with little regard for global cooperation or diplomatic considerations. The reciprocal tariff strategy is a veiled attempt to lower tariffs and open new markets for the US. The true agenda is now apparent.

The concept of reciprocal tariffs, introduced under the Trump administration's "Fair and Reciprocal Plan," seeks to impose high import duties on trade partners in an effort to reduce trade deficits. The administration argues that exporting countries impose high tariffs on US products. However, this is not a product-to-product reciprocity but a nation-to-nation policy. The term "reciprocal" itself is misleading, as there is no defined framework governing its application. Instead, it grants the US government the flexibility to impose tariffs arbitrarily, leaving exporting countries guessing about their potential impact and forcing them to react after the tariffs are already in place. In a world marked by unequal wealth distribution, economic development, and technological progress, these tariffs are more punitive than reciprocal, disproportionately harming developing nations.

In international trade, the true meaning of reciprocal tariffs, as governed by the WTO, differs significantly from what the US administration is advocating. Under Article 22.4 of the WTO's Dispute Settlement Understanding, reciprocity serves as the basis for tariff retaliation when a country fails to comply with a WTO ruling. Additionally, Article XXVIII of the General Agreement on Tariffs and Trade (GATT) establishes legal guidelines for recalibrating trade agreements and calculating compensation. What the US is currently promoting deviates from these principles.

As global trade policies continue to be shaped by dominant economies, the US's reciprocal tariff strategy is expected to cause significant disruptions until countermeasures emerge to stabilise the situation. However, the key question remains: Will this retaliatory tariff policy achieve its intended goal for the US?

MRIGANKA M BHOWMICK

The likelihood is low. A closer analysis reveals that the US trade-to-GDP ratio stands at just 26.9 per cent, compared to 38.4 per cent for China, 46.8 per cent for Japan, and 50 per cent for India. Moreover, US import intensity is nearly three times higher than its export intensity. The real issue behind the US trade deficit is not high foreign tariffs but the poor performance of US merchandise trade, which accounts for only 8.3 per cent of global exports. In contrast, the US enjoys a USD 200 Billion trade surplus in the services sector, making it the global leader in both imports and exports of services. The primary constraints on US merchandise exports stem from supply-side limitations and a failure to achieve economies of scale, not unfair tariff structures. Given the strong global demand for US service exports, why should the US merchandise trade struggle to compete?

With a population of 1.4 Billion, India must support its citizens through various welfare programs funded by budgetary allocations. These expenditures rely heavily on trade and commerce, with export-driven industries playing a crucial role. India's ability to produce low-cost goods sustains its economy and provides employment to millions. Protecting these industries is imperative.

Allowing an influx of US products into new market segments could disrupt domestic industries in the short term and erode supply chains in the long run if US manufacturers fail to achieve economies of scale in affordable segments. While India can afford to reduce its diamond exports to the US, it cannot risk destabilising its domestic industries.

It is time for India to adhere strictly to WTO guidelines and advocate for a globally accepted trade policy to counter coercive trade deficit measures. A production-linked incentive (PLI) scheme to boost domestic industries, along with stronger ties with alternative trading partners, can help mitigate the impact of reciprocal tariffs. India must remain vigilant-this phase is temporary, but its long-term economic stability depends on strategic resilience.

(The writer is an investment banker. Views expressed are personal)

FINANCIAL EXPRESS, ND 20-03-2025

India for staggered free trade pacts for faster outcomes

Businesses lose interest when FTA talks drag on: Official

MUKESH JAGOTA
New Delhi, March 19

INDIA HAS SUGGESTED that talks for free trade agreements (FTAs) should initially focus on core trade issues and that the comprehensive agreements can be concluded in phases, commerce secretary Sunil Barthwal said on Wednesday. This will deliver results faster, he said at the 10th CII India-Latin America and Caribbean Conclave.

The commerce secretary said India has put forward the suggestion to some of its FTA partners. "Even if it is the first phase of that comprehensive agreement, some kind of outcome should come out of these negotiations," he said.

India has followed this approach with Australia and both sides promptly concluded an Economic Cooperation and Trade Agreement (ECTA). Now negotiations are on between the two sides to convert it into a broader one and sign the Comprehensive Economic Cooperation Agreement (CECA).

At times, FTAs are delayed such that businesses lose interest. "We are taking this approach that let us first focus on the core trade issues like tariffs, non-tariff barriers, sanitary and phytosanitary measures and some of the regulatory hurdles." Barthwal said.

He has proposed this approach to the countries in Latin America and Caribbean (LAC) that are negotiating FTAs with India and mentioned the multi-sector approach which is being taken in the bilateral trade agreement (BTA) with the US. "I think that is going to be a great way forward by which we will be able to achieve many things, and the businesses will be able to see that the outcomes are very, very fast."

The LAC includes 33 countries such as Brazil, Argentina, Mexico, and Venezuela. India and LAC have set a target of $100-billion bilateral trade in the next few years from $50 billion at present. LAC countries export $1.8 trillion worth of goods and services while their imports are around $1.8 trillion. Among the sectors listed for collaboration are automobiles, medical devices and pharmaceuticals.

Barthwal observed that the countries will need to cut down protectionism to increase trade. "You cannot grow your GDP, unless and until trade also grows.... We are embarking upon our trade promotion mission, which would be a kind of umbrella, a kind of scheme, where we look at how to take our trade further. So trade is going to be an engine of growth, not only for that region, but also for India, and that is the path which we will be taking forward," the secretary said. India has so far signed 14 FTAs and six preferential trade agreements. It is negotiating big ones with the European Union, the UK, the US, New Zealand, and the Eurasian Economic Union (EEU).

Sunil Barthwal, commerce secretary

BUSINESS LINE ,MUMBAI,20 MARCH 2025

India not able to strategise on Trump's reciprocal tariffs due to lack of details

Amiti Sen
New Delhi

India is at a loss to formulate a strategy around the threatened imposition of reciprocal tariffs on imports by the US from April 2 as the Donald Trump regime has not yet clarified whether it is going to be a country specific tariff applicable on all products or the rate of tariffs would differ according to the product category, sources have said.

"If the US is seeking to apply one standard tariff for the country as a whole, one has to see its implication for different products. If different tariffs are to be applied on different products, then the impact would be different. Different products will have varied capacities to withstand specific tariff levels. Without knowing what the US has in mind one can't make that assessment," a source tracking the matter told *businessline*.

The White House clarified on Tuesday that the Trump administration still intended to impose reciprocal tariffs on other countries on April 2

TARIFF SCOPE

The White House clarified on Tuesday that the Trump administration still intended to impose reciprocal tariffs on other countries on April 2 following Treasury Secretary Scott Bessent's comments on calculation of tariffs which gave an impression that affected countries could get a breather and negotiate before the levies are imposed. "The intent is to enact tariffs on April 2...Unless the tariff and non-tariff barriers are equalised, or the US has higher tariffs, the tariffs will go into effect," a White House official said.

Sectors that could take a relatively bigger hit with US reciprocal tariffs include pharmaceuticals, gems & jewellery, speciality chemicals, auto parts and agriculture. Exports from these sectors to the US are substantial and growing and there is scope for increased tariffs because of the disparity with Washington in applied tariffs.

However, the hit they would take would depend on how US calculates the reciprocal tariffs.

"The sectoral calculations of the expected hit are being done by the commodity divisions and US division based on various tariff scenarios," the source said.

There is also no clarity on whether the US wishes to look at agriculture tariffs and non-agriculture tariffs separately or together while making the reciprocal tariff calculations. Whether the US would use simple average tariffs or trade-weighted average (tariff weighed by value of imported goods) is also something that is not clear, the source pointed out..

US' simple average tariff on imports is 3.3 per cent while India's is over five times higher at 17 per cent, per WTO figures. US' trade weighted average tariff is 2.2 per cent while India's is 12 per cent.

Average applied tariffs on agricultural goods by India is much higher at 39 per cent while the US duties are at 5 per cent.

New Delhi is hopeful that once it commits to bringing down tariffs on certain products for the US under the bilateral trade agreement (BTA) being negotiated, Trump's angst about the tariff disparity and America's trade deficit with India (at about $36 billion annually), would be assuaged.

PRODUCTS IDENTIFIED

Trump and his officials have specifically identified products such as cars, motorcycles, wines & spirits and agricultural items as those attracting very high tariffs in India.

"India's tariffs higher than the US' as it is a developing country with millions of farmers and micro enterprises to protect. But there are some tariffs that protect large businesses. The government must use its discretion while deciding on tariff cuts," a Delhi-based expert said.