

## KEY FACTS

**Official name:** Republic of India (Bharat Ganarajya from Sanskrit)

**Head of State:** President Pranab Kumar Mukherjee (Congress) (from 25 Jul 2012)

**Head of government:** Prime Minister Manmohan Singh (Indian National Congress) (since 2004; re-elected May 2009)

**Ruling party:** United Progressive Alliance; led by the Indian National Congress (Congress) (from 2004; re-elected 16 Apr–13 May 2009)

**Area:** 3,287,590 square km

**Population:** 1.22 billion (2012)\* (1,210,193,422; 2011; census figure)

**Capital:** New Delhi

**Official language:** Hindi and English; 15 other languages are recognised for official use in regional areas.

**Currency:** Rupee (Rs) = 100 paisa

**Exchange rate:** Rs60.36 per US\$ (Jul 2013)

**GDP per capita:** US\$1,492 (2012)\*

**GDP real growth:** 3.99% (2012)\*

**GDP:** US\$1,824.83 billion (2012)\*

**Inflation:** 9.31% (2012)\*

**Oil production:** 894,000 bpd (2012)

**Natural gas production:** 40.20 billion cum (2012)

**Balance of trade:** -US\$116.41 billion (2011)

**Annual FDI:** US\$32.19 billion (2011)

\* estimated figure

# India



**A**s India's economic tide reached an uncomfortable low in 2013, it began to reveal just how fragile the apparent change in India's economic fortunes actually was. Attention began to focus not just on the state of the economy, but also on the peculiarly arcane nature of its politics. One report noted that the current parliament has actually sat for fewer hours than any of its predecessors. This, combined with a general lack of interest in forcing the pace of change, meant that parliament has passed fewer laws than any of its predecessors. The overwhelming predominance of the Gandhi family in the

ruling Congress Party was held responsible by many for Parliament's failure to get to grips with India's economic and social problems. 'Geriatric' is a word that is often used to describe India's members of parliament – with some justification. The President, Pranab Mukherjee is 77 and Prime Minister Manmohan, a sprightly 80, vies for the title of the world's oldest (active) leader. Now, the urban voters are largely disenchanted with the Congress due to the corruption and mis-governance being highlighted in the media. India may be a mature democracy, but at the same time its electorate is very young, a

demographic not picked up by either of the major political parties: neither the ruling Congress Party, nor the principal opposition party, the Bharatiya Janata Party (BJP). The BJP's leader at the time of the 2009 election was 82 year old Krishna Advani, something which did it little good electorally – it lost the election by a long chalk. The ageing Mr Advani has since been replaced as the BJP's leader, at its 2013 party conference. Another Hindu Nationalist, Narendra Modi, the chief minister of Gujarat, who is 'only' 62 will lead the BJP into the 2014 elections.

Another serious weakness of the Indian body politic has been the increasing level of corruption that pervades Indian society. India ranked 94 (out of the 174 countries surveyed) on the Transparency International 2012 *Corruption Perceptions Index*, alongside Mongolia, Greece and Moldova – hardly the position expected of a mature parliamentary democracy. Former Indian minister and senior Congress party member of parliament (MP) Rasheed Masood was sent to jail for four years in September 2013 in a corruption case involving admissions to medical colleges. Mr Masood, a member of Rajya Sabha, India's upper house of parliament, was found guilty of 'fraudulently nominating undeserving candidates to seats in medical colleges'. Under recent Indian legislation, any member receiving a criminal sentence of more than two years faces automatic disqualification from parliament. Efforts have been made to reverse the new law, but these looked doomed when Rahul Gandhi, senior leader of the ruling Congress Party, described moves by his government to protect convicted MPs as 'complete nonsense'. Mr Masood was not the first Indian minister or ex-minister to be convicted on corruption charges. In mid-2013 former minister and MP Laloo Prasad Yadav was sent to jail after he was found guilty in a 1996 case that came to be known as the 'fodder scam'. Mr Yadav was charged with embezzling state funds intended for cattle fodder while he was chief minister of Bihar state.

### The Maoist threat

Although virtually absent from the world's press, one worrying development for the Indian government in 2012 and 2013 was the 'Red Corridor' stretching from Nepal across Bengal, almost down to Andhra Pradesh, half way down the east coast, within which Maoist attacks on government buildings have become increasingly frequent. The Maoists groups have managed to form a corridor that originally gave them easy movement and safe

passage through three Indian states – Chhattisgarh, Odisha and Jharkhand. The term Red Corridor has become accepted for a narrow and contiguous strip of land running through the insurgent affected region that includes not only these three states but also parts of Andhra Pradesh, Bihar, West Bengal and Maharashtra.

In May 2013, however, India witnessed a frightening escalation of the problem when 28 Congress Party politicians were murdered by Maoist insurgents in the province of Chhattisgarh, where India's native population the Adivasis (the insurgents are often known as naxalites), predominate. The fact that Chhattisgarh is governed by the BJP inevitably led to accusations of security negligence. But the generally held view was that poverty and lack of social development – health, education and security – make the Maoist propaganda seem increasingly, inevitably, attractive. According to the London *Economist*, quoting a Human Rights Watch (HRW) report, the Maoist harassment of government officials, academics and local journalists is rising, as at the same time modest government efforts to improve local conditions are thwarted by the insurgents. According to the *Economist*, '106 of India's 629 districts are affected in one way or another.'

### Pakistan

If its home brewed tensions were simmering here and there, in the sphere of

international relations India did at least have one cause for some reduction of tensions in the international sphere. One of the first actions of the newly elected (for the third time, in May 2013) Pakistani Prime Minister Nawaz Sharif was to telephone his Indian counterpart Manmohan Singh and invite him to his inauguration. Mr Singh, who had been one of the first world leaders to congratulate Mr Sharif after his election, responded immediately with an invitation to Mr Sharif to visit India. Pakistan's election result opened new possibilities for some sort of a 'normalisation' of the tense relationship between the two countries. Mr Sharif had long been thought to be in favour of easing tension, but much of the momentum had been lost by the military coup of General Pervez Musharraf in 1999. Mr Musharraf served as the tenth President of Pakistan from 2001 until 2008. In a press conference for Indian journalists in Lahore (Pakistan) Mr Sharif told them that 'there is fear on your side, there is fear on our side,' something which needs to be addressed 'seriously'. For his part, Mr Singh said that he wished to open a 'new page' in relations between the countries and that the 'supremacy of civilian rule over its military was essential' for Pakistan, a phrase which was well received in India. Mr Sharif added that he had 'never had any problem with Pakistan's military, only with Musharraf.'

KEY INDICATORS						India
	Unit	2008	2009	2010	2011	2012
Population	m	1,158.00	1,174.00	1,190.52	1,210.19	*1,223.17
Gross domestic product (GDP)	US\$bn	1,206.70	1,236.00	1,538.00	1,676.10	*1,824.83
GDP per capita	US\$	1,021	1,031	1,265	1,389	*1,492
GDP real growth	%	6.2	6.8	10.8	7.1	*4.0
Inflation	%	8.3	10.9	13.2	8.6	*9.3
Industrial output	% change	3.9	8.0	7.9	–	–
Agricultural output	% change	1.6	0.4	6.6	–	–
Oil output	'000 bpd	766.0	754.0	826.0	858.0	894.0
Natural gas output	bn cum	30.6	39.3	50.9	46.1	40.2
Coal output	mtoe	194.3	211.5	216.1	222.4	228.8
Exports (fob) (goods)	US\$m	187,912.0	168,219.0	225,502.0	299,387.0	–
Imports (fob) (goods)	US\$m	283,720.0	247,883.0	323,435.0	415,799.8	–
Balance of trade	US\$m	-95,808.0	-79,665.0	-97,934.0	-116,412.8	–
Current account	US\$m	-36,088.0	-25,885.0	-48,977.0	-60,038.0	*-93,304.0
Total reserves minus gold	US\$m	247,419.0	265,182.0	275,277.0	285,009.1	*270,587.0
Foreign exchange	US\$m	246,603.0	258,583.0	267,814.0	276,873.8	*261,656.0
Exchange rate	per US\$	43.50	48.40	45.73	44.91	*54.19
* estimated figure						

### Tax collection? What tax?

No more than three per cent – that's to say some 35 million – of Indians pay any income tax at all, one of the lowest proportions in the world. In better economic times, this was not treated as a serious problem. But times change and in 2013 India things were not what they used to be. As the budget deficit approaches five per cent, the Indian government has, belatedly, begun to take steps to recover unpaid taxes. This doesn't affect the one third of Indians who are simply too poor to pay tax. Nor do those working in the agricultural sector pay any tax; but none the less, inefficient tax collection means that as much as 70 per cent of the taxes that are due go uncollected. India's higher tax band only applies to 40,000 people, out of a 2012 population of 1.24 billion. On top of this, a large section of the Indian economy works on an informal, cash – unaccountable – basis; for many Indians the idea of paying tax is simply anathema; they do not consider paying tax to be worthwhile. Infrastructure is inadequate, social services often dysfunctional. The Indian government has failed to win hearts and minds: Indians know perfectly well where tax is expected to come from, but cannot see where it is due to spent. The irony of the situation is that if India's vast civil service bureaucracy moves at a snail's pace when it comes to collecting tax, the same bureaucracy is quick to confront Indian companies wishing to develop their business with endless form-filling and delays. Regionalism and bureaucracy are often cited by the Indian business community as its reason for investing abroad.

According to the Asian Development Bank (ADB) in its 2013 *Asian Development Outlook*, India's economic growth in the 2012 fiscal year, which ended on 31 March 2013, decelerated to 5 per cent, its lowest rate in a decade, from 6.2 per cent in 2011. One tell-tale indicator was the fall in vehicle-sales, which were 13 per cent lower in May 2013 than a year earlier. While sluggish industrial growth and a lower rate of investment continued from 2011, the downturn was exacerbated by a slump in the services sector, weakening consumption and depressing exports. Growth in consumption expenditure halved from the previous years' average to 4.1 per cent as private and public spending both dropped. Subdued economic activity, high inflation, a weak currency and steep interest rates dented consumer confidence. The slowdown in public

consumption reflected the containment of government expenditure in the second half of 2012 to restrain the budget deficit.

The ADB noted that supply bottlenecks such as the lack of fuel for power generation, difficulty in acquiring land and environmental clearances, contentious tax policies and procedural delays continued to stifle investment, causing growth in fixed investment to drop to 2.5 per cent. Industry in 2012 weakened further, affected by a slump in manufacturing and mining. At 1.9 per cent, manufacturing registered one of its weakest expansions in the post-1991 reform (New Economic Policy) era as capital goods production contracted for a second year in a row. Delays over land and environmental clearances continued to hamper mining operations, resulting in a low manufacturing growth rate of only 0.4 per cent despite a low base. Dwindling production of natural gas at a large new field caused by pricing and technical issues and a lack of new discoveries in recent years, drove natural gas production down by 13.3 per cent. (See Energy below). Electricity production also moderated as thermal generation was hampered by inadequate coal supplies and hydro-generation was affected by depleted reservoirs following insufficient rains. Power shortages have raised firms' costs and hampered production. The construction sector, helped by a delayed monsoon and by the resulting long dry spell, expanded by 5.9 per cent. The late onset of the south-west monsoon and its subsequent unfavourable progress cut agricultural growth by half to 1.8 per cent in 2012. Grain production was estimated to be 3.5 per cent lower than in the previous year, reflecting a drop in the production of rice, wheat, pulses and coarse cereals. The services sector, which had largely held out against the slowdown in 2011, decelerated sharply to 6.6 per cent in 2012, its lowest growth rate in more than a decade. This weak performance, in the view of the ADB, reflected the effect of the downturn on incomes, confidence and consumer spending. While wholesale price inflation moderated from the highs seen in previous years, it remained elevated, averaging 7.4 per cent in 2012. Tight monetary policy and a slowing economy brought down inflation in non-food manufactured goods to below 5 per cent as the year progressed. However, food inflation persisted at near double digit rates from the impact of the deficient monsoon on production and a weak farm supply response for high-protein items. Inflation based on consumer prices

continued to trend at a higher level of about 10 per cent, since food prices had a much greater weight in the index. After maintaining a tight monetary stance to contain high inflation and inflation expectations, the Reserve Bank of India (RBI) (central bank) cut interest rates by 100 basis points in 2012 to promote growth with the expectation of a less expansive fiscal policy and steps to remove impediments that had stifled any supply-side response. However, the RBI cautioned against inflation risks emanating from the delayed monsoon, weak currency and sustained wage pressures. Further, since September 2012, the central bank had cut the cash reserve ratio by 75 points to 4 per cent to alleviate liquidity shortfalls in the banking system.

According to the ADB, high interest rates, slackening economic activity and slowing business and consumer demand combined to decelerate credit growth. At the same time, there was a deterioration in the quality of credit. Non-performing and restructured loans were estimated to have increased to 9.5 per cent of total loans and advances in September 2012 up from 5.5 per cent in March 2011. The fall in asset quality increased banks' risk aversion and prompted portfolio switching from credit creation to investments in government securities, facilitated by large market borrowing by the government.

Despite the economic slowdown, the central government budget deficit for 2012 was contained at 5.2 per cent of gross domestic product (GDP), well below the deficit of 5.7 per cent seen in 2011 but marginally above the 5.1 per cent target. However, the quality of the fiscal consolidation was of concern. In a bid to rein in the deficit, capital expenditure was compressed and grew by only 5.8 per cent, against an original target of 29.2 per cent. Thus, even though the overall deficit nearly reached its target, the revenue deficit – the excess in current expenditure over tax and non-tax revenue – exceeded the budgeted target by 0.5 per cent of GDP. This reflected slippage in meeting budgeted objectives for higher tax revenues and lower subsidies.

Despite several increases in diesel prices and a cap on the number of subsidised cooking gas cylinders, petroleum subsidies were more than double the original estimates. Even food and fertiliser subsidies exceeded their budgeted targets as the weaker currency increased import costs and minimum support prices for grains were raised. Consequently, subsidy payments were estimated at 2.5 per cent of

GDP, well above the official target of reducing them to below 2 per cent of GDP. On the revenue side, tepid industrial activity and stagnant imports left corporate tax and customs and excise duty collections short of their targets, though this was partly offset by higher personal income and service tax collections. Moreover, revenue from disinvestment in public sector corporations was lower than planned.

The current account deficit for 2012 was estimated at 5 per cent of GDP, significantly higher than last year's record, driven by a deteriorating trade balance. Despite the weaker currency, merchandise exports contracted by 4 per cent, because of weak global demand, down to US\$297.4 billion. However, imports remained nearly static, declining by only one per cent to US\$494 billion despite the slowdown in growth, largely due to inelastic oil demand and large gold imports. While in previous years the worsening trade deficit was cushioned by improvement in invisibles, 2012 witnessed moderation in the invisibles' surplus, driven by an anaemic expansion in software and business services exports and remittances and higher investment income payments.

Encouraged by announcements of various reform initiatives, portfolio flows picked up in the second half of the year to reach an estimated US\$26 billion in fiscal year 2012. This helped the Indian rupee to strengthen after June 2012, but it nevertheless depreciated in 2012 by 7.5 per cent against the US dollar and the real effective exchange rate fell by about 5 per cent. The increase in portfolio investment helped to lift stock prices, with the Bombay Stock Exchange Sensex up by about 8 per cent for the year. With robust portfolio investment and moderate increases in foreign direct investment (FDI) and commercial borrowing covering the current account deficit, the RBI refrained from intervening much in the foreign exchange market. Foreign exchange reserves remained broadly stable over the year at around US\$295 billion. The slowdown in domestic investment needed to be reversed for any sustained growth to resume. However, data from the Centre for Monitoring the Indian Economy on planned capital expenditure was not encouraging, as it continued to show a downward trend in announced new projects and an increase in the number of shelved projects. The ADB considered that reversing this trend would represent a major challenge.

Recent reforms have included the creation of a Cabinet Committee on Investment to expedite government clearances

for large projects and cabinet clearance of a land acquisition bill. However, in the opinion of the ADB, these were only the first steps towards improving the investment climate and further measures would need to be undertaken for the investment cycle to turn around. These would include tough economic and politically difficult policy decisions related to delays in environmental clearances, parliamentary approval of the land acquisition bill that involves complex issues, improving the availability of fuel sources and infrastructure linking fuel sources with power generating plants and attaining fiscal consolidation without sacrificing capital expenditure.

Various business survey indexes present a mixed picture, indicating the need for further action to restore confidence. The RBI's business expectation index in January deteriorated in comparison with the previous year, though there was some improvement over the previous quarter. Progress on reforms in 2013 was expected to improve business and consumer confidence sufficiently to produce a moderate improvement in investment and consumer spending. An upturn in global trade volume and greater budgeted government spending would further add to total demand. With results demonstrated from planned measures to reduce the budget deficit, especially progress on reducing fuel subsidies, the central bank would further ease monetary policy, which would help to sustain and build demand momentum.

A normal monsoon was expected by the ADB to boost agriculture growth from its depressed base of a year earlier. This would strengthen rural consumer demand and ease price pressures. Industry growth should improve on better domestic and external demand, but unresolved structural issues will continue to constrain investment, mining and power. Services are expected

to see a stronger pickup in activity than industry, though growth will continue to be restrained by the limited demand. However, community services could see an upturn with increased government spending in the run-up to the 2014 election. The ADB forecast GDP growth at close to 6 per cent in 2013. Improved global prospects, some easing of price pressures and forward movement in resolving structural bottlenecks would allow growth to increase to 6.5 per cent in 2014.

## Energy

According to the US government Energy Information Administration (EIA) in 2011, India was the fourth largest energy consumer in the world after the United States, China and Russia. In its *International Energy Outlook 2011*, the EIA projected that India and China between them would account for the biggest share of Asian energy demand growth in the period up to 2035. India's energy policy has largely focussed on securing energy sources to meet the needs of its growing economy. Primary energy consumption more than doubled between 1990 and 2011. At the same time, India's per capita energy consumption remained lower than that of developed countries, according to the International Energy Agency (IEA). However, given that the service sector accounts for more than half of India's output, further economic growth might well remain relatively non-energy intense.

In the view of the EIA the government may not be able to deliver secure supplies to meet demand because of fuel subsidies, increasing import dependency and inconsistent energy sector reform. Some parts of the energy sector, such as coal production, remain relatively closed to private and foreign investment. Despite having large coal reserves and a healthy growth in natural gas production over the past two

## Jolly Canal massacre

The September 2013 massacre by Hindu extremists of an officially estimated 45 Muslims in Muzzafarnagar, the so called Jolly Canal massacre, continued a grisly tradition. Local leaders said the death toll could be as high as 400 to 500. Muzzafarnagar, in Uttar Pradesh, had already been the scene of Muslim massacres in 1976. Communal violence in which

Muslims are the target of what many consider to be state sponsored attacks on Muslim communities breaks out sporadically. When Indian partition took place in 1948 the Muslims who chose to remain in India were given assurances by the government that their lives and interests would be protected.

decades, India remains very dependent on imported crude oil. In early 2013, India's petroleum minister, Veerappa Moily, announced that the ministry would work on an action plan to make India energy independent by 2030 through increased hydro-carbon production, unconventional resources such as coal bed methane and shale, foreign acquisitions by domestic Indian companies and reduced subsidies on motor fuels. These actions were designed either to increase India's energy supply or to lower demand.

India's largest energy source is coal, followed by petroleum and traditional biomass (such as burning firewood and waste). Since the beginning of the New Economic Policy in 1991, India's population has increasingly shifted to cities and urban households have moved away from traditional biomass to other energy sources. The industrial sector is the largest energy consumer, representing over 40 per cent of India's total primary energy demand in 2009 and is still largely fuelled by traditional biomass, according to the IEA. The power sector is the fastest growing area of energy demand, increasing from 23 per cent to 38 per cent of total energy consumption between 1990 and 2009. A 2012 report by the IEA estimated that nearly 25 per cent of the population lacked basic access to electricity, while electrified areas suffer from rolling electricity blackouts. The government sought to balance the need for electricity with environmental concerns from the use of coal and other energy sources used to produce that electricity.

According to the *Oil & Gas Journal* (OGJ), India had 5.5 billion barrels of proved oil reserves at the end of 2012. About 53 per cent of reserves are from on-shore resources, while 47 per cent are off-shore reserves. Most reserves are found in the western part of India, particularly western offshore Gujarat and Rajasthan. The Assam-Arakan basin in the north-east part of the country is also an important oil-producing region and contains more than 10 per cent of the country's reserves.

Historically, India's Oil and Natural Gas Corporation Ltd (ONGC) has dominated the upstream oil sector relying on production from the Mumbai High oilfield and its associated fields in western off-shore. However, domestic crude production has stagnated and only grown at an annual rate of one per cent since 1990. In recent years, major discoveries in Barmer basin in Rajasthan and the offshore Krishna-Godavari basin by smaller companies such as the Gujarat State Petroleum

Corporation and the Andhra Pradesh Gas Infrastructure Corporation hold some potential to diversify the country's production.

India's relatively small land-based resource endowment means companies require more upstream technical expertise to tap into offshore reserves. Foreign companies historically take the lead in exploring new offshore opportunities. For example, Cairn India brought on line the largest field, Mangala, of the RJ-ON-90/1 block in Barmer basin in 2009, with a production capacity of 130,000 barrels per day (bpd). However, foreign investment in India has fallen in recent years, both because of increased competition from domestic Indian companies and India's complex exploration and production laws. Cairn Energy has sought to sell off its stake in Mangala and several major oil companies, including ExxonMobil, Chevron and BP, did not participate in India's 9th New Exploration Licensing Policy (NELP) auction. The 10th auction is expected in early 2014.

The EIA notes that natural gas mainly serves as a substitute for coal for electricity generation in India. India was self-sufficient in natural gas until 2004, when it began to import liquefied natural gas (LNG) from Qatar. Because it has not been able to create sufficient natural gas infrastructure on a national level to meet domestic demand, India increasingly relies on imported LNG. It was the sixth largest LNG importer in 2011 with over five per cent of the global market, according to data from PFC Energy. Indian companies use both long-term supply contracts and more expensive spot LNG contracts and have attempted to secure new longer-term deals with suppliers such as Russia's Gazprom. Gas consumption grew at an annual rate of 10 per cent from 2001–11, although supply disruptions in 2011 halted some consumption. In 2011, India consumed 2.3 trillion cubic feet (tcf) and LNG imports accounted for about a quarter of total gas demand. The Indian oil ministry projects this trend to continue, with India's gas demand more than doubling in the next five years. LNG will account for an increasing portion of use. The power sector and fertiliser sector made up the majority of natural gas demand in 2010 at 45 per cent and 28 per cent, respectively. The government labelled these as priority sectors for domestic programmes, which ensures that they receive larger shares of any new gas supply before other consumers.

## Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Fair

## COUNTRY PROFILE

### Historical profile

1200 The start of five-and-a-half centuries of Muslim rule over the region, beginning with the Sultanate era.

1757 The region gradually came under the influence of British rule after the battle of Plassey.

1858 India came under the direct rule of the British crown after a failed mutiny.

1885 The Indian National Congress was founded by Indian nationalists.

1920s Nationalist leader, Mohandas Karamchand Gandhi, launched a campaign of civil disobedience against British rule.

1942 Congress launched its 'Quit India' campaign.

1947 The Union of India was granted independence by Britain. The partition of the sub-continent into mainly Hindu India and the Muslim-majority state of Pakistan led to the death of hundreds of thousands as communal violence followed independence. Jawaharlal Nehru of the Congress became India's first prime minister. The Hindu ruler of Muslim-majority Jammu and Kashmir joined secular India rather than Islamic Pakistan when the sub-continent was partitioned at the end of British rule.

1948 Gandhi was assassinated by a Hindu fundamentalist. India and Pakistan went to war in Kashmir for the first time.

1950 India became a republic. It remained a member of the Commonwealth. The constitution of India was adopted. France transferred sovereignty of Chandernagore to India.

1951–52 Congress Party won first general elections under leadership of Jawaharlal Nehru.

1954 France ceded its four remaining Indian settlements (Pondicherry, Yanam, Mahe and Karaikal).

1961 Indian forces overran the Portuguese territories of Goa, Daman and Diu and they were annexed by India.

1962 India lost a border war with China.

1964 Nehru died and was succeeded by Lal Bahadur Shastri.

1965 India and Pakistan fought a second war over Kashmir.

1966 Shastri died and Nehru's daughter, Indira Gandhi, became prime minister.

1971 India-Pakistan war over East Pakistan (later Bangladesh). A Treaty of Friendship was signed with the Soviet Union.

1972 The Simla peace agreement set a new Line of Control (LoC) in Kashmir,

separating India- and Pakistan-controlled areas.

1974 India exploded its first nuclear device in underground tests.

1975 Indira Gandhi was found guilty of instigating electoral malpractice and was barred from office.

1977 Congress lost elections for the first time.

1980 Indira Gandhi was reinstated as prime minister heading a Congress splinter group, Congress (Indira). There followed years of widespread political and religious disturbances in several states.

1984 Indira Gandhi was assassinated by her Sikh bodyguard after troops stormed the Golden Temple, the Sikhs' most holy shrine, to arrest Sikh separatists. Her son, Rajiv Gandhi, was sworn in as prime minister. Widespread violence continued. The world's worst industrial accident, a gas leak, killed thousands of people living around the US-owned and operated, Union Carbide pesticide plant in Bhopal.

1987 India deployed peace-keeping troops in Sri Lanka.

1989 After an election in which over 100 people died, VP Singh was sworn in as prime minister. His government was the first minority government in Indian history.

1990 The Indian army opened fire in Srinagar during a protest against a crackdown on separatism, killing 38 and giving impetus to rebel campaigns. Singh resigned and Chandra Shekhar was sworn in as prime minister. Indian troops withdrew from Sri Lanka. Muslim separatists, trained and armed by Pakistan, began a campaign of violence in Kashmir.

1991 Shekhar resigned, and the reformist government of PV Narasimha Rao came to power. Former prime minister, Rajiv Gandhi, was assassinated by a supporter of the Sri Lankan Tamil separatists.

1996 Congress was defeated in elections and the largest single party in parliament became the Hindu fundamentalist Bharatiya Janata Party (BJP) (Indian Nationalist Party), which attempted and failed to form a government, after which the United Front (UF), a 13-party coalition, succeeded.

1997 Kocheril Raman Narayanan was elected president. He was the first Dalit (untouchable) to become president. The UF government was toppled after Congress withdrew its support in the lower house.

1998 BJP formed a coalition government and Atal Behari Vajpayee was appointed prime minister. Sonia Gandhi became leader of the opposition in the Lok Sabha on 19 March. India and Pakistan each conducted underground nuclear tests, leading to widespread international condemnation and US sanctions. Sonia

Gandhi became president of the Indian National Congress Party.

1999 Prime Minister Vajpayee made a historic bus ride to Pakistan for a peace summit with Prime Minister Nawaz Sharif. Vajpayee lost a confidence vote, but was reaffirmed following general elections. Pakistan and India fought a brief war in Kargil in Indian-controlled Kashmir.

2000 India celebrated the birth of its one-billionth citizen. New states – Chattisgarh (part of Madhya Pradesh), Uttaranchal (in the north) and Jharkhand (part of the eastern state of Bihar) – were created.

2001 The US lifted sanctions on Pakistan and India as a reward for supporting its attacks on Afghanistan.

2002 An attack on an Indian army camp in Kashmir killed more than 30 people. India threatened retaliation and moved troops to the border with Pakistan. The tension eased when India lifted its five-month ban on direct flights to Pakistan and ordered its naval battleships back to port. A P J Abdul Kalam was sworn in as president.

2003 India and China reached a de facto agreement over the status of Tibet and Sikkim in a cross-border trade agreement. The Indian and Pakistani armies began a cease-fire across the LoC dividing the disputed state of Kashmir and the Himalayan glacier of Siachen.

2004 Prime Minister Vajpayee visited Pakistan. Kashmiri separatist leaders agreed that all violence in the Himalayan region should stop. The Congress Party won parliamentary elections and Manmohan Singh was named prime minister. An earthquake off the island of Sumatra caused a tsunami that devastated coastal areas in the region. The final toll for India was estimated to be 12,407 dead or missing, 647,599 displaced.

2005 The first bus-link for 57 years between cities in divided Kashmir began. India, along with Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka, signed the South Asia Free Trade Agreement (Safta).

2006 The third bus link between India and Pakistan was launched, providing the first direct link across the divided Punjab since partition in 1947. Agreement was reached with the US giving India access to American civilian nuclear technology.

2007 Pratibha Patil became India's first female president and Head of State. She was elected by state and federal parliaments. Severe monsoon flooding in Bihar caused death and destruction and left around 11 million Indian villagers affected. India celebrated 60 years of independence from Britain.

2008 The first passenger train since 1965 began operations between Dhaka (

Bangladesh) and Kolkata. A number of Indian cities were targeted by Islamist bombers, killing dozens and injuring many more. India launched an unmanned spacecraft to the moon. Pakistani Islamist terrorist teams attacked a series of famous and important targets in Mumbai, lasting 60 hours and killing around 52 people and injuring hundreds more.

2009 Parliamentary elections held for the Lok Sabha (lower house), were won by the United Progressive Alliance (UPA) with 262 seats (out of 543). The UPA's leading party, Congress, won 206 seats, an increase of 61 seats on the 2004 election. The National Democratic Alliance won 159 seats, losing 17 seats overall; its leading party the Bharatiya Janata Party (BJP) won 116 seats, a loss of 22 seats from 2004. On 11 December a new state of Telengana, with a population of 35 million people, was created from 10 districts of Andhra Pradesh, with Hyderabad as the new capital. L K Advani stepped down as leader of the BJP.

2010 The biggest military operation began in what is called the 'red corridor' of 164 contiguous districts of eastern states under the control of the Naxalite-Maoists. A force of 75,000 paramilitaries and thousands of police moved against the communist insurgency as violence by the Naxalite-Maoists increased. Since the insurgency began in 1989 a total of 10,529 deaths have been caused by violence on both sides of the conflict. The first phase of the population and house-listing census began. The only surviving terrorist of the 2008 Mumbai attacks was convicted of possessing explosives, murder and 'waging war on India'. (An appeal was rejected and he was hanged in 2012). Although he had pleaded guilty at his trial in 2009, he later appealed his sentence. In a move to defuse tension India began removing some of the 200 paramilitary bunkers in Kashmir's main city. The world's largest diamond exchange, the Bharat Diamond Bourse, opened in Mumbai. The

US-based Global Financial Integrity group reported that India had lost an estimated US\$462 billion in 'illegal capital flows' (corruption) since independence in 1947. The report also estimated the underground economy at around 50 per cent of GDP (US\$640 billion in 2008).

2011 In March, Prime Minister Manmohan Singh and Pakistan Prime Minister Yousuf Raza Gilani together watched the Indian cricket team beat Pakistan in a World Cup semi-final played in the Indian city of Mohali. In discussions the two premiers pledged to 'normalise relations'. The second phase of the census was undertaken in February, including, for the first time, collection of biometric

information. The provisional population figure published on 31 March was 1,210,193,422, a 10-year growth rate of 17.64 per cent. Bangladesh and India held a joint census in July, in an attempt to determine just how many Indians there are in the 51 enclaves in Bangladesh and how many Bangladeshis in the 100 or so Indian enclaves. There are possibly as many as tens of thousands of people on the wrong side of each border in enclaves which are historical anomalies of the partition of the subcontinent in 1947. A change to the rules governing export earnings was announced in September, although the date the change would become effective was not given. The new rules will require companies to repatriate foreign currency earnings from exports, and to hold the earnings in domestic bank accounts. It is estimated that the amount concerned could be as high as US\$33 billion. India successfully launched a new satellite, called Megha-Tropiques, in October, to study the patterns of the annual monsoon. Information from

Megha-Tropiques will be shared with meteorological organisations in the US and Europe. The first section of the new metro service, Namma (Our), was launched in Bangalore in October, with an initial six stations in the business district, from MG Road in the west, to Baiyappanahalli Terminal in the east of the city.

2012 The leaders of the Brics countries met in Delhi on 29 March to discuss their position regarding the control the US and Europe has on the World Bank and the IMF. Prime Minister Manmohan Singh reported that 'The Brics countries have agreed to examine in greater detail a proposal to set up a South-South development bank, funded and managed by the Brics and other developing countries.' On 26 April India launched its first all-weather radar imaging satellite. The RISAT-1, was developed wholly by India and launched using its own rocket from Sriharikota (Andhra Pradesh). On 19 July parliament elected Pranab Mukherjee (Congress) as president with 713,763 votes. His only rival, Purno Agitok Sangma (National Democratic Alliance (NDA)), won 315,987 votes. President-elect Mukherjee took office on 25 July. On 18 September, the All India Trinamool Congress withdrew from the government coalition, in protest at the proposed Foreign Direct Investment reforms (allowing the FDI limit in retail enterprises to rise to 51 per cent), as well as fuel price rises.

2013 The government approved the formation of India's 29th state on 30 July. Telangana will be formed from 10 districts in southern Andhra Pradesh, including the current capital, Hyderabad. There were a number of resignations from the state

legislature as a result, and protests throughout the state. A submarine, the INS Sindhurakshak, sank in a Mumbai dockyard on 14 August. It was feared that at least 18 submariners died. The Lok Sabha passed the Food Security Bill on 26 August. The controversial bill aims to relieve hunger among India's 800 million poor by supplying 5 kilos of grain each month at a cost per kilo of rice at three rupees, wheat at two rupees and millet at one rupee. Congress Party leader, Sonia Gandhi, was taken to hospital after making a speech in favour of the bill; she was later released. The bill was approved by the upper house on 2 September. The cost of the scheme is expected to be some US\$19.7 billion per year. As concerns for the economy grew, the rupee fell to 68.7 to the US dollar by late August. Raghuram Rajan took over as head of the Reserve Bank of India (the central bank) on 4 September. On 13 September the BJP named Narendra Modi as its prime ministerial candidate for the 2014 elections. Sachin Tendulkar, the 'Little Master', announced he was retiring from cricket after playing his 200th test match in November. Over 500,000 people were evacuated as Cyclone Phailin, rated 'very severe', headed for India's east coast on 12 October. As a result, deaths were less than 50 although structural damage was severe. In Orissa state heavy rainfall following the cyclone killed a number of people and destroyed livestock and crops. The Kudankulam nuclear plant in Tamil Nadu state began producing electricity on 22 October.

## Political structure

### Constitution

The Constitution of India was inaugurated on 26 January 1950. The Preamble declares that the people of India solemnly resolve to constitute a 'sovereign socialist secular democratic republic' and to secure to all its citizens, justice, liberty, equality and fraternity. India has 28 self-governing states and seven union territories with a federal form of government. Any citizen aged 18 years and over is eligible to vote. India is the world's largest democracy.

### Independence date

15 August 1947

### Form of state

Secular, democratic republic

### The executive

Executive power lies with the prime minister, who is appointed by the president, who has a largely ceremonial role and serves a five-year term. The prime minister nominates a 20-member Council of Ministers (cabinet).

### National legislature

The bicameral parliament consists of the Lok Sabha (House of the People) (lower

chamber) with a maximum 552 members (including up to 20 representatives of India's Union Territories and two representatives of the Anglo-Indian community appointed at the discretion of the president); all serve for five-year terms, and the Rajya Sabha (Council of States) (upper chamber), with a maximum 250 members, of which 238 are elected by state and territorial legislatures and 12 nominated members chosen by the president to provide cultural and scientific expertise. An alternate one third of the membership is elected every two years. In March 2010 parliament voted to guarantee one-third of all seats of the Lok Sabha be reserved for women.

The legislative field is divided between the Union (central government) and the states. The Union possesses exclusive powers to make laws with respect to matters grouped under 97 headings in the constitution, including foreign affairs, defence, citizenship and trade with other countries. The Union territories are administered by the federal government based in New Delhi. Major legislation requires passage through both houses of parliament.

Each state has its own governor and elected state assembly, with a chief minister and council of ministers. Policy in areas such as agriculture, education and law and order are determined at the state level.

### Legal system

The legal system is based on English common law. There is limited judicial review of legislative acts.

The judiciary is independent and known for delivering verdicts which may not necessarily please the government in power. The Chief Justice presides over the Supreme Court, which is the highest court in the land. Each state has its own high court.

### Last elections

16 April–13 May 2009 (parliamentary); 19 July 2012 (presidential (indirect))

**Results:** Parliamentary: United Progressive Alliance won 261 seats (out of 543), National Democratic Alliance 159, Third Front 78, Fourth Front 27; the remainder were won by other parties. Turnout was around 60 per cent.

21 July 2007 (presidential).

Presidential: Pranab Mukherjee (Congress) 713,763 votes, Purno Agitok Sangma (National Democratic Alliance (NDA)) 315,987.

### Next elections

2014 (parliamentary); 2017 (presidential)

## Political parties

### Ruling party

United Progressive Alliance; led by the Indian National Congress (Congress) (from 2004; re-elected 16 Apr–13 May 2009)

### Main opposition party

The National Democratic Alliance led by Bharatiya Janata Party (BJP) (Indian People's Party)

### Population

1.22 billion (2012)\* (1,210,193,422; 2011; census figure)

Some 60 per cent of the population is designated as low-caste, of which a significant minority are *dalits* or scheduled castes, formerly known as 'untouchables'. The *brahmin* priestly caste makes up about 10–15 per cent of the Hindu population.

**Last census:** 1 March 2011: 1,210,193,422

The 2011 census began in 2010 with the fingerprinting and photographing of every individual over the age of 15 in order to build up a national biometric database. The information was used to issue identity cards with a 16-digit identity number, beginning in November 2010. The ID process was expected to take one year, classifying gender, religion, occupation and education.

**Population density:** 360 inhabitants per square km (2010). Urban population 30 per cent (2010 Unicef).

**Annual growth rate:** 1.7 per cent, 1990–2010 (Unicef).

**Internally Displaced Persons (IDP)**  
650,000 (UNHCR 2004)

### Ethnic make-up

Indo-Aryan (72 per cent), Dravidian (25 per cent), Mongoloid and others (3 per cent).

### Religions

Hindu (84 per cent), Muslim (13 per cent), Christian, Sikh, Buddhist, Jain.

### Education

A Constitutional Amendment act passed in 2001 made education for all children aged six to 14 a fundamental right. The government earmarked 8 per cent of GNP for education, of which at least 50 per cent would be allocated to primary education. The government is also aiming for universal elementary education by 2010. Accordingly, the department of elementary education and literacy was allocated Rs4,900 crore (US\$1,067 million) for 2002/03.

Primary education up to the age of 14 is compulsory in most states and lasts for eight years. Lower primary education between aged six and 11 is free in all states, but upper primary education from 11 to 14 years is free in only 12 states.

Secondary and higher education spending is forecast at Rs49.5 billion (US\$1 billion)

in 2003/04, of which, Rs17.7 billion (US\$388 million) is allocated to higher education spending.

Gender differences, ethnic minorities, caste discrimination and regional disparities have contributed largely to wide inequalities in the development of basic education between Indian states. Independent surveys at the grassroots level show that despite the rhetoric of policy makers, expenditure in the education sector has been falling and typically 6,600,000 working children are still denied the right to primary education. Micro-level strategies for basic education in rural areas are developed through concerted co-operation between local communities, NGOs, government, and international donors.

In April 2010 the federal government introduced laws that gave all children aged six to 14 years the right to free education and announced that enough funds would be made available to ensure that the estimated eight million school-aged children can attend schools. A US\$2 billion education fund was established by computer software tycoon Azim Premji in December 2010. The money will be used to found a university in Bangalore to produce 2,000 teaching and education graduates per year.

In September 2011 the Tamil Nadu State began a five-year programme of issuing free laptop computers to an estimated 6.8 million schoolchildren who attend government-funded schools and colleges. This was India's first such programme and is based in a state with a high use of information technology in general.

**Literacy rate:** 61 per cent adult rate (Unesco 2005)

**Compulsory years:** Six to 14. Compulsory education is enforced in eight States/Union Territories (UT) when it covers entirely primary schooling; in four States/UT compulsory education is only enforced between ages six to 11; while in March 2003, the ministry of education confirmed that as many as 20 States/UT had not introduced any measure of compulsion.

**Enrolment rate:** 92 per cent gross primary enrolment; 58 per cent for upper primary enrolment.

**Pupils per teacher:** 62 in primary schools.

### Health

The size and complexity of the Indian population renders universal healthcare difficult to achieve.

India, with its large migrant workforce, is one of only two countries that exports polio (the other is Nigeria), according to the World Health Organisation – Global Polio Eradication Initiative (WHO – Polio

Eradication). In particular the state of Uttar Pradesh, where the disease is endemic, saw an outbreak infecting over 400 people in 2006, which was spreading into neighbouring states. India represented 28 per cent of worldwide polio cases in 2006 an increase of 3 per cent from 2005.

In 2004 a new drug treatment for tuberculosis, the first in 40-years, which kills one million sufferers in India and 10 million worldwide, was announced. The medication was developed, and will be manufactured, in India as part of its positioning as a major location for cost-effective, bio-medical research.

In October 2007 the government launched a plan for insurance covering disability, health and life for India's 400m working poor. The plan is part of the government's 'New Deal' for rural India.

### HIV/Aids

The World Bank warned India that without greater measures to prevent the spread of HIV through the use of condoms, infections rates and subsequent deaths from Aids could surpass all other pathogens. Indian authorities say infection rates are falling, though critics claim that the factors that lead to high rates in sub-Saharan Africa are all present in India: large pools of migrant labour, large numbers of prostitutes and stigma about sex and the Aids disease. Condom use has levelled out at 50 per cent and without an increased use new infections could grow by 3 million before 2013. Nationwide policies to tackle the disease are not apparent, with each state tackling the threat locally and some seemingly unable to change old habits.

A UNAids report, published in May 2006, claimed that there were 5.7 million people HIV positive in India, overtaking the 5.5 million infected in South Africa.

In April 2005 the head of the UN backed Global Fund to Fight Aids, Tuberculosis and Malaria, Richard Feacham, said official Indian statistics on the disease were wrong. Stating that Indian had more infections than registered, due to underreporting and that India's infection rates had surpassed that of South Africa. He rejected India's estimate of 5.1 million HIV sufferers, saying that the estimate was a 'conservative figure based on limited data', and he did not believe that India had adequate surveillance measures. The Global Fund has contributed US\$265 million for Aids control (2004–09). The government increased the Naco spending to US\$95.8 million, however it is estimated that per capita spending on Aids control in India is only US0.29, half the rate spent in Thailand.

While India's infection rate is only 1 per cent, in some of its most populous states the infection rates are up to 20 per cent. The UK endorsed the Naco assertion that more foreign aid would be spent on HIV/Aids sufferers. Of the £123 million (US\$219), donated by the UK to fight the disease, £95 million (US\$169 million) is still scheduled to be spent by March 2007.

**HIV prevalence:** 0.9 per cent aged 15–49 in 2003 (World Bank)

**Life expectancy:** 62 years, 2004 (WHO 2006)

**Fertility rate/Maternal mortality rate:** 2.6 births per woman, 2010 (Unicef); maternal mortality 410 per 100,000 live births (World Bank).

**Birth rate/Death rate:** 9 deaths to 27 births per 1,000 head of population.

**Child (under 5 years) mortality rate (per 1,000):** 56 per 1,000 live births (WHO 2012); 45 per cent of children aged under five are malnourished (World Bank).

**Head of population per physician:** 0.6 physicians per 1,000 people, 2005 (WHO 2006)

## Welfare

The between 60–115 million children toiling as bonded workers in India. Most are agricultural labourers while others work in factories or as domestics. The majority of these children are *Dalit* caste (the untouchables) and may be bound to their employer for years to pay back loans incurred by their parents. While these children are working they do not attend school which perpetuates their deprivation in later life.

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Homeless children, widows, the elderly, and the disabled (who often occupy the strata of the most destitute people in India) do not have any explicit protection in the constitution, and consequently not enough demand for any government - (whether local, state or national) to extend care to them. The National Nutrition Mission, distributes food grains at subsidised prices to poor families.

World Bank estimates that India has 40 per cent of the World's poor. The government estimates that 85 per cent of the population is in need of some form of welfare support; 25 per cent of the

population belongs to either scheduled castes (SC) or scheduled tribes (ST) and these people have been ascribed special welfare measures. The National SC and ST Finance and Development Corporation provides funds for developing entrepreneurial and other skills.

The central government's expenditure on social services accounts for 1.66 per cent of GDP. India's population suffers periodic problems of floods, droughts and other natural disasters.

## Pensions

The 2003/04 budget planned a massive overhaul of the pension system. From 1 January 2004, new employees in the public and private sector stopped paying into state pensions and were made to pay into privately managed funds.

The public sector finance organisation, Life Insurance Corporation of India (LIC), also ran a new pension scheme, the The state-subsidised scheme will be available to workers above the age of 55, guaranteeing an annual return of 9 per cent and a maximum pension of Rs2,000 (US\$43) per month.

An assurance scheme called *Janaraksha* has been designed by the LIC to provide life insurance for farmers and workers with irregular incomes.

## Main cities

New Delhi (capital, estimated population 11.3 million (m) in 2012); state capitals: Mumbai, (Maharashtra) (14.3m), Bangalore (Karnataka) (6.4m), Chennai (was Madras, Tamil Nadu) (4.7m) Kolkata (West Bengal) (4.5m), Hyderabad (Andhra Pradesh) (3.9m), Pune (Maharashtra) (3.7m), Jaipur (Rajasthan) (3.4m), Kanpur (Uttar Pradesh) (3.2m), Patna (Bihar) (2.0m). Other populous cities: Ahmadabad (Gujarat) (4.1m), Surat (Gujarat) (3.9m), Kanpur (Uttar Pradesh) (3.4m).

## Languages spoken

Hindi is spoken by almost a third of the population. English is widely spoken and is often the main language of business, with over 350 million Indians using it as the *lingua franca*. Most central government documents are in both Hindi and English. Government policy is to encourage wider use of Hindi.

There are 15 local official languages in the various states, of which the most widely spoken are Punjabi, Telugu, Bengali, Marathi, Tamil, Urdu and Gujarati. There are 1,652 languages spoken throughout the country.

In August a ruling by the mayor of Mumbai, Shubha Raul, made Marathi the official language of local government in Mumbai. Concern was expressed by a number of elected officials with a limited grasp of Marathi, who felt they would be

put at a disadvantage. There was also concern that the move would hamper Mumbai's aspirations of becoming an international financial centre, and that it would encourage a resurgence of regional politics. All documents for the Municipal Corporation of Greater Mumbai (BMC) have to be written in Marathi.

## Official language/s

Hindi and English; 15 other languages are recognised for official use in regional areas.

## Media

The government guarantees the freedom of the press. The market is huge and has been expanding as the economy has grown.

## Press

India has a large middle class and newspaper circulation has expanded with new titles being added.

**Dailies:** Newspaper titles may be published in English and a local language, editions in English have national readerships, whereas local language newspapers are often regionally limited.

Circulation figures for top newspapers are in the millions.

In English, *The Times of India* (<http://timesofindia.indiatimes.com>) is the leading broadsheet, followed by *Hindustan Times* (<http://timesofindia.indiatimes.com>), *The Hindu* ([www.thehindu.com](http://www.thehindu.com)), *New Delhi Times* ([www.newdelhitimes.org](http://www.newdelhitimes.org)) and *Early Times* ([www.earlytimes.in](http://www.earlytimes.in)).

Regional newspapers include *The Indian Express* ([www.indianexpress.com](http://www.indianexpress.com)) and *The Asian Age* ([www.asianage.com](http://www.asianage.com)) from New Delhi, *The Statesman* ([www.thestatesman.net](http://www.thestatesman.net)) and *The Telegraph* ([www.telegraphindia.com](http://www.telegraphindia.com)) from Kolkata, *Kashmir Observer* ([www.kashmirobserver.com](http://www.kashmirobserver.com)) from Srinagar and *Deccan Herald* ([www.deccanherald.com](http://www.deccanherald.com)) from Bangalore.

**Weeklies:** There are no major national weeklies, but a huge number of all genre published at local level.

**Business:** There are several financial and business newspapers, including, in English, *Mint* ([www.livemint.com](http://www.livemint.com)), is a national newspaper, regional newspapers include *The Economic Times* (<http://economictimes.indiatimes.com>) and *The Financial Express* ([www.financialexpress.com](http://www.financialexpress.com)) are based in Mumbai and *Business Line* ([www.blonnet.com](http://www.blonnet.com)) is based in Chennai.

*Business Today* (<http://businessstoday.digitaltoday.in>) is a national magazine.

**Periodicals:** In English, the monthly *Diplomatist* ([www.diplomatist.com](http://www.diplomatist.com)) covers international relations and trade, *Frontline* covers news and current affairs, published

fortnightly, the monthly *Verve* ([www.verveonline.com](http://www.verveonline.com)) is the oldest publication for women.

#### **Broadcasting**

**Radio:** India has the largest radio network, worldwide. It has hundreds of FM radio stations, broadcasting, most music programmes, in local languages Only All India Radio (<http://allindiaradio.org>) the public network, with over 200 local stations may broadcast the news. Major commercial networks include Radio Mirchi ([www.enil.co.in](http://www.enil.co.in)) with a network of 32 stations and Radio City ([www.radiocity.in](http://www.radiocity.in)) with 18 stations. Meow FM is a talk radio station in Delhi and Mumbai for women.

**Television:** The national, public broadcaster is *Noordarshan* ([www.ddindia.gov.in](http://www.ddindia.gov.in)) with eight regional centres. There are large media groups that operate TV channels, including *Zee TV* ([www.zeelevision.com](http://www.zeelevision.com)), *Star TV* (<http://starnews.indya.com>) and *Sun Network* ([www.sunnetwork.org](http://www.sunnetwork.org)), which broadcast via satellite and cable, with schedules including locally produced and imported TV shows. India has the largest cable TV market in the world, with over 60 million subscribers.

**Other news agencies:** There are over 40 domestic news agencies.

Press Trust of India: [www.ptinews.com](http://www.ptinews.com)

United News of India: [www.uniindia.com](http://www.uniindia.com)

#### **Economy**

India weathered the global economic crisis relatively well, compared to its neighbours in the Asian market, due mostly to speedy intervention by the government and Reserve Bank of India (RBI). Policy changes included measures to increase liquidity in the rupee and foreign currencies, increasing the availability of credit and encouraging capital inflows supported by national fiscal measures. India is one of the BRIC (Brazil, Russia, India and China) emerging economies, which have 40 per cent of the world's population, account for 25 per cent of global GDP and which do not rely on exports as there are sizeable domestic markets to maintain production. Merchandise trade accounts for one-third of India's GDP and trade between BRIC countries has grown, so that China is India's primary trading partner. The advantage of this is that while so many of India's other trading partners experienced either a severe downturn in GDP growth or even a recession, India's economy fell from a record high of 10 per cent in 2007, to a manageable 6–7 per cent in 2008–09, before rebounding to 10.8 per cent in 2010. In 2011 GDP growth slowed to an estimated 7.1 per cent.

Services provide over 50 per cent of GDP and agriculture over 15 per cent, whereas industry supplies around 30 per cent, of which manufacturing is over 16 per cent. Manufacturing companies have emerged as efficient, low cost producers through a large increase in the number of small- to medium-sized Indian companies that are competing on the world market, with Indian entrepreneurs buying internationally recognised companies. India now competes with the West for 'intellectual capital' by investing in value-added, technology intensive industries at home and abroad, which utilise the graduates of its new universities and the successful Indian diaspora. Although per capita income is well over US\$1,000, the country still has a large underclass of unemployed and underemployed workers. Agriculture employs around 60 per cent of the workforce and the government is attempting to increase growth, necessary to achieve food security, by providing farmers with cheap credit and an expansion of the rural jobs guarantee scheme. In 2010, the RBI raised its key interest rate by 0.25 per cent to 5.25 per cent in a measure to curb inflation, which had peaked to 10.9 per cent in 2009. However, inflation rose to 12 per cent in 2010 and only weakened in 2011 as lending was curbed. In November 2011, the rupee hit its lowest ever value against the US dollar, plunging to Rs52.5 per US\$1 and sparking more inflationary concerns. Analysts considered the likely causes were continued fear of the global economic crisis and some investors quitting emerging markets; the government urged against 'overreaction'.

In the third quarter of 2011, GDP growth grew at its slowest pace since 2009 (6.9 per cent compared to the same period in 2010) as mining and manufacturing output slowed due to a series of increased interest rates aimed at curbing inflation, which had affected investment. Since the beginning of 2010, the RBI has raised its base interest rate 13 times, resulting in a fall in domestic demand.

In 2011, the UN Human Development Index (HDI) ranked India 134 (out of 187) for national development in health, education and income. Since 2000, India's progress has grown steadily and matches the improvement of other countries in South Asia.

Remittance from migrant workers amounted to US\$54 billion (3 per cent of GDP) in 2010 and was estimated to have reached US\$63.7 billion in 2011.

In an effort to reduce inflation, the new governor of the Reserve Bank of India, Raghuram Rajan, raised key interest rates by a quarter of a percentage point, from 7.25 per cent to 7.50 per cent.

#### **External trade**

India is a member of South Asia Association for Regional Co-operation (SAARC), which operates the SAARC agreement on preferential trading arrangements (Sapta) that covers over 6,000 products. The South Asia Free Trade Area was agreed by to be implemented between the seven member states (India, Pakistan, Bhutan, Nepal, Bangladesh, Sri Lanka and Maldives) by 2012.

Traditional products such as jewellery and gems (around 80 per cent of cut diamonds worldwide were produced in India), textiles, clothes and footwear, foodstuffs, metal manufacture and leather products remain leading exports but the rapidly growing software sector, including IT services in outsourced call centres, have assumed a large proportion of export trade.

On 16 February 2011, Japan and India signed a free trade agreement (FTA), which will cut tariffs on 94 per cent of goods by 2020. Among the goods to benefit textiles, pharmaceuticals and vehicles, as well as services, are prominent. In August 2012, restrictions on foreign direct investment (FDI) by Pakistani citizens in the Indian economy (excluding defence, space and atomic energy sectors) were lifted, to come into effect in September 2012.

#### **Imports**

Main imports include crude oil, machinery, precious stones, fertiliser and chemicals.

**Main sources:** China (11 per cent total in 2012), UAE (7.7 per cent), Saudi Arabia (6.7 per cent).

#### **Exports**

Principal exports include textiles, gem stones and jewellery, engineering goods, organic chemicals and leather manufactures.

**Main destinations:** US (12.8 per cent total in 2012), UAE (12.4 per cent), China (5.1 per cent).

#### **Agriculture**

Agriculture accounts for around 21 per cent of GDP. Main crops are wheat, rice, pulses, tea, sugar cane, cotton, jute, coffee, oilseeds, tobacco, rubber and potatoes. The southern state of Kerala accounts for 93 per cent of the natural rubber production. Dairy farming has made India self-sufficient in milk powder and butter (*ghee*).

Domestic demand and consumption patterns within the country have shifted from cereals to non-cereals including oilseeds, pulses, fruits, vegetables and dairy products. This shift calls for diversification of agricultural production and rural development to sustain future growth. While emphasis on minimum price support for rice

and wheat has been beneficial, crop diversification and removal of restrictions on stock limits allowing greater flexibility in marketing are some of the key issues requiring more attention.

Of the 181 million hectares (ha) of agricultural land available, 162 million ha is arable and 11 million ha is permanent pasture. Land legislation has ensured that agriculture remains a fragmented sector, with the typical holding about one hectare. The land ceiling does not extend to farmland used for the cultivation of plantation crops, such as tea, coffee and rubber. Other problems for the sector include a lack of technological modernisation and infrastructural bottlenecks related to irrigation and rural electrification.

Use of improved seed varieties, irrigation and fertilisers has made India self-sufficient in most grains. Land for extending cultivation is limited, but there is scope for productivity improvements in other crops. The sector is dependent on annual monsoon levels and if rains are poor during the July sowing season production can suffer.

In a move to improve the income of the poorest farmers the government, in its 2008 budget, cancelled the debt of small farmers, in a scheme of loan cancellations costing US\$15 billion.

During the 2007–08 winter, the heaviest snowfalls since the 1970s buried the desert habitat of the rare Himalayan pashmina goat that produces exceptionally fine wool. As winter stocks of fodder ran out the goats began to starve and by February official figures reported 600 had died, and many more in remote areas were endangered.

India's spice market rose to US\$2.8 billion in 2010. Rises included a 150 per cent rise in turmeric futures over the January to November period, and an 80 per cent increase in pepper futures over the same period. Spices are staples of the Indian diet and an increase of 50% on some of the most commonly used in sweets and snacks (such as cinnamon and nutmeg) have been recorded as disposable incomes rise and more money is spent on extras.

India's share in the world seafood market largely depends on its shrimp exports. The crustacea catch is typically around 600,000 tonnes, and the fish catch is typically around six million tonnes, the export value of which is approximately US\$65 million and US\$80 million respectively. The government has given increased attention to the development of other fishery resources including squid, cuttlefish and fin fish. Export of frozen items has enabled India to penetrate into markets of Western Europe, North America and South-east Asia.

About a third of exports comprise low-value fin fish varieties and another third are frozen shrimp. Japan remains the largest importer of Indian sea food, although the emergence of the South-east Asian market due to import liberalisation has boosted the industry. The US is also a major buyer of frozen seafood, accounting for around 15 per cent of the value of marine products exported.

The sector is likely to witness steady growth as the organised corporate sector has become increasingly involved in the preservation, processing and export of coastal fish. The introduction of several resource specific vessels will enlarge the scope of marine fish landings.

India has vast and diverse forest resources, comprising around 22 per cent of the total land area and ranging from tropical moist and dry deciduous types to evergreen, alpine, thorn and mangrove forests. Forest cover is estimated at 64 million hectares (ha). India has more than 12 million ha of forest plantations, used mainly for fuel consumption. There are about 80 national parks and around 450 wildlife sanctuaries.

Wood is an important source of fuel: India is the world's largest consumer of fuelwood. India has a very low level of industrial wood consumption in per capita terms. The forestry industry consists of small production units with low operating efficiency. There is an acute shortage of raw material, particularly for the manufacture of pulp and paper.

## Industry and manufacturing

Industry contributed 27 per cent to GDP in 2004. Heavy industry has traditionally been dominated by large state-controlled enterprises. With the steady removal of protection by the state since the early 1990s, these lost some ground to smaller enterprises. Main heavy industries include steel, chemicals, cement and heavy engineering. Further developments in petrochemicals and fertilisers are expected. Textiles account for 35 per cent of India's export earnings.

Small companies are moving into high-technology products including computers, as well as traditional light engineering and textiles. Import controls have been relaxed on raw materials and services necessary for increased export trade. The entire system of industrial licensing has been revised to promote freer competition and many companies are now turning to private capital markets for expansion funding.

In October 2011, the government approved a new development policy for manufacturing that aims at creating 100 million jobs by 2021 and at the same time boosting the sector so that by 2021 it

should constitute 25 per cent of GDP; the policy will concentrate on the creation of special enterprise zones. The zones were described as self-governing townships, on the Chinese model, which are to be lead by the private sector.

India cuts, polishes and processes some 11 out of 12 of the world's diamonds. The Bharat Diamond Bourse, opened in Mumbai in 2009, has been instrumental in developing India as a diamond trading hub.

## Tourism

India is a continental sized country with an ancient history and a huge population so that its tourist industry is complex, wide-ranging and diverse. Not only can India offer destinations for a single purpose such as beach holidays, it can also cater for niche interests such as cultural and historical, nature and wildlife, architectural and culinary tours. It is also an important destination of the Indian diaspora. In 2010, 27.5 per cent of foreign arrivals were visiting family and friends, 24 per cent for holidays and 18.6 per cent were on business.

India has 23 cultural, ancient and historic sites, plus five national parks and sanctuaries throughout the country included on Unesco's World Heritage List.

In 2010, 5.78 million inbound visitors arrived, a rise from 5.17 million in 2009. In 2010, over 91.8 per cent of visitors arrived by air – including 931,000 from the US and 759,000 from the UK. As India's economy has grown, so its domestic tourist industry has developed so that it catered for 740.2 million visitors in 2010, up from 668.8 million in 2009. In 2010 there were 12.99 million outbound travellers, up from 11.07 million in 2009, one of the fastest growing markets in the world.

The travel and tourism sector accounted for 6.4 per cent of GDP in 2011, which has been a steady rate since 2008 when tourism accounted for 7.3 per cent of GDP, but which was adversely affected by the global economic crisis that cut the growth in visitor numbers. Tourism is an important source of employment, providing 24.9 million jobs directly in the industry and a further 14 million jobs in secondary employment. Visitor revenue brought in US\$17.2 billion in 2011, a growth of 9.7 per cent on 2010 when revenue was US\$14.7 billion.

## Environment

Since 2002 the number of Indian tigers has fallen drastically from 3,642 to 1,411, due to poaching and urbanisation. India is home to 40 per cent of the World's tigers and has 23 tiger reserves in 17 states. The government sponsored a protection unit in 2007, but wildlife

experts have said that urgent efforts should be made to save more tigers with inviolate areas and well armed forest guards. The poaching is for body parts for Chinese medicine, with tiger pelts valued up to US\$12,500 in China.

The 160,000 square km mountain range, which includes non-equatorial tropical evergreen forests, of Western Ghats (running along the western coast of India) was added to Unesco's World Heritage List on 2 July 2012. The mountains are ranked eighth in the world for their biological diversity and the forest's influence on the annual monsoon.

### Mining

India is well-endowed with mineral resources, mainly iron ore, manganese, uranium, good-quality bauxite (an estimated 2.65 billion tonnes of reserves, the world's fourth largest) and chromite, but they are not fully exploited. Other minerals present include lead, zinc, tin, silver, mercury and cobalt.

Most of India's raw materials are for domestic consumption. The only exports of any significance are iron ore, mica and manganese ore. India's major markets for iron ore are Japan, South Korea and China. India's reserves of copper, zinc and lead are of relatively low quality. The world's largest diamond exchange, the Bharat Diamond Bourse, opened in Mumbai in 2010. India already cuts, polishes and processes around 11 out of 12 diamonds in the world and it is hoped that the new Bourse will enable India to compete with Israel and Belgium diamond trading.

### Hydrocarbons

India had 5.7 billion barrels of oil reserves in 2011, and produced 858,000 barrels per day (bpd) and consumed 3.5 million bpd, which was an increase of 3.9 per cent on the 2010 figure. Oil consumption has risen dramatically, from 1.7 million bpd in 1997 in line with the country's economic growth. However oil production has remained relatively stable while growth has been mainly fuelled by imported petroleum products.

A 360 mile-long (580km) heated pipeline from the Thar deserts of Rajasthan to the Gujarat coast was completed, by Cairn India, in 2010. The pipeline allows oil to be pumped directly to refineries with increased production from the Mangala field resulting.

In an effort to reduce dependence on imports, India is encouraging further exploration and production. In August 2013 India's biggest oil explorer, Oil and Natural Gas Corporation (ONGC), agreed a deal to buy 10 per cent of an offshore gas field in Mozambique from US Anadarko

Petroleum. The state-controlled ONGC paid US\$2.6 billion.

India had a refinery capacity of 3.8 million bpd in 2011. Most of the oil reserves are located in the Mumbai High, Upper Assam, Cambay, Krishna-Godavari and Cauvery basins.

India had proven natural gas reserves of 1.2 trillion cubic metres (cum) in 2011 and produced 46.1 billion cubic metres. Consumption rose from 20 billion cum in 1997 to 61 billion cum in 2011. Much of this increase is attributed to greater use of gas in electricity power generation. Consumption could be higher, but problems in financing liquefied natural gas (LNG) import projects have led to downward revisions of forecasts. Imports of LNG in 2007 were 17.1 billion cum. The government is improving and expanding the infrastructure to meet the growing demand for natural gas.

Over two-thirds of India's gas reserves are located in the Mumbai High basin and Gujarat.

Total proven coal reserves were 60.6 billion tonnes in 2011 with production of 222.4 billion tonnes oil equivalent (mtoe). India is the world's third-largest coal producer after China and the US. The main coal fields are in Bihar, West Bengal and Madhya Pradesh. Around 90 per cent of coal is produced by Coal India Ltd (CIL). Power generation accounts for around 70 per cent of coal consumption; the second-largest consumer is heavy industry. In August 2013

### Energy

Conventional thermal power stations produce over 60 per cent of total capacity, of which coal powers over 53 per cent of the mix. Natural gas and hydroelectric power provide 8 per cent and 6 per cent respectively.

Although 80 per cent of the population has access to electricity, the supply is unreliable and interruptions are frequent. More efficient stoves, solar cookers and biogas plants are being developed to address the problem of energy shortages. Other renewable sources are being explored, including wind and solar generators.

In 2009 the minister of power announced that India was considering building a 4,000 megawatt power station in Iran to take advantage of Iran's natural gas reserves. The cost would be some US\$4.1 billion, excluding the cost of a transmission line that would need to transit Pakistan.

The government announced in 2009 that it was preparing to build the world's largest photovoltaic (solar) panels power complex in Gujarat State. The 3,000MW project, estimated at US\$10 billion, will

be endorsed by the US-based Clinton Foundation, which will provide support in raising the funds necessary to complete the development. The demand for electricity is expected to grow five-fold by 2030 and India aims to install an additional 20,000MW of solar power by 2020.

India experienced its worst energy crisis for over 50 years in July 2012, when the electricity supply was cut to 620 million people across 20 (out of 28) states. Three regional grids collapsed as summer demand outstripped supply.

On 22 October the controversial Kudankulam nuclear plant in Tamil Nadu state began producing electricity and was connected to the grid. The plant is one of many that India hopes to build as part of its aim of generating 63,000MW of nuclear power by 2032.

### Financial markets

#### Stock exchange

National Stock Exchange of India (NSE)

#### Commodity exchange

Multi-Commodity Exchange (MCX)

### Banking and insurance

Indian banking has traditionally been strongly directed from the centre; even private sector banks (excluding foreign banks) are required to lend to national priority projects. In February 2005 the remaining 27 banks in government hands were given freedom to manage themselves, including the ability to acquire foreign assets and close down unprofitable accounts. The government had nationalised the country's 14 major domestic banks in 1969. Since the mid-1980s there has been a relaxation and improved profitability due to the deregulation of interest rates and the removal of credit allocation obligation, except for quotas for priority sectors. Reforms made since the mid-1990s have led to a growth in private sector banking activity.

Financial reforms implemented in 2001 focussed on tightening regulations on capital adequacy, income recognition, non-performing assets (NPAs), disclosure and transparency in accounting and risk management. The 2002 budget allowed foreign banks to establish subsidiaries in India for the first time, and sector caps on portfolio investments made by foreign institutional investors were eased.

#### Central bank

The Reserve Bank of India (RBI) controls India's financial system on a day-to-day basis.

#### Main financial centre

Mumbai is the main financial centre; New Delhi, Kolkata and Chennai are also important.

## Time

GMT plus 5.5 hours

## Geography

India is bounded by Pakistan in the north-west, China in the north, the Himalayan Kingdoms of Nepal (administered by China) and Bhutan in the north and north-east. Bangladesh is surrounded on three sides by a bulge of Indian states that border China in the north-east and Myanmar in the east to south, with the Bay of Bengal separating it from the mainland. In the Indian Ocean India's neighbours are Sri Lanka and the Maldives.

India is a large landmass with four distinct regions. The northern Himalayan regions rise to a peak of 7,757 metres before falling away towards the east. The great rivers, Ganges and Brahmaputra begin life in these mountains before draining through a flat alluvial plain into the Bay of Bengal. On the other side of the country, the Great Indian or Thar Desert separates India and Pakistan. In the south the Deccan tableland is bordered by ranges of hills, the Western and Eastern Ghats and Nilgiri Hills in the south, and their coastal belts.

## Hemisphere

Northern

## Climate

India's winter is January–February, with hot weather increasing from March–May, south-western monsoons from June–September, and post monsoons or north-east monsoons in the southern peninsula from October–December. Temperatures vary from sub-zero in the far north during winter to constant tropical heat in southern regions. Average summer temperatures on the plains are approximately 27 degrees Celsius.

## Dress codes

Dress is mostly informal in India except in winter months in New Delhi, where suits and coats are more usually worn. Women are expected to dress with modesty even in very hot weather. Businessmen can expect to wear suits and ties to meetings all year as most buildings have air conditioning.

## Entry requirements

### Passports

Required by all.

### Visa

Required by all, and must be obtained before travelling as visas cannot be issued on arrival. Foreign nationals arriving on long-term, multiple visas are required to register with the nearest Foreigners Regional Registration Officer within 14 days of arrival. Those overstaying their visa entitlement will be fined and may be prosecuted.

For business visas a letter, issued by the local host company or organisation, giving details of itinerary, and traveller's company, a summary of purpose of trip, and the acceptance of full responsibility for any expenses incurred during the term of stay, should be submitted with the application. Business visas, valid for 10 years with multiple entries, are available to foreign businessmen who have set up or intend setting up joint ventures in India. Long-term visa requirements were changed in December 2009; as a result all visitors on long-term visas (over 180 days) must leave the country and reapply for a visa from abroad.

For further details of various visas and restrictions see [www.indianembassy.org](http://www.indianembassy.org) or [www.hcilondon.net](http://www.hcilondon.net). Nationals of Pakistan and Bangladesh are advised to seek further advice before travelling to, or via, India.

## Currency advice/regulations

Import and export of local currency is prohibited; the exception is rupees that visitors may take to Nepal – notes must be less than Rs100, and Bangladesh and Sri Lanka – up to Rs20 per person. Import of foreign currency is unlimited; amounts below US\$1,000 (or equivalent) need not be declared, however, amounts over US\$5,000 must be declared and registered on an encashment certificate on arrival. Export of foreign currency is limited to the amount declared, therefore all currency transaction receipts should be retained.

Travellers' cheques are widely accepted. Currency may only be exchanged at banks or authorised money changers.

## Customs

The export of products over 100 years old need a permit. Animal products from endangered species are illegal.

## Health (for visitors)

### Mandatory precautions

Vaccination certificates for yellow fever if travelling from an infected area.

### Advisable precautions

Vaccinations for cholera, dysentery, Japanese B encephalitis and typhoid are recommended. Other vaccinations that may be recommended are diphtheria, tuberculosis, hepatitis A and B, meningitis and tetanus. Malaria, hepatitis B, dengue and chikungunya fever are caused by mosquitoes, precautions including mosquito repellents, nets and clothing covering the body, should be used, especially at night. There is a risk of rabies in rural areas. Polio is endemic in certain states and precautions, including booster shots, should be taken.

Use only bottled or boiled water for drinks, washing teeth and making ice. Eat only well cooked meals, preferably served

hot; vegetables should be cooked and fruit peeled. Avoid pork and salad and food from street vendors. A full first-aid kit would be useful.

Locally manufactured Western proprietary medicines are easily obtainable, but visitors on regular medication should bring their own supplies – amounts for the length of the visit only.

## Hotels

International-standard accommodation is widely available. Hotel bills must be paid in foreign exchange or in rupees proved to have been purchased in India with foreign exchange. Hotels in main cities are usually heavily booked, and it is advisable to book well in advance.

Extra charges may be applied to hotel bills, including variable service charges plus 10 per cent expenditure tax and 15 per cent luxury tax.

## Credit cards

Major credit cards are accepted by larger hotels, travel agencies and airline offices, as well as some larger stores. The Central Card is issued by the Reserve Bank of India and is widely accepted.

## Public holidays (national)

### Fixed dates

1 Jan (New Year's Day), ^26 Jan (Republic Day), ^15 Aug (Independence Day), ^2 Oct (Mahatma Gandhi's Birthday), 26 Nov (Guru Nanak's Birthday), 25 Dec (Christmas Day).

### Variable dates

Good Friday (Mar/Apr), Mahavira's Birthday (Feb/Mar), Holi (Hindu, Mar), Sri Rama's Birthday (Apr), Buddha Purnima (May), Vijaya Dasami/Dussera (Sep/Oct), Diwali (Hindu, Oct/Nov), Eid al Adha, Eid al Fitr, Islamic New Year, Birth of the Prophet Mohammed.

^ Recognised official national holiday.

All other holidays are either state, religious or informal holidays and may be observed at locally determined times dependent on sightings of various phases of the moon, or by adherents only.

## Working hours

### Banking

Mon–Fri: 1000–1400; Sat: 1000–1200, in New Delhi, Kolkata and Chennai.

Mon–Fri: 1100–1500; Sat: 1100–1300 in Mumbai.

### Business

Mon–Fri: 1000–1700, in New Delhi and Chennai; 0930–1700 in Kolkata; 1000–1730 in Mumbai.

### Government

Mon–Fri: 1000–1730, in New Delhi, Kolkata and Chennai; 0930–1630 in Mumbai.

**Shops**

Mon–Fri: 0930–1930 in New Delhi; 1000–1830 in Kolkata; 1000–1830 in Mumbai; 0900–1930 in Chennai.

**Telecommunications**

Telegrams were finally discontinued on 15 July 2013 because of ‘falling business’.

**Mobile/cell phones**

There are 900 and 1800 GSM services available, most are regionally based within cities and towns. A temporary ban imposed on imports of Chinese equipment was lifted in August 2010 when the government allowed Tata Teleservices and Reliance Communications to bring in equipment from Huawei and ZTA. In return the Chinese companies agreed to give Indian security agencies access to their network source codes.

**Electricity supply**

Usually 220V AC, 50Hz; some areas have a DC supply for domestic use. Plugs used are of the round two- and three-pin type.

**Weights and measures**

Metric system

**Social customs/useful tips**

Namaste is the usual greeting (palms together as in prayer). Visiting cards are exchanged – use the right hand when giving or receiving items. It is not customary for business associates to be entertained at home. Hotels, which provide virtually the only bars in India, require non-resident foreigners to pay their bills in foreign currency.

Business and official contacts are addressed by their last name – Sri (Mr), Srimati (Mrs or Ms).

Cows are sacred to Hindus, and many Hindus are vegetarian. Sikhs and Parsees do not smoke tobacco. Muslims do not eat pig’s flesh in any form, and orthodox Muslims do not drink alcoholic beverages. Officially the government follows a strictly secular policy, with religion considered a private affair.

Smoking is banned in public places, including all offices and restaurants (since October 2008).

**Security**

Generally, travel in India is quite safe, but travel to Jammu and Kashmir regions is not recommended. Mumbai is the safest city in India. Its police force is known to be the most efficient in the country. It is reasonably safe to travel by taxi until midnight anywhere in the city except slums and red-light districts.

**Getting there****Air**

**National airline:** Air India (Air India and Indian Airlines, which flies domestic routes, are to merge in mid-2007).

**International airport/s:** There are five international airports: Indira Gandhi International (DEL), 20km south of Delhi; Sahar International (BOM), 36km north of Mumbai; Netaji Subhas Chandra Bose International (CCU), 27km north-east of Kolkata; Meenambakkam (MAA), 14km south-east of Chennai; Patna (PAT), 8km from Patna. Dabolim (GOA) airport receives international chartered flights. All international airports have duty-free shopping, bars, restaurants, currency exchanges, post offices and business centres that include telecommunications and rest facilities.

The Airport Metro rail link between Delhi’s Indira Gandhi International airport and the city centre was opened in March 2011. Trains run every 20 minutes from 06.00 to 22.00 and take 20 minutes, compared to over an hour by car.

**Airport tax:** International flights, Foreign Travel Tax (FFT) Rs500; neighbouring countries only, FFT Rs150; excluding transit passengers.

**Surface**

**Road:** Overland access is possible through Nepal and Bangladesh, there is only one access point from Pakistan at Wagah – it may be dangerous crossing the border at any other place. The status of border crossing points and opening hours should be checked before travelling.

**Rail:** Rail connections exist between India and Bangladesh, although the journey is difficult.

The train service between Pakistan and India was restored in 2004 – one train a week between Lahore in Pakistan and Attari in India.

**Water:** Ferry services between Colombo and Tuticorin in Tamil Nadu state of India were resumed on 14 June after almost 30 years of having been suspended due to the security situation. There will be two round trips per week initially.

**Main port/s:** India has 12 major ports: five on the east coast, Kolkata-Haldia, Paradip, Visakhapatnam, Chennai and Tuticorin and seven on the west coast, Kandla, Mumbai, Jawaharlal Nehru, Mormugao, New Mangalore and Cochin.

**Getting about****National transport**

**Air:** The only time-efficient way to get between the large cities and even some smaller ones is by plane. The cost of air travel is reasonable and there are several domestic carriers. Airline tickets may now be bought at the airport, at least one hour before a flight.

Smoking and drinking are banned on board all internal flights.

**Road:** There are two million kilometres of road, including 833,000km of surfaced

roads and 35,000km of national highways connecting main cities. Chauffeur driven cars can be hired in the big cities.

**Buses:** A number of long-distance express bus services operate, and air conditioning is becoming increasingly available. Poor roads make travel uncomfortable.

**Rail:** The Indian rail network covers over 64,000km and is the main form of domestic transport. Rail connections are available between all major towns and cities, with air-conditioned coaches and sleeper accommodation available on some routes. Some train journeys take 24 hours or more.

**Water:** There are coastal shipping and ferry services.

**City transport**

**Taxis:** Local taxis of varying standards are usually available. In main cities, metered taxis may not always show current rates, and fares should be negotiated in advance. Tipping is officially discouraged, but is practiced.

Other transport includes motorised trishaws.

**Buses, trams & metro:** There are over 40 stations in the New Delhi metro network, which will eventually cover 60km and is due to be completed by 2010. The first section of elevated track was opened in 2002 and in 2005 another 11km stretch of underground lines, from the government areas of the capital, via the commercial area, to the old city, was opened. A completed 32km section was opened in December 2005. When completed it is expected to cut a journey across the city from one hour at rush-hour, to 15 minutes.

There are suburban metro systems in Mumbai, Kolkata and Chennai (a monorail rapid transit system). The first section of the new metro service, Namma (Our), was launched in Bangalore in October 2011, with an initial six stations in the business district, from MG Road in the west, to Bajiyappanahalli Terminal in the east of the city.

**Car hire**

Self-drive hire cars are available in Mumbai and chauffeur-driven car hire is available in main cities.

**BUSINESS DIRECTORY**

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

**Telephone area codes**

The international direct dialling (IDD) code for India is +91, followed by area code and subscriber’s number:

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Ahmedabad	79	Jammu	191
Amritsar	183	Kolkata	33
Bangalore	80	Lucknow	522
Bhopal	755	Madurai	452
Chandigarh	172	Mumbai	22
Chennai	44	Nagpur	712
Cochin	484	New Delhi	11
Goa	832	Patna	612
Hyderabad	40	Pune	212
Jaipur	141	Rajkot	281
Jallunder	181	Varanasi	542
Kanpur	512	Vishakhapatnam	
	891		

## Useful telephone numbers

Police: 100  
Ambulance: 102  
Fire: 101  
Operator: 199  
Directory enquiries: 197  
International enquiries: 187  
Call booking: 186

## Chambers of Commerce

American Chamber of Commerce in India, Maurya Sheraton Hotel, Sardar Patel Marg, New Delhi 110021 (tel: 2302-3102; fax: 2302-3109; e-mail: usamcham@bol.net.in).

Associated Chambers of Commerce and Industry of India, 147B Gautam Nagar, Gulmohar Enclave, New Delhi 110049 (tel: 2651-2477; fax: 2651-2154; e-mail: assocham@sansad.nic.in).

Bengal National Chamber of Commerce and Industry, 23 RN Mukherjee Road, Kolkata 700001 (tel: 248-2951; fax: 248-7058; e-mail: bncci@bncci.com).

Bombay Chamber of Commerce and Industry, Mackinnon Mackenzie Building, Shoorji Vallabhdas Road, Mumbai 400001 (tel: 2261-4681; fax: 2262-1213; e-mail: bcci@bombaychamber.com).

Cochin Chamber of Commerce and Industry, Bristow Road, PO Box 503, Cochin 682003 (tel: 266-8650; fax: 266-8651; e-mail: chamber@md2.vsnl.net.in).

Federation of Indian Chambers of Commerce and Industry, Federation House, Tansen Marg, New Delhi 110001 (tel: 2373-8760; fax: 2332-0714; e-mail: ficci@ficci.com).

Goa Chamber of Commerce and Industry, Goa Chamber Building, Rua de Ormuz, Panaji-Goa 403001 (tel: 222-4223; fax: 242-9010; e-mail: gcci@sancharnet.in).

Gujarat Chamber of Commerce and Industry, Ashram Road, PO Box 4045, Ahmedabad 380009 (tel: 658-2301; fax: 658-7992; e-mail: gcci@gujaratchamber.org).

Indian Chamber of Commerce and Industry, Indian Chamber Road, Mattancherry, PO Box 236, Cochin 682002 (tel: 222-4335; fax: 222-4203; e-mail: mail@iccicochin.com).

Madras Chamber of Commerce and Industry, Karumuttu, 634 Anna Salai, Chennai 600035 (tel: 2434-9452; fax: 2434-9164; e-mail: mascham@md3.vsnl.net.in).

Mahratta Chamber of Commerce, Industries and Agriculture, 14 Tilak Road, Pune 411002 (tel: 444-0371; fax: 444-7902; e-mail: mccipune@vsnl.com).

PHD Chamber of Commerce and Industry, PHD House, opposite Asian Games Village, New Delhi 110016 (tel: 685-2416; fax: 686-3135; e-mail: phdcci@del2.vsnl.net.in).

Rajasthan Chamber of Commerce and Industry, Chamber Bhawan, MI Road, Jaipur 302003 (tel: 256-163; fax: 256-1419; e-mail: info@rajchamber.com).

## Banking

Allahabad Bank, 2 Netaji Subhas Road, Kolkata 700 001 (tel: 220-0283; fax: 221-4598; email: homktg@allahabadbank.co.in).

Bank of Baroda, Suraj Plaza-1, Sayaji Ganj, Baroda 390 005 (tel: 361-852; 362-395).

Bank of India, Express Towers, Nariman Point, Mumbai 400 021 (tel: 2202-3020; fax: 2202-3167; email: cmdboi@bom5.vsnl.net.in).

Canara Bank, Canara Bank Buildings, 112 Jayachamarajendra Road, PO Box 6648, Bangalore 560 002 (tel: 222-1581; fax: 222-2704; email: canbank@blr.vsnl.net.in).

Central Bank of India, Chandermukhi, Nariman Point, Mumbai 400 021 (tel: 2202-6428).

Corporation Bank, Mangalore 575 001 (tel: 426-416; fax: 441-208; email: corpho@corpbank.com).

ICICI, 163 Backbay Reclamation, Mumbai 400 020 (tel: 2202-5115; fax: 2204-6582).

Oriental Bank of Commerce, Harsha Bhawan, E-Block, Connaught Place, New Delhi 110 001 (tel: 2332-3444; fax: 2371-3244; email: obc@obcindia.com).

Punjab National Bank, 5 Sansad Marg, New Delhi 110 066 (tel: 2371-6032; fax: 2332-1305; email: pnbibd@ndf.vsnl.net.in).

State Bank of India, Madame Cama Road, PO Box 10121, Mumbai 400 021 (tel: 2202-2059; fax: 2204-0073).

Union Bank of India, Union Bank Bhavan, 239 Vidhan Bhavan Marg, Nariman Point, Mumbai 400 021 (tel: 2202-4647, 2202-6049; email: ibdhelpdesk@unionbankofindia.co).

## Central bank

Reserve Bank of India, Central Office Building, Shahid Bhagat Singh Road, Mumbai 400 001 (tel: 286-1602; fax: 266-2105; e-mail: helpprd@rbi.org.in).

## Stock exchanges

National Stock Exchange of India (NSE), www.nse-india.com

Bombay Stock Exchange (BSE), www.bseindia.com

Ahmedabad Stock Exchange (ASE)

Madras Stock Exchange (MSE)

Delhi Stock Exchange (DSE), www.dseindia.org.in

## Commodity exchanges

Multi-Commodity Exchange (MCX), www.mcxindia.com

National Multi-Commodity Exchange of India Limited (NMCE), www.nmce.com

National Commodity & Derivatives Exchange Limited (NCDEX), www.ncdex.com

## Travel information

Indian Airlines, Airlines House, 113 Gurdwara Rakabganj Road, New Delhi 110 001 (tel: 2335-7307; fax: 2371-9484).

## Ministry of tourism

Department of Tourism of the Government of India, Ministry of Tourism, Transport Bhawan, 1 Parliament Street, New Delhi 110001 (tel: 371-0379; fax: 371-0518; internet: www.tourismindia.com).

## National tourist organisation offices

India Tourism Development Corporation Ltd, SCOPE Complex, Core VIII, 6th Floor, 7 Lodi Road, New Delhi 110003 (tel: 436-0303; fax: 436-0233).

## Ministries

Ministry of Agriculture, Krishi Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2378-2691; fax: 2338-8006).

Ministry of Chemicals and Fertilisers, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-6519; fax: 2338-6364).

Ministry of Civil Aviation, Rajiv Gandhi Bhavan, Safdarjung Airport Complex, New Delhi 110 003 (tel: 2463-2991; fax: 2461-0354; e-mail: secy@civilav.delhi.nic.in).

Ministry of Commerce and Industry, Udyog Bhavan, Rafi Marg, New Delhi 110 001 (tel: 2301-0261; fax: 2301-4418; e-mail: commerce@hub.nic.in).

Ministry of Communications, Dak Bhavan, Parliament Street, New Delhi 110 001 (tel: 2371-0350; fax: 2371-2333).

Ministry of Consumer Affairs, Food and Public Distribution, Krishi Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-5723; fax: 2378-2213).

Ministry of Defence, South Block, New Delhi 110 011 (tel: 2301-6220; fax: 2301-5403).

Ministry of the Environment and Forests, Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi 110 003 (tel: 2436-1896; fax: 2436-2222; e-mail: secy@menf.delhi.nic.in).

Ministry of External Affairs, South Block, New Delhi 110 011 (tel: 2301-6660; fax: 2301-0700).

Ministry of Finance, North Block, New Delhi 110 001 (tel: 2301-2810; fax: 2301-3289; internet site: <http://www.mnic.in/fminin/>).

Ministry of Health and Family Welfare, Nirman Bhavan, Maulana Azad Road, New Delhi 110 011 (tel: 2301-4751; fax: 2301-6648).

Ministry of Heavy Industries and Public Enterprises, Udyog Bhavan, Rafi Marg, New Delhi 110 001 (tel: 2301-4598; fax: 2301-3086; e-mail: nic-dpe@hub.nic.in).

Ministry of Home Affairs, North Block, New Delhi 110 001 (tel: 2301-1011; fax: 2301-5750).

Ministry of Human Resource Development, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2378-2698; fax: 2338-1355; e-mail: ksm@sb.nic.in).

Ministry of Information and Broadcasting, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-4782; fax: 2378-3513).

Ministry of Labour, Shram Shakti Bhavan, Rafi Marg, New Delhi 110 001 (tel: 2371-7515; fax: 2371-1708; e-mail: labour@lisd.delhi.nic.in).

Ministry of Law, Justice and Company Affairs, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-7557; fax: 2338-4241; e-mail: lawmin@caselaw.delhi.nic.in).

Ministry of Mines, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-3082; fax: 2338-6402; e-mail: dom@sb.nic.in).

Ministry of Ocean Development, Mahasagar Bhavan, CGO Complex, Lodhi Road, New Delhi 110 003 (tel: 2436-0874; fax: 2436-0779).

Ministry of Parliamentary Affairs, Parliament House, New Delhi 110 001 (tel:

2301-7798; fax: 2301-7726; e-mail: parlmin@sansad.nic.in).

Ministry of Petroleum and Natural Gas, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-3100; fax: 2338-6550).

Ministry of Power, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2371-4168; fax: 2371-7519).

Ministry of Railways, Rail Bhawan, Parliament Street, New Delhi 110 001 (tel: 2338-2323; fax: 2330-3871).

Ministry of Science and Technology, Technology Bhavan, New Mehrauli Street, New Delhi 110 016 (tel: 2301-4999; fax: 2686-3847).

Ministry of Space, Lok Nayak Bhavan, New Delhi 110 003 (tel: 2469-7130; fax: 2461-7377).

Ministry of Surface Transport, Transport Bhavan, Parliament Street, New Delhi 110 001 (tel: 2371-4095; fax: 2373-1270).

Ministry of Textiles, Udyog Bhavan, Rafi Marg, New Delhi 110 001 (tel: 2301-3779; fax: 2301-3711).

Ministry of Tourism, Transport Bhavan, Parliament Street, New Delhi 110 001 (tel: 2338-4173; fax: 2338-5115).

Ministry of Urban Development and Poverty Alleviation, Nirman Bhavan, Maulana Azad Road, New Delhi 110 011 (tel: 2301-8495; fax: 2301-4459; e-mail: muae@urban.delhi.nic.in).

Ministry of Water Resources, Shram Shakti Bhavan, Rafi Marg, New Delhi 110 001 (tel: 2371-4200; fax: 2371-0253; e-mail: webmaster@mowr.delhi.nic.in).

Ministry of Youth Affairs and Sport, Shastri Bhavan, Dr Rajendra Prasad Road, New Delhi 110 001 (tel: 2338-4183; e-mail: web.yas@sb.nic.in).

Prime Minister's Office, South block, New Delhi 110 011 (tel: 2301-2312; fax: 2301-6857).

#### **Other useful addresses**

British Deputy High Commission, Maker Chambers IV, 222 Jamnalal Bajaj Road, PO Box 11714, Nariman Point, Mumbai 400021 (tel: 2283-0517, 2283-2330, 2283-3602; fax: 2202-7940).

British High Commission, Shanti Path, Chanakyapuri, New Delhi 110 021 (tel: 2687-2161; fax: 2687-2882).

Delhi Stock Exchange Association Ltd, 3 and 4/4B Asaf Ali Rd, New Delhi 110 002 (tel: 2327-9000/1302; fax: 2332-6182).

Delhi Tourism and Transport Development Corporation Ltd, 18A DDA, SCO Complex, Defence Colony, New Delhi 24 (tel: 2461-4354; fax: 2469-7352).

Department of Atomic Energy, South Block, New Delhi 110 011 (tel: 2301-1773; fax: 2301-3843).

Department of Electronics, Electronics Niketan, 6 CGO Complex, New Delhi 110 003 (tel: 2436-3101; fax: 2436-3083).

Federation of Indian Exports Organisation (FIEO), 56 Asiad Village, New Delhi 110 016 (tel: 2649-3220).

Foreign Investment Promotion Board, Prime Minister's Office, South Block, New Delhi 110 011 (tel: 2301-7839; fax: 2301-6857).

India Investment Centre, Jeewan vihar Building, Sansad Marg, New Delhi 110 001 (tel: 2373-3673; fax: 2373-245). Indian Airlines, Stores and Purchases Department, Safdarjung Airport, New Delhi 110 003 (tel: 2461-1293; fax: 2462-1776; e-mail: sinha.ial@gems.vsnl.net.in).

Indian Embassy (USA), 2107 Massachusetts Avenue, NW, Washington DC 20008 (tel: (+1-202) 939-7000; fax: (+1-202) 265-4351; e-mail: indembwash@indiagov.org).

Infrastructure Leasing and Financial Services, East Court, Zone VI, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi 110 003 (tel: 2463-6637/41/42).

Power Grid Corporation of India Ltd, 10th Floor, Hemkunt Chambers 89, Nehru Place, New Delhi 110 019 (tel: 2622-2995, 2646-6806; fax: 2647-3332, 2642-8357).

Silk and Rayon Export Promotion Council, Resham Bhavan 78, Veer Nariman Rd, Mumbai 400020 (tel: 2294-792).

State Trading Corporation of India, Jawahar Vyapar Bhavan, Tolstoy Marg, New Delhi 110 001 (tel: 2331-3177; fax: 2332-6741).

The Stock Exchange (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 (tel: 2272-1233/4; fax: 2272-1552; e-mail: info@bseindia.com; internet site: <http://www.bseindia.com>).

Trade Development Authority, PO Box 767, Bank of Baroda Building, Parliament St, New Delhi 110 001 (tel: 2332-0214).

US Embassy, Shanti Path, Chanakyapuri, New Delhi 110 021 (tel: 2687-6500; fax: 2687-6579, 2687-0031 (Consular Section)).

**Other news agencies:** There are over 40 domestic news agencies.

Press Trust of India: [www.ptnews.com](http://www.ptnews.com)

United News of India: [www.uniindia.com](http://www.uniindia.com)