



POLICY UPDATE

- Indian government has approved undertaking six laning of 6500 km of National Highways comprising 5700 km of Golden Quadrilateral and balance 800 km of other sections of National Highways under NHDP-V at a cost of approx. \$9 billion. More than 86% of the investment is expected to come from the private sector. The projects are to be taken up on Build Operate and Transfer mode following a Design, Build, Finance and Operate (DBFO) pattern with a maximum of 10% Viability Gap Funding. **More...**
- Indian Railways have initiated construction work of the Dedicated Freight Corridor project to build exclusively reserved railway tracks for freight trains along the Golden Quadrilateral. The foundation stone for the Eastern Corridor linking Ludhiana with Kolkata was laid on September 27, 2006; whereas the foundation stone for Western Corridor linking Mumbai-Delhi has been laid on October 5, 2006. These corridors having a total length of 2800 kms. involving an approximate cost of \$4.8 bln. are expected to be completed by 2012. The entire freight corridor project is estimated to be 9,260 km long involving a cost of approx. \$13.5 billion. **More...**
- Power Purchase Agreements (PPAs) for Sasan and Mundra Ultra Mega Power Projects (UMPP) have been signed between Sasan Power Ltd., & Coastal Gujarat Power Ltd., and authorized representatives on behalf of 22 Distribution Companies of 9 States (Delhi, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and Uttaranchal). Indian Ministry of Power, Central Electricity Authority, and the Power Finance Corporation are working together for development of 7 Ultra Mega Power Projects (UMPPs) of about 4000 MW each through tariff-based competitive bidding. The fund requirement for the proposed 7 projects is estimated at around \$27 billion. **More ...**
- India has launched e-filing of Income Tax returns on October 13, 2006. Taxpayers would now be able to file their returns online at www.incometaxindiaefiling.gov.in. E-filing is mandatory for all corporate taxpayers. For other taxpayers e-filing is optional. The tax returns can be e-filed either using digital signature or without digital signature. If the e-filing is without digital signature, the taxpayer will also have to file a paper return. **More...**
- Telecom Regulatory Authority of India has submitted its recommendations to the Government of India on allocation and pricing of spectrum for Third Generation (3G) systems and Broadband Wireless Access (BWA) services. **More...**
- India is considering setting up a High Level Group in the Planning Commission to look into all aspects influencing the performance of the services sector and suggest policy measures which would need to be taken to sustain its competitiveness in the coming years. This was announced by the Indian Prime Minister Dr. Manmohan Singh while inaugurating Servin XPO 2006 exhibition organised by Federation of Indian Export Organisations at New Delhi on October 5, 2006. **More...**

NEWS HIGHLIGHTS

- Indian economy has grown at a rate of 8.9% in April-June 2006. Manufacturing sector has recorded a growth rate of 11.3%. **More...**
- Index of Industrial production in India recorded a growth rate of 10.65% in April-August 2006. **More...**
- India's exports of business services – comprising accounting, legal and auditing, management

(Continued on next page)

A publication of the Embassy of India, Washington, DC

consultancy, tax consultancy and public relations services – jumped to \$4.55 billion in April-June 2006 recording a phenomenal growth of 139% over the same period last year. **More...**

- Domestic sales of automobiles including cars, two-wheelers and commercial vehicles, in India exceeded 4 million during April-September 2006. **More...**
- BSE Sensex touched all-time high at 12,953 points on October 16, 2006. **More...**

Corporate News

- Delhi International Airport Pvt Ltd (DIAL) has appointed Parsons Brinckerhoff International(PB) as the project management consultant for the modernization program of Delhi airport. **More...**
- US Exim bank has cleared a loan of \$1.3 billion to Air India for purchase of 17 aircrafts and engines. In December 2005 Air India entered into an agreement with Boeing for acquiring 68 aircrafts and the US Exim guaranteed loans up to 85 per cent of the aircraft cost to be amortised over 12 years. **More...**
- The Anil Dhirubhai Ambani Group (ADAG) in association with Citibank has launched its first credit card called Reliance Credit Card in India. **More...**
- Hewlett-Packard (HP) has launched its second manufacturing facility in India at Uttaranchal with an initial capacity of manufacturing 300,000 computers a month. The first plant of HP in India was established at Bangalore in 1989. **More...**
- Wockhardt Limited has acquired Pinewood Laboratories Limited of Ireland in an all cash deal worth \$150 million. **More...**

Visits and Events

- A meeting of the India-US CEOs Forum is taking place on October 25, 2006 at New York. Finance Minister Mr. P. Chidambaram, Commerce Minister Mr. Kamal Nath, and Deputy Chairman of the Planning Commission Mr. Montek Singh Ahluwalia would be participating in the meeting from the Indian government side. Treasury Secretary Mr. Henry Paulson, Commerce Secretary Mr. Carlos Guterrez, and Assistant to the US President for Economic Policy Mr. Allan Hubbard, would participate from the US government side. A number of top notch CEOs from both countries will attend the meeting. CEOs Forum was created under the India-US Economic Dialogue by taking 10 CEOs each from both countries during the visit of Indian Prime Minister to the US in July 2005. CEOs Forum is Co-Chaired by Mr. Ratan Tata, Chairman of Tata Group from Indian side and Mr. William B. Harrison Jr., Chairman & CEO of JP Morgan Chase, on US side. The Forum has submitted its recommendations to strengthen bilateral economic ties to both the governments during the visit of US President to India in March 2006. The meeting of CEOs Forum on October 25, 2006 will be preceded by a Government-to-Government meeting of the India-US Economic Dialogue which covers Knowledge Initiative on Agriculture, Trade Policy Forum, Financial and Economic forum, Energy Dialogue, and other bilateral economic fora.
- The seventh EU-India Summit was held in Helsinki on 13 October 2006. India was represented by Prime Minister Dr Manmohan Singh, Mr Kamal Nath, Minister for Commerce and Industry, Mr Anand Sharma, Minister of State for External Affairs, and Mr. M. K. Narayanan, National Security Adviser. **More ...**



Indian Prime Minister - Dr. Manmohan Singh with the President of the European Union - Mr. Jose Manuel Barroso, the Prime Minister of Finland and Secretary General of the European Union - Mr. Matti Vanhanen, and High Representative for the Common Foreign and Security Policy - Mr. Solana, at India – EU summit in Helsinki, Finland on October 13, 2006. Photo Credit: PIB