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Confederation of Indian Industry-
Northern Region

ECONOMY AND POLICY UPDATE

Economic & Policy Update is a monthly review, presenting the macro economic developments, industry trends, up-to-date news and an analytical view of policies and notifications, issued by the northern states.

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Confederation of Indian Industry, Northern Region

Sector 31-A, Chandigarh 160 030

Phone: 91-172-2666526, 2607228, 2605868

Fax: 91-172-2606259, 2614974

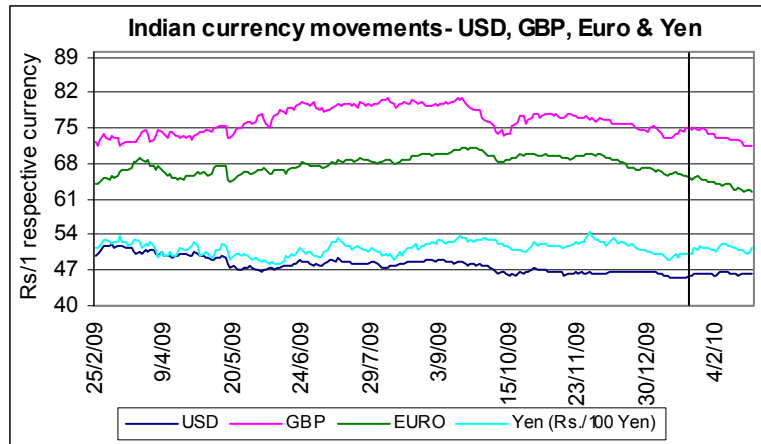
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SECTION I: MONTHLY UPDATE OF MACRO-ECONOMIC DEVELOPMENTS

(Jan 25 - Feb 24, 2010)

Value of Indian Rupee fluctuated against US Dollar

During the period Jan 25, 2010-Feb 24, 2010, the Indian Rupee witnessed a fluctuating trend against most of the major currencies, especially the US Dollar. During the first week of period under consideration, the Indian Rupee tumbled against the US Dollar following sustained capital outflows due to sluggish equities amid month-end US Dollar demand. However, during the period Feb 01, 2010-Feb 03, 2010, fresh capital inflows and a smart recovery in equities

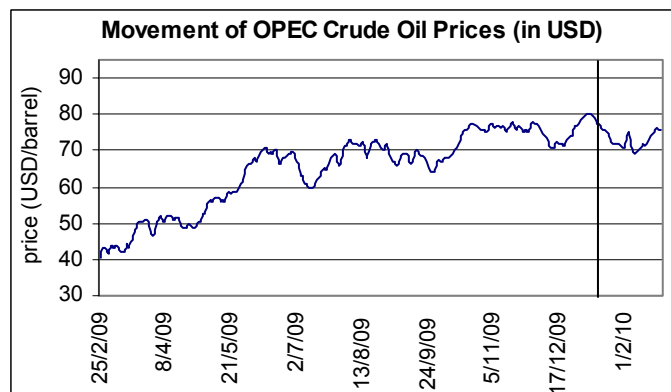


Source: RBI and Cygnus Research

helped the Indian Rupee rise against US Dollar and other major currencies. Sustained selling of dollars by exporters as well as banks on the back of fall in US currency overseas amid expectations of fresh fund inflows saw the Indian currency strengthen against its major rivals. Thereon, the Indian rupee registered a 3-day downward streak against US Dollar to reach the period's weakest level of 46.81 on Feb 08, 2010. The sharp fall in local equities and good dollar demand from banks dragged down the Indian currency. The US currency's surge to a fresh high level against Euro in the overseas foreign exchange market also fuelled Indian Rupee's downfall. However, persistent dollar selling by exporters on expectations of fall in the US currency overseas helped the Indian Rupee rise during Feb 9, 2010-Feb 17, 2010. Smart rise in the Indian benchmark BSE Sensex too supported the domestic currency, helping it to reach the period's strongest level of 46.02 on Feb 17, 2010. The Indian Rupee lost 12 paise on Feb 24, 2010 to close at 46.25 against the US currency on dollar buying by importers amid erratic movements in stock markets. The Indian Rupee depreciated by 0.15% and 0.10% against the US Dollar and Japanese Yen, respectively, during the period Jan 25, 2010-Feb 24, 2010. However, the domestic currency registered significant appreciation of 4.25% and 4.10% against the Euro and British Pound, respectively, during the same period.

Oil prices register fluctuating trend

The crude oil price of OPEC Reference Basket (ORB) recorded a fluctuating trend during the period Jan 25, 2010-Feb 24, 2010, with long phases of ups and dips. Oil prices oscillated within a wide range of USD68 and USD76 per barrel during the four weeks. During the first week of the period, OPEC oil prices kept declining constantly to reach USD71 per barrel on Jan 29, 2010. This was largely due to rise in temperatures in the Northern Hemisphere, combined

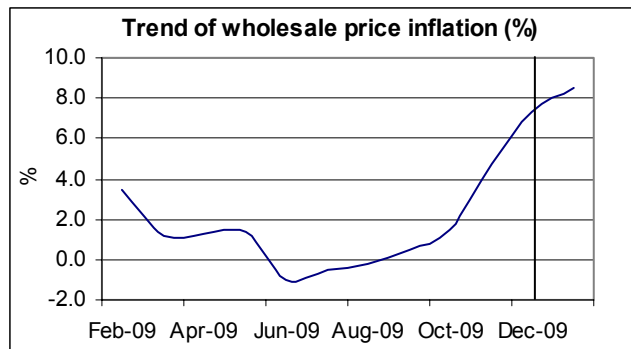


Source: OPEC and Cygnus Research

with the stronger dollar and a downward correction in equity markets. There was a small phase of increase in oil prices from Feb 01, 2010 to Feb 03, 2010, which saw oil prices crossing the USD75 per barrel mark. However, renewed concerns about economic growth, particularly in Euro-zone, resulted in a further decline, pushing oil prices to the period's lowest level of USD68.9 per barrel on Feb 08, 2010. Crude prices again increased in the last two weeks of the period under consideration. This was largely due to some positive economic data releases from Japan and US leading to speculation that the demand for crude may increase. However, the strength in the dollar capped the upside movement in crude oil prices by the end of period. Between Jan 25, 2010 and Feb 24, 2010, the crude oil prices increased by 4.85% to reach USD 75.46 per barrel on Feb 24, 2010.

Inflation continues the upward movement

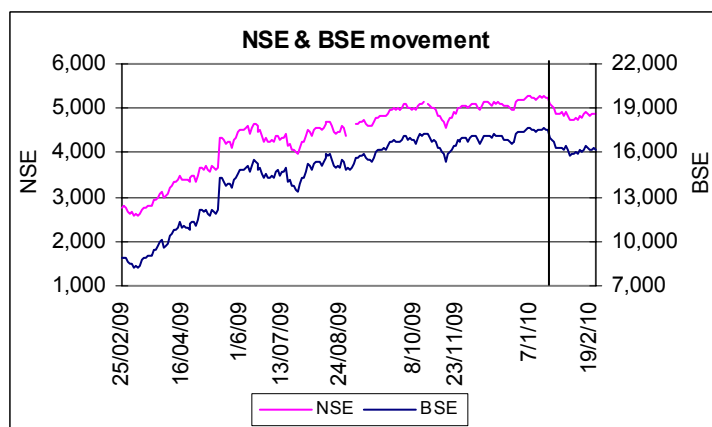
The average wholesale price inflation for the month of January 2010 increased to 8.56% as against 7.31% during the previous month. CPI (Consumer Price Index) inflation increased to 16.22% in January 2010 compared to 14.97% in December 2009. The rise in WPI inflation was largely fuelled by primary articles, where as fuel, power, light & lubricants and manufactured products prices stood relatively moderate in the market. The average inflation rate for commodities under the 'primary articles' group stood at 14.52% in January 2010 against 14.88% during the previous month. Within the primary articles group, inflation rate for food articles was recorded highest at 17.43% in January 2010 against 19.17% in December 2009, while inflation rate for non-food articles stood at 10.57% in January 2010 against 7.73% during the previous month. Higher inflation rate of food articles was mainly due to lower output of pulses and rice, which pushed inflation levels of the commodities to 41% and 21%, respectively. The average inflation rate for the "fuel, power, light & lubricants" group, stood at 6.90% during January 2010 as against 4.29% in the previous month. The inflation rate for manufactured products stood at 6.55% during January 2010 as against 5.17% in the previous month.



Source: MOSPI and Cygnus Research

Nifty & Sensex record negative trend

The Indian stock market witnessed a more or less negative trend from Jan 25, 2010 to Feb 24, 2010. Both, NSE Nifty and BSE Sensex, started on a negative note, with 27 Jan, 2010 registering the biggest single-session loss of the period, which saw NSE Nifty sliding below the 5,000 mark. This was largely due the fact that funds continued to their selling spree in heavy-weight counters. However, soon after on 03 Feb, 2010 the markets recorded the biggest single-session gain of the period, following a global rally.



Source: NSE, BSE and Cygnus Research

Though, this was a one-day wonder and the markets again got back to the declining trend the very

next day. The markets further declined the following day and Sensex slid below the 16,000 mark as the trading secession ended on 05 Feb, 2010. From 06 Feb, 2010 onwards both the markets witnessed a fluctuating trend. While, Nifty declined by 3.0% during Jan 25, 2010-Feb 24, 2010, Sensex dropped by more than 3.1% during the same period.

Leading Indicators

Important Economic Indicators			
GDP Growth (%) at factor cost (2004-05 Prices)	6.7 (Apr-Dec, 2009)		7.1 (Apr-Dec, 2008)
	6.0 (Oct-Dec, 2009)		6.2 (Oct-Dec, 2008)
	% Change		
	December 2009 over December 2008	December 2009 over November 2009	December 2008 over December 2007
IIP Growth*	16.8	10.9	-0.2
Mining	9.5	6.4	2.2
Manufacturing	18.5	11.6	-0.6
Electricity	5.4	6.7	1.6
	January 2010 over January 2009	January 2010 over December 2009	January 2009 over January 2008
Six Core Industries Growth	9.4	5.3	2.2
Coal	6.0	5.2	6.7
Electricity Generation	5.6	1.0	1.8
Crude Petroleum	9.7	0.4	-8.1
Petroleum Products	3.8	3.3	-1.3
Finished Steel	16.2	13.7	3.2
Cement	12.4	3.2	8.3
International Trade			
Exports (USD billion)	14.6 (Dec 09) ^β - 9.3% growth over corresponding period of 2008-09		13.4 (Dec 08) [#] - 17.1% decline over same period of 2007-08
Imports (USD billion)	24.7 (Dec 09) ^β - 27.2% growth over corresponding period of 2008-09		19.4 (Dec 08) [#] 10.0% growth over same period of 2007-08
Credit Indicators			
Prime Lending Rate (%)	11.00-12.00 (Feb 12, 2010)	11.00-12.00 (Jan 15, 2010)	11.50-12.50 (Feb 13, 2009)
Non-Food Credit (Rs. billion)	29,664 (Jan 15, 2010)	28,963 (Dec 18, 2009)	25,924 (Jan 16, 2009)
Advanced/Leading Indicators			
Railway Freight (million tonnes)	78.3 (Jan 10) - 7.1% growth over corresponding period of 2008-09		74.6 (Jan 09) - 2.9% growth over corresponding period of 2007-08
Automobiles Sales (million units)	1.1 (Jan 10) - 44.9% growth over corresponding period of 2008-09		0.8 (Jan 09) - 7.4% decline over corresponding period of 2007-08
Domestic Aircraft Passengers (millions)	4.1 (Jan 10) - 22..9% growth over corresponding period of 2008-09		3.3 (Jan 09) - 14.7% decline over corresponding period of 2007-08
New Telecom Subscription (million connections)	19.6 (Jan 10) - 28.4% growth over corresponding period of 2008-09		15.3 (Jan 09) - 75.1 % growth over corresponding period of 2007-08
<i>Source: RBI, MOSPI, PIB, Ministry of Finance and Cygnus Research</i>			
<i>Note: * Latest available data is up to Dec 2009; ^β Provisional figures ; [#] Revised figures</i>			

SECTION II: INDUSTRY SALES TREND

INDUSTRY SALES TREND-REGION WISE

Region	Y-on-Y (%) Q3 FY 10
North	Up 17.1
South	Up 19.5
East	Up 16.7
West	Up 21.0
<i>Source: CMIE –Prowess</i> <i>Note: Industry sales trends are based on reported sales figures of listed companies</i> <i>Industries include Financial Services, Manufacturing, Irrigation, Mining Electricity, Non-Financial Services, Construction and Others</i>	

SALES TREND OF MAJOR INDUSTRIES IN NORTHERN REGION

Industry	Y-on-Y (%) Q3 FY 10	
	Overall India	Northern Region *
Manufacturing Sector		
Agro and Food Processing Industry	Up 13.7	Up 6.9
Pharmaceuticals	Up 15.1	Up 11.9
Textile	Up 5.7	Up 7.5
Sugar	Up 11.2	Up 14.8
Auto and Auto Components	Up 1.1	Up 10.0
Consumer Durables	Up 2.4	Up 0.4
Metals and Minerals	Up 12.0	Up 9.0
Leather and Leather Products	Up 14.3	Up 13.8
Services Sector		
IT & ITES	Up 23.5	Up 5.8
Hotel & Tourism	Down 3.7	Up 2.2
<i>Source: CMIE –Prowess</i> <i>Note: Industry sales trends are based on reported sales figures of listed companies</i> <i>Note: Northern region consists of Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand</i> <i>NA- Not Available</i>		

SECTION III: INVESTMENT SCENARIO

Foreign Direct Investments

FDI equity inflows in USD Million into Northern States					
Region	Dec, 2009	Nov, 2009	Dec, 2008	% growth of Dec, 2009 over Nov, 2009	% growth of Dec, 2009 over Dec, 2008
Delhi, parts of UP & Haryana	338	505	0	-33.1	NA
Chandigarh, Punjab, HP, Haryana	13	26	255	-50.0	-94.9
Rajasthan	3	0	41	NA	-92.7
UP & Uttarakhand	1	0	0	NA	NA

Source: DIPP and Cygnus Research
Note: NA- Not Applicable; Regions are as per RBI classification

Domestic Investments - Industrial Entrepreneur Memorandum (IEM)

State-wise IEMs proposed in November 2009						
State	No of IEMs			Investment in Rs Million		
	Nov, 2009	Nov, 2008	% change	Nov, 2009	Nov, 2008	% change
Chandigarh	0	0	NA	0	0	NA
Delhi	1	1	0.0	0	230	-100.0
Haryana	8	9	-11.1	3470	22280	-84.4
Himachal Pradesh	6	5	20.0	3550	8470	-58.1
J&K	1	2	-50.0	250	180	38.9
Punjab	2	7	-71.4	1610	1480	8.8
Rajasthan	9	8	12.5	22360	52070	-57.1
Uttar Pradesh	16	9	77.8	7900	4120	91.7
Uttarakhand	21	6	250.0	16050	6620	142.4

Source: DIPP and Cygnus Research
Note: NA- Not Applicable; Regions are as per RBI classification

State-wise IEMs implemented in November 2009						
State	No of IEMs			Investment in Rs Million		
	Nov, 2009	Nov, 2008	% change	Nov, 2009	Nov, 2008	% change
Chandigarh	0	0	NA	0	0	NA
Delhi	0	0	NA	0	0	NA
Haryana	1	0	NA	210	0	NA
Himachal Pradesh	1	4	-75.0	110	0	NA
J&K	0	0	NA	0	0	NA
Punjab	0	0	NA	0	0	NA
Rajasthan	1	1	0.0	0	0	NA
Uttar Pradesh	0	0	NA	0	0	NA
Uttarakhand	8	0	NA	1150	0	NA

Source: DIPP and Cygnus Research
Note: NA- Not Applicable; Regions are as per RBI classification

SECTION IV- IN FOCUS

Union Budget Analysis: 2010-11

Impact of Union Budget 2010-11 on Indian Economy

The overall impact of Budget 2010-11 on the Indian economy is expected to be a positive one. Budgetary estimate of fiscal deficit as proportion of GDP at 5.5% for the year 2010-11 is much lower than 6.7% this year. Fiscal consolidation, one of the major macro economic challenges, has been addressed without increasing taxes significantly. This will help the country to improve its sovereign ratings. Also, 15% increase in plan expenditure as against a 6% increase in non-plan expenditure points towards more efficient expenditure planning. The government has also taken positive steps to encourage agricultural growth. Dual strategy in improving agricultural production on one hand and managing food supply chain effectively on the other hand can prove its impact in controlling inflation in the food prices in the long run. Extension of interest subvention of 2 per cent to exports for one year for the SME sector will reduce the cost of debt for the exporters. The SME sector will also benefit from the increase in the limits for presumptive taxation and the clarification that no capital gains tax would be levied in case of conversion of small companies into LLPs (Limited Liability Partnerships).

The good directional focus on Taxation with the roadmap for the Goods & Service Tax and Direct Tax Code laid down for April 2011 makes the Budget forward looking. The Finance Minister has left the indirect taxes mostly unchanged with continuation of Service Tax at 10% and a 2% increase in Excise Duty from 8 to 10%. Also, the Budget provides for decrease in surcharge on corporate tax from 10 to 7.5%. However, MAT rate were increased from 15% to 18% of book profit. On personal income tax front, the Budget proposes to prune the tax rates and simplification of Saral-2 return forms for individual salaried assesses.

Northern Region Specific Proposals in Budget

From Northern Regional point of view, the state of Jammu and Kashmir has managed to get special focus on the budget with a Rs. 5 billion allocation for small and micro power projects for Ladakh and a promise of employment to 2,000 Kashmiri youth in Central Para-Military Forces. The areas to which green revolution is to be extended also includes Eastern UP. In addition Rs. 12 billion provided for drought mitigation efforts in Bundelkhand region, which is largely in UP. Focus on Backward regions with enhanced allocation of Rs. 73 billion towards the Backward Region Grant Fund will go a long way to work out an integrated development of these areas.

Budget on Sectors

Agriculture

Agriculture is key to achieving inclusive growth. This budget has made concrete announcements for the sector. Extension of the green revolution to the eastern region including eastern UP in the north, reforms in fertilizer subsidy, focus on conservation farming, greater credit support to farmers and host of measures for promoting the downstream food processing sector will help tackle the stagnation in this sector. In addition, the Food processing sector and Cold Storage has received a special impetus. External Commercial Borrowings (ECB) being made available for cold storage provides access to cheaper overseas credit. Further, FM has provided concessional customs duty of 5% with full exemption from service tax for setting up and expansion of cold storage units and processing units. These will enable creation of the much needed storage infrastructure for the sector, reducing wastages in agriculture.

Automobile & Auto Components

Excise duty on all vehicles and components hiked by 2%. The weighted deduction on in-house

R&D increased to 200% and outsourced R&D to 175%. The increase in income tax slab and continued focus on rural development will benefit two-wheeler and tractor sales, respectively.

Banking & Finance

Important measures have been taken to consolidate regulation in the financial sector. The establishment of the Financial Stability and Development Council will help inter-regulatory coordination while the Financial Sector Legislative Reforms Council will provide an outline for the expected reforms in this sector. Budget 2010-11 has proposed a Rs.165-billion Tier-I capital infusion in 2010-11, which would enable state owned banks to maintain a minimum CAR (capital adequacy ratio) of 8% by the year end. This would provide an opportunity to raise other resources for credit expansion while maintaining a healthy capital-to-risk weighted asset ratio. The move to grant fresh banking licenses to new private players and non-banking finance companies (NBFC) too is a positive one for the sector. The provision of additional banking licenses to private sector entities will enable greater competition in banking even as public sector banks are strengthened through re-capitalisation.

Capital Goods & Project Imports

Goods supplied to mega power projects from which supply of power has been tied up through tariff based competitive bidding or a mega power project awarded to a developer on the basis of such bidding has been exempted from excise duty. Also, excise duty has been exempted on initial setting up of solar power generation project or facility. Monorail projects will attract customs duty of 5%.

Cement & Construction

There is hike in central excise duty from 8% to 10% in Portland cement and cement clinker. Measures to spur housing and infrastructure investments will have a positive impact on demand for cement and Construction Sector.

Energy & Power

The budgetary allocation for the power sector, excluding Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), has been raised to Rs.51.3 billion from Rs.22.3 billion. Clean energy cess of Rs.50 per tonne to be levied on domestic and imported coal introduced in the budget. The Budget announcement is a clear indication of the country's increased focus towards renewable energy, clean technology & power. The budget allocation for MNRE (Ministry of New and Renewable Energy) has been enhanced by 61%. Concessional customs duty for importing machineries and equipments for setting up of photovoltaic, solar thermal power plants and geo-thermal energy will reduce the capital cost. Excise duty exemption granted to manufacturers of specified inputs required for wind energy generators will encourage wind energy farms in India.

Entertainment

As per the Budget announcement, transfer of intellectual rights within the entertainment industry would be subjected to service tax. Also, the Budget has proposed to charge custom duty only on equipment (carrier medium) used to import digital masters of films for duplication or distribution loaded on electronic medium.

FMCG

The Budget announcement to increase allocated expenditures on many rural development schemes would lead to more money in the hands of the rural consumer, thus, increasing their purchasing power. Increase in the income tax slab would also support sales growth within the industry.

Hotels & Tourism

Budget 2010-11 has paved way for sustained growth of the hotel industry. It has proposed to provide investment-linked deductions to hotels of two-star and above grade, thus, boosting investment in the sector. From a North Indian perspective this will be an added incentive for creation of additional

room capacities for the Commonwealth Games.

IT/ITeS

With a view to incentivize IT and ITES exports, the process of refund of accumulated credit to exporters of such services has been simplified by making necessary changes in the definition of export of services and procedures. However, the Budget announcement signalled the end of tax incentives for software exports. The likely lapse of the STPI scheme after FY11 will increase the sector's overall tax liability.

Infrastructure

Budget has huge focus on Infrastructure with the sector receiving 46% of total plan allocation. There is greater thrust on roads and road transport resulting in 13 percent increase in allocation for road transport. In addition, project import status granted to Monorail projects for urban transport, at a concessional basic duty of 5%.

Logistics

The budget has provided for concessional customs duty of 5%, with full exemption of service tax, for the setting-up and expansion of cold storage facilities, for storage of agri and related produce. This move is expected to help logistics companies who are setting up facilities in this segment. In addition, the government has also provided for exemption of service tax on transportation by road of cereals and pulses. This measure would help to ensure a level playing field for active players with the railways.

Media

Union Budget 2010-11 has kept News agencies out of the service tax ambit.

Paper

Budget allocation for education sector has increased to Rs.310.36 billion, up by 16%. This will ensure boost in demand for writing and printing paper. Greater allocation for the rural sector will also increase demand for paper and paper products from rural areas. There is a reduction in central excise duty on corrugated boxes and cartons from 8% to 4%.

Petroleum

Budget 2010-11 restored the customs duty on petroleum crude oil at 5% and raised the same on petrol and diesel to 7.5% and other petroleum products to 10%. Budget 2010-11 increased the excise duty on petrol and diesel by Re.1 per litre.

Pharmaceutical

The government has increased allocation towards healthcare and Rashtriya Swasthya Bima Yojana (RSBY). The government has increased the weighted deduction on R&D expenditure from 150% to 200%. It is likely to benefit all pharma companies that are involved in R&D activities. The cost of medical equipments has been reduced by curtailing their customs duty and countervailing duty and exempting them from special additional duty. Reduction in excise duty on goods covered under the Medicinal and Toilet Preparations Act from 16% to 10%.

Real Estate

The Budget proposal to provide interest subvention on housing loans and increased allocation on Rajiv Awas Yojana are welcome steps for the real estate sector. Increased income tax slab rate further enhances the purchasing power of individuals. The time to complete 80IB (10) eligible projects is extended from 4 years to 5 years. This is a good move in wake of the delay caused due to the recession. The budget lays emphasis on infrastructure development, which will help the realty sector as well. However, increase of excise duty only from 8% to 10% would result in a raise in input costs of various products. Additionally, Service Tax is imposed on certain additional services provided by a

builder to the prospective buyers such as providing preferential location or external or internal development of complexes on extra charges.

Retail

The increase in tax slabs will lead to higher disposable income in the hands of people resulting increase in consumption demand and consequently footfalls. However, increase of excise duty from 8% to 10% would result in an increase in input costs of various products. Clarity on FDI norms is expected to come about in some time, giving more funding options to retailers.

Steel

The increase in infrastructure related spending and availability of easy financing for such projects will result in higher demand for steel, a key input in infra project. The clean energy cess of Rs50/ton on coal will lead to marginal rise in power & fuel cost of steel companies.

Telecom

Exemption from basic, countervailing duty and special additional duty on components and accessories of mobile handsets has been extended to include battery chargers and head phones. The government has also extended the exemption of special additional duty to mobile phones not imported in the pre-packaged form. These measures will cause mobile handset prices to fall further.

Textile

The extension of 2% interest subvention on pre- and post-shipment export credit till March 31, 2011, will help small exporters to reduce interest costs. The hike in excise duty on man-made fibres and yarns will increase polyester prices by Rs.1.50 to Rs.2.00 a kg. The Government's focus on extensive skill development programme for the textile and garment sector is a welcome step, which will help the sector to overcome shortage of skilled manpower.

Tiles

The condition of non-availment of CENVAT credit has been withdrawn in case of tiles manufactured without using electricity for firing of kiln. However, excise duty has been increased from 8% to 10% on tiles as well as excisable inputs.

Union Railway Budget 2010-11
(Northern Region perspective)

On February 24, 2010, Railway Minister Ms Mamata Banerjee presented the Railway Budget for 2010-11 in the Parliament. The Key highlights (specific to Northern Region) are as follows:

- Railways will be the lead partner in the Commonwealth Games in Delhi.
- Railways to start work on Rae Bareilly coach factory in the next one year
- Kashmir role link to be extended to Sopore
- North-south, east-west dedicated freight corridors to be created
- Railways to start water bottling plants in Ambala and Amethi provide clean and cheap drinking water to passengers.
- Sports academies to be set-up at Delhi.
- Double-decker coaches to be introduced in a train from Delhi.
- Ambala Cantt., Gorakhpur, Jammu, Jhansi, Kota to be converted to world class station.
- Badarpur Junction, Basti, Chandauli, Ramnagar, Siddharth Nagar, Sultanpur declared as Adarsh Stations.
- Electrification of Mathura-Alwar-Rewari-Hissar section is under active consideration for electrification.
- Feasibility studies for electrification of the following sections will be undertaken-
 - Chhapra-Varanasi-Allahabad including Bhatni-Aunrihar and Phephna-Indara;
 - Garwa Road-Chopan-Singrauli including Chunar-Chopan.
- Setting up of Tertiary-level Multi-specialty Hospitals at Bharatpur, Chandigarh, Kota, Mughalsarai, Rampur, Rewari, Sawai Madhopur.
- Proposed gauge conversion for the following sections during the next financial year-
Ratangarh – Bikaner of Sadulpur – Bikaner; Mavli – Nathdwara;
 - Bodeli – Chotta Udepur of Pratapnagar – Chotta Udepur.
- In addition, following gauge conversions works are proposed to be taken up-
 - Gwalior – Sheopurkalan with extension to Kota;
 - Dholpur – Sirmutra with extension to Gangapur City.
- Proposed doubling of following railway lines during the next financial year like-
 - Jalandhar Cantt – Suchi Pind;
 - Ambala Cantt-Dhapper;
 - Basantar Bridge on Sambha – Vijaypur Jammu;
 - Kathua-Madhampur Punjab;
 - Bhagat ki Kothi-Luni;
 - Swaroopganj-Abu Road.

- Proposed the survey for new railway lines like-
 - Rohtak-Hansi;
 - Bijwasan-Jhajjar-Charkridadri;
 - Delhi-Sohna-Nuh-Firozpur Jhirka-Alwar;
 - Ghanoli-Dehradun via Baddi, Nalagarh, Jagadhari, Surajpur-Kala Amb-Paonta Saheb;
 - Nangli-Chittoor;
 - Tanda-Hoshiarpur;
 - Bhiwani-Loharu-Pilani-Churu;
 - Pushkar-Merta;
 - Jaisalmer to Sanu via Hamira;
 - Bharatpur-Deeg-Kama-Kosi;
 - Hamirpur-Hamirpur Road;
 - Hastinapur-Meerut;
 - Kapilvasthu-Basti via Bhansi;
 - Piran Kaliyar Sharif-Haridwar.
- In addition following Gauge Conversion Surveys, Doubling Surveys and Other Surveys have also been proposed during the next financial year. These are:
 - Gauge Conversion Surveys- Lucknow-Sitapur-Lakhimpur-Pilibhit
 - Doubling Surveys- Kanpur-Manikpur; Mathura-Jhansi 3rd line; Sirhind-Nangal Dam
 - Other Surveys- Bye-pass line at Rewari from Alwar to Sadulpur
- New rail line project has been included in the Railway Budget for the year 2010-2011- Rishikesh-Karanprayag

Train Services (Northern Region Specific)

- Increase in frequency of trains-
 - 2215/2216 Bandra Terminus-Delhi Sarai Rohilla from 3 days to 4 days
 - 2807/2808 Visakhapatnam-Nizamuddin Samata Express from 3 days to 5 days
 - 4705/4706 Delhi Sarai Rohilla Sadulpur Express from 3 days to 6 days
 - 2981/2982 Udaipur City-Delhi Sarai Rohilla Chetak Express from 3 days to 4 days
 - 2447/2448 Manikpur-Hazrat Nizamuddin Uttar Pradesh Sampark Kranti Express from 3 days to daily
- Extension of trains-
 - 2235/2236 New Delhi-Guwahati Rajdhani Express to Dibrugarh
- Introduction of new long distance trains-
 - Sultanpur-Mumbai Express (via Nihalgarh) (Weekly)
 - Sultanpur-Ajmer Express (via Nihalgarh) (Weekly)
 - Kishanganj-Ajmer Express (Weekly)
 - Kolkata-Ajmer Express via Singrauli-Katni-Bhopal-Nagda-Ratlam (Weekly)
 - Kolkata-Anandpur Sahib-Nangaldam Express (Weekly)
 - Una-Haridwar Link Express (Tri-Weekly)
 - Hyderabad-Ajmer Express (Bi-weekly)
 - Haridwar-Mumbai CST AC Express (Bi-weekly)
 - Valsad-Haridwar Express (Weekly)

- Ajmer-Indore Link Express (Daily)
 - Kanpur-Chitrakoot Express (Daily)
 - Delhi Sarai Rohilla- Sri Ganganagar Express (Tri-weekly) via Bhatinda
 - Jaipur-Pune Express (Weekly)
 - Ahmedabad-Agra Express (Tri-weekly)
 - Gonda-Manduadih (Varanasi) Intercity (Daily)
 - Gandhidham-Jodhpur Express via Bhildi (Tri-weekly)
- New Duronto trains for providing non-stop point to point services between Jaipur-Mumbai AC (Bi-weekly).
 - In addition, following Duros will run in the day time: Chandigarh-Amritsar.
 - Proposed the Bharat Tirth Trains to run on the following routes covering places of tourist importance:-
 - Howrah-Gaya-Agra-Mathura-Vrindavan-New Delhi-Haridwar-Varanasi-Howrah
 - Howrah – Varanasi - Jammu Tawi-Amritsar-Haridwar-Mathura-Vrindavan-Allahabad-Howrah
 - Howrah-Ajmer-Udaipur-Jodhpur-Bikaner-Jaipur-Howrah
 - Pune-Jaipur-Nathdwara-Ranakpur-Jaipur-Mathura-Agra-Haridwar-Amritsar-Jammu Tawi-Pune
 - Ahmedabad-Puri-Kolkata-Gangasagar-Varanasi-Allahabad-Indore-Omkareshwar-Ujjain-Ahmedabad
 - Bhopal-Dwarka-Somnath-Udaipur-Ajmer-Jodhpur-Jaipur-Mathura-Vrindavan-Amritsar-Jammu Tawi-Bhopal
 - Madurai-Chennai-Jaipur-Delhi-Mathura-Vrindavan-Allahabad-Varanasi-Gaya-Chennai-Madurai
 - Madurai – Varanasi – Gaya – Patna Sahib-Allahabad-Haridwar-Chandigarh-Kurukshetra-Amritsar-Delhi-Madurai
 - Madurai-Mysore-Goa-Mumbai-Aurangabad-Hyderabad-Madurai
 - Special trains for Commonwealth Games
 - New Express train between Ahmedabad-Udhampur
 - Matribhoomi Express train for ladies in New Delhi.
 - Karmabhoomi trains, unreserved train for common people between New Jalpaiguri-Amritsar.
 - Similarly, Janmabhoomi Trains specially for uniformed persons, between Ahmedabad and Udhampur
 - In addition, the following Matribhoomi specials will be run in the suburban sections of the major metropolises- Delhi – Panipat.
 - Railways proposes to run a Commonwealth Exhibition Train to spread the message.
 - Announced introduction of conventional passenger trains, MEMUs and DEMUs, the new trains have been introduced to address this segment.
 - The following passenger trains are proposed to be introduced during the year 2010-11-
1. Jhansi-Banda Passenger

2. Aunrihar-Jaunpur Passenger (after gauge conversion)
3. Bareilly-Lalkuan Passenger (after gauge conversion)
4. Rewari-Degana Passenger via Ratangarh (after gauge conversion)

The DEMU Services proposed to be introduced are as follows:

1. Qazigund-Baramulla
2. Hoshiarpur – Amritsar

SECTION V: POLICY, INVESTMENT AND NOTIFICATION TRACKER

CHANDIGARH

POLICY TRACKER

News

Retailers seek increase in stock limit (Source: Tribune News Service, Date: 08/02/2010)

Retailers and traders in Chandigarh called upon Union Minister for Parliament Affair and Water Resources to remind him about the pending issues of increase in retailer's stock limits of commodities in the city without license. According to a press note, a limit, fixed in 1991, is insufficient, considering the present requirement, so comparative chart depicting the stock limits in Chandigarh and neighbouring states was presented to the Minister and demand was raised to increase the limits on the Punjab pattern. Since the Chandigarh administration has already sent recommendation to the Government of India to increase stock limits, the local MP was requested to take up the issue with Central Government, as approval of the government was required to implement the enhanced limits in the city.

Meeting to review industrial policy (Source: Tribune News Service, Date: 10/02/2010)

The UT Administrator has called for a meeting with UT Adviser, the Home Secretary, the Finance Secretary and the director of industries for a meeting to review the industrial policy of the Union Territory. The meeting is being seen as the first step in the direction of the Union Territory framing a new industrial policy. Importantly, one of the issues is the permission for an increased FAR for plot owners in Industrial Area.

Traders seek additional floor on booths, bay shops (Source: Tribune News Service, Date: 15/02/2010)

A delegation of traders of Sector 17, called on Punjab Governor-cum-UT Administrator, to discuss major issues related to traders of the city. In a representation to the Administrator during his public hearing session, the traders demanded box-type structures on the rear side of SCOs and SCFs in all commercial areas. They demanded that business and commercial activities be permitted on upper floors of the SCOs without charge. The permission for an additional floor on booths and bay shops was also demanded in the representation. Demanding deemed assessment up to December 14, 2005, of all pending sales tax assessment cases without C-form, the delegation sought deposit of VAT in cash at banks other than the SBI. The representation demanded the auction of commercial property converted from leasehold to freehold.

MC panel approves Rs. 7.02bn budget (Source: Tribune News Service, Date: 15/02/2010)

Members of the Finance and Contract Committee of the municipal corporation have approved the proposed budget of Rs. 7.02 billion for the next financial year, which is Rs. 1.11 billion more than the Rs. 5.90 billion budget last year. For the next financial year, officials proposed income under plan head of Rs. 3.64 billion, as against Rs. 2.56 billion last year. Non-plan income was Rs. 1.82 billion, as against Rs. 1.75 billion last year. Income under the head of other resources was proposed at Rs. 1.56 billion, as against Rs. 1.59 billion last year. The proposed expenditure for next year was in the range of Rs. 6.64 billion, with Rs. 3.83 billion under the plan head and Rs. 2.81 billion under the non-plan head. The authorities earmarked special allocation of Rs. 10 million each for electric wiring at rehabilitation colonies and villages, upgradation of community centres and installation of tubewells, which had been approved by the committee. This year's proposed budget was Rs. 1.52 billion for the

public health department and Rs. 1.39 billion for the building and roads department. They tabled a proposal for the setting up of a sports complex, renovation of the cremation grounds at a cost of Rs. 6.8 million and modernisation of the 'dhobhi ghat' at a cost of Rs. 15 million. They also proposed Rs. 30 million for streetlights, Rs. 10 million for community parking and Rs. 50 million for widening of V5 roads. The authorities planned Rs. 70 million for the beautification of Phase II, Industrial Area, during the next financial year.

UT Admn. to sign 4-way 'power' pact (Source: Indian Express, Date: 22/02/2010)

The Chandigarh Administration will soon sign a quadripartite agreement with the Centre, the Power Finance Corporation and the State Power Utility (Electricity Wing of the UT Administration) to implement the Restructured Accelerated Power Development and Reforms Program, a Central government initiative, in the UT. The step is an attempt towards augmenting the transmission and distribution networks in Chandigarh, cutting down transmission losses and even out the load-factor with the help of information technology. This arrangement would minimise powercuts and fluctuations in the UT.

CHANDIGARH

INVESTMENT TRACKER

Indian Oil to expand in North (Source: Business Standard, Date: 02/02/2010)

Indian Oil Corporation Ltd, the market leader in the oil and gas distribution in India, plans to consolidate its presence in Punjab, Jammu and Kashmir, Himachal Pradesh and Chandigarh. According to General Manager (marketing division) of the company, they would add 40 more oil stations and 30 LPG distributors by the end of the March 2010 in Chandigarh. The company has identified the locations and the channel partners/dealers and waiting for the approvals from the different government departments. The expansion of the retail outlets will be done in the hinterland due to burgeoning demand of oil and gas in the interiors.

News

Auto Mall '10 to generate new business opportunities (Source: Financial Express, Date: 02/02/2010)

Relio Quick Auto Mall 2010, Chandigarh, would host some of the best automobile brands in the country along with the related products and services. This exhibition will be further complemented by Premium Lounge for display of luxury cars & bikes, vintage cars, modified cars and bikes. The key feature of this year's Auto Mall is the multidimensional expansion—a 100,000 square feet display of some of the best cars and bikes, style biking by India's top stunt-Riders, All Terrain Vehicles, Dirt track and Super-Biking. Relio Quick Auto Mall 2010 is also a platform for young talent to showcase their innovative designs and concepts to the industry stalwarts as it is providing a dedicated show space to these auto-freaks.

Shops in malls fail to attract business (Source: Tribune News Service, Date: 07/02/2010)

Chandigarh and its satellite towns of Panchkula and Mohali seem to have given a cold response to the much-hyped mall culture. Despite high footfalls in the five malls that have now come up in the region, business remains elusive for the few shops that have opened here. Many shops have actually closed down after running into huge losses and failing to find buyers. Most of the store owners in these malls say that though a large number of people come to the malls, only 10-15% are genuine shoppers.

Australia to set up a trade department in Chandigarh (Source: Business Standard, Date: 24/02/2010)

The Australian government announced plans to set up a trade and commerce department in Chandigarh to boost the bilateral trade between Australia and India in general and Punjab in particular. The announcement was made by the Australian High Commissioner in India Mr. Peter Verghese. Mr. Verghese also evinced keen interest in collaborative research programmes between Australia and Punjab-based universities to impart quality higher education.

CHANDIGARH

NOTIFICATION TRACKER

EXCISE AND TAXATION DEPARTMENT

No. _____

Date 02.02.2010

NOTIFICATION

The Chandigarh Administration has amended the Punjab Liquor Licence Rules, 1956. The rule will now be called the Punjab Liquor Licence (Chandigarh Amendment) Rules, 2010. This rule will come into force with the immediate effect.

In the Punjab Liquor Licence Rules, 1956, in rule 37, for condition 4 (b), the following condition will be substituted, namely:-

“4 (b) The grant of all new licences for the financial year 2009-10 onwards and their subsequent renewal will be granted subject to the condition that the applicant/ licensee will have to submit a No Objection Certificated from the owner of the premises (in case of leased premises), and the grant/renewal shall be subject to the validity of their rent/lease deed etc., provided that the condition will not be applicable on renewal of existing licenses issued prior to the financial year 2009-10 and grant of new bar licenses (L-3, L-4, L-5, L-10A & L-10AA) in a restaurant/ hotel.”

DELHI

POLICY TRACKER

MCD hikes property tax (Source: Tribune News Service, Date: 08/02/2010)

The Municipal Corporation of Delhi (MCD) passed its Rs. 60 billion budget for the year 2010-11, increasing the property tax. The tax rates for residential properties have been increased from 10% to 12% in categories A and B and from 10% to 11% in categories C, D and E. The hike will be from 6% to 7% in categories F, G and H. For non-residential properties, the hike will be from 10% to 15% in categories A and B, from 10% to 12% in C, D and E while for F, G and H, the rates have been kept untouched at 10%. The corporation rejected a proposal for imposition of professional tax.

Delhi Govt. to rate eating joints (Source: Times of India, Date: 10/02/2010)

To ensure safe and hygienic food during the Commonwealth Games, Delhi Government will soon start rating restaurants, dhabas, takeaway joints and other food joints in the city. The decision was taken at a meeting presided over by Delhi Chief Secretary. The government will put in place specific norms for restaurants and eating joints to ensure that they sell and distribute hygienic food. The government will also come out with a directory of all food establishments with ratings in the scale of one to five. Various parameters like ambiance, service and quality of raw materials for preparation of food will also be taken in account while giving ratings.

Bar-coding for liquor bottles (Source: Times of India, Date: 17/02/2010)

All liquor bottles in the city will soon have modern bar-coding with Delhi government clearing a long-pending proposal for the purpose. Bar-coding of liquor bottles will help authorities check sale of spurious alcohol and plug holes in revenue generation. It will help the government keep a daily track record of brands being sold in each outlet of the city. An initial investment of Rs. 1 billion will be required for the project which will be borne by the manufacturers who will later collect it from consumers.

MCD urges cell cos to regularise towers in a month (Source: Times of India, Date: 10/02/2010)

The Municipal Corporation of Delhi (MCD) may soon approve a new policy that will prevent illegal cell towers from mushrooming across the city. MCD has urged the existing illegal towers in the national capital to apply for regularization. The cellular providers are given one month's time to comply with the new norms. Mobile towers on school buildings and hospitals will be sealed with immediate effect. Under the revised policy, all municipal buildings, including community centres, will get priority for site selection for new mobile towers. Mobile operators will also be able to install towers on government buildings, commercial and institutional buildings and vacant land after obtaining necessary clearance from the authorities concerned. The new guidelines also prohibit installation of mobile towers in residential areas unless there is no alternative possible.

News

Delhi to go hard on polluted industries (Source: Tribune News Service, Date: 14/02/2010)

The industries department of the Delhi Government recently conducted a meeting, in which it was decided that 250 units of steel nickel polish industries would be closed down for causing pollution. The National Capital has 99 types of polluted industries, which together have 5,000 pollution causing units. Earlier also there was a decision taken by the Delhi government to shift polluted industries from the vicinity of the National Capital. However, several industrialists took stay order from the court in advance. The majority of these industries are in Badli and Wazirabad.

Govt mulls law to control commodity prices (Source: Tribune News Service, Date: 14/02/2010)

The Delhi state government is considering formulating an act to control price rise. In last few months, the wholesale and retail prices of wheat and flour have shown a sharp increase. To combat this, the government decided to provide flour and pulses at lesser rate than the market. No ration card would be required for the purchase of flour and pulses. The government is also awaiting permission from the Centre to strengthen the Essential Commodities Act to control hoarders and black-marketers. The weights and measures department of the Delhi government has already started carrying out surprise checks.

Packagers in North India to hold inter-state meeting to discuss price rise (Source: Tribune News Service, Date: 20/02/2010)

Packagers from the North India states of Delhi, Punjab, Haryana, Himachal Pradesh and Rajasthan has decided to conduct a joint meeting on February 27 to find an amicable solution to the abrupt and unannounced hike in paper prices by paper mills of the northern region. The problems for packagers compounded as the customers were reluctant to hiked prices and they were compelled to incur losses by offering older rates. In addition to this, prices of other commodities like starch had increased by as much as 35% and so had the prices of stitching, wires and strapping PVC rolls which led to an overall hike in cost of production. Even the daily wages had been hiked, further adding to the costs.

Delhi airport to become global airline hub (Source: Business Standard, Date: 03/02/2010)

The civil aviation ministry has prepared a blueprint to convert Delhi airport into an international hub for passenger airlines with effect from August 2010. The initiative would enable the airport, which is being expanded by a GMR-led consortium, to utilise large amounts of additional capacity. The decision has been conveyed to both international and domestic carriers. The government is also planning to make Delhi a regional hub to connect south East Asia to Europe by leveraging the capital's strategic mid-point location. The plan is to allow more airlines to land in Delhi and use domestic airlines for onward flights via code-share agreements in hub-and-spoke arrangements.

DELHI

INVESTMENT TRACKER

Bharti Retail takes store tally to 59 in North India (Source: Financial Express, Date: 02/02/2010)

In its first phase of operations, Bharti Retail has strengthened its position in North India by opening 59 stores, under the name Easy Day, in Punjab, Haryana, Rajasthan, Uttar Pradesh and New Delhi. The company's strategy is to consolidate its presence in one market, before expanding to another region. In the next five years, Bharti Retail is expected to see a US investment of USD2-2.5 billion in its stores across the country and would employ about 60,000 people. The company plans to offer approximately 10 million square feet of retail experience across all cities in India.

Delhi to set up two SEZs (Source: The Hindu, Date: 15/02/2010)

Two Special Economic Zones for gold and jewellery and information technology sector are being set up at Baprola in North-West Delhi. The Centre has allowed the Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) to go ahead with the projects that will cost Rs. 7.85 billion. The facilities are expected to provide direct employment to 54,000 people and indirect employment to 162,000. The project would come up on 67.4 acre land, of which, the gold and jewellery SEZ will cover 41.4 acre and the information technology SEZ take up 26 acre. A minimum of 50% of the area would be used for processing activities—production or manufacturing.

News

Mother Dairy eyes to boost milk sales (Source: The Hindu, Date: 18/02/2010)

Milk retailer Mother Dairy said that it is targeting sales of 3 million litres of fresh milk per day in Delhi and the National Capital Region during the summer months this year. Mother Dairy Fruits and Vegetable Pvt. Ltd, CEO, Mr. Paul Thachil said this would further strengthen their leadership in the branded milk segment in the region. He claimed that the company's current sale is around 2.8 million litres per day, which is about twice as much as that of the nearest competitor.

Nod for many East Delhi infrastructure projects (Source: The Hindu, Date: 18/02/2010)

The Delhi Government's Expenditure Finance Committee cleared four projects worth Rs. 605 million. All but one project relate to creation of infrastructure by the Public Works Department in areas that fall around the Commonwealth Games venues. Since Vikas Marg was an important road in the Capital and one of the busiest in the trans-Yamuna area, the Committee had sanctioned Rs. 75.2 million for re-surfacing its service road, improvement of drains, central verge and re-surfacing of the main carriageway. The Committee has sanctioned Rs. 179.5 million for improvement of six roads close to the UP border. Two Foot Over-Bridges (FOBs) and one pedestrian bridge have been sanctioned near the stadium that would be constructed at a cost of Rs. 125.7 million. The Committee sanctioned Rs. 224.2 million for construction of a diabetic, endocrine and metabolic care centre at GTB Hospital, Shahdara.

Rs. 219.5mn to beautify roads (Source: Tribune News Service, Date: 01/02/2010)

The expenditure and finance committee of Delhi government has cleared a Rs. 219.5 million proposal for beautification of roads around Commonwealth Games venues. Apart from games venues, the proposal also covers space under flyovers, road crossings and footpaths that will be beautified by planting saplings. The design of beautification has been given to the agencies concerned.

Delhi Bazaar - the new retail space at IGI airport to open shortly (Source: Times of India,

Date: 05/02/2010)

The concept of Delhi Bazaar at the world's best terminal—T3—opening soon at Delhi International Airport shall truly justify and further enhance the tagline Explore. As the main India-centric profile retail offering, Delhi Bazaar at T3 shall excite and entice travel consumers to explore and enjoy the most unique retail experience at any airport in the world. The emphasis of Craft House at Delhi Bazaar will be to expose and introduce the international travel consumer and re-acquaint the Indian travel consumer to experience a genuine Bazaar ambience in an evolved modern setting.

DELHI

NOTIFICATION TRACKER

FINANCE (TAXES & ESTABLISHMENT) DEPARTMENT

No. F. 3(25)/Fin.(T&E)/2009-10/jsfin/94

Date 15.02.2010

NOTIFICATION

In exercise of the powers conferred by Section 102 of the Delhi Value Added Tax Act 2004 (Delhi Act 3 of 2005), the Lt. Governor of the National Capital Territory of Delhi hereby makes the following Rules further to amend the Delhi Value Added Tax Rules 2005, namely: -

1. These rules may be called the Delhi Value Added Tax (Amendment) Rules 2010.
2. They shall be deemed to have come into force on 1st April 2005

Amendment of Rule 35, In Chapter VII of the Delhi Value Added Tax Rules 2005, in rule 35,-

- (a) for sub-rule 1(a), the following sub-rule shall be substituted, namely: -

“(1)(a) the goods were purchased by the organizations or the qualified person from a registered dealer against a tax invoice/retail invoice and the sale price of the goods covered in each single tax invoice / retail invoice exceeds five thousand rupees (excluding tax paid, if any) or such other amount as may be notified by the Commissioner;”

Provided that the relaxation regarding production of retail invoices for claiming refund under sub rules (1) (a), (2), (10) and (11) of this Rule shall only be available to Embassies, High Commissions, International Organizations and their qualified persons and not to any other public organization listed in the Sixth Schedule”;

Note: For full text the aforesaid notification may be referred to.

By order and in the name of
the Lt. Governor of the National
Capital Territory of Delhi,

Sd/-

(AJAY KUMAR GARG)
JOINT SECRETARY (FINANCE/PLANNING)

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of Section 22 of the Delhi Tax on Luxuries Act, 1996 (Delhi Act 10 of 1996) as amended by the Delhi Tax on Luxuries (Amendment) Act, 2000 (Delhi Act 6 of 2000), the Lieutenant Governor of the National Capital Territory of Delhi, being satisfied that it is necessary to do so in the public interest, hereby, exempts the following persons or class of persons from payment of Luxury Tax on the Luxury to be paid in the Hotels in the National Capital Territory of Delhi, namely:-

1. Delegates from the Commonwealth Games Federation and member countries of the Commonwealth Games Association, Technical Experts of International Sports Federation and Broadcasting / Media Right Holders of Commonwealth Games Delhi- 2010 for whom accommodation is booked by the Organizing Committee. This exemption shall be valid for a period of one month i.e. 16-09-2010 to 16-10-2010.

2. The exemption is granted subject to the following conditions: -

- (a) The Organizing Committee Commonwealth Games-2010 shall provide to Commissioner (Luxury Tax) a detailed list of delegates/technical experts and Broadcasting / Media Right Holders of Commonwealth Games Delhi 2010 room wise/hotel wise along with period of their stay and tariff paid in the paid hotel, so as to ascertain the exact amount of Luxury Tax on which exemption is to be allowed.
- (b) The Organizing Committee Commonwealth Games-2010 shall issue a certificate to the respective hotel along with the list of delegates/ guests/ participants and such hotel shall enclose this list and the details of bills raised by it, in respect of the delegates/ guests/ participants who stayed in their hotel, to substantiate the amount of exemption from Luxury Tax along with return of the concerned month/quarter in Form-8, as prescribed under the Delhi Tax on Luxuries Rules, 1996.

By order and in the name of
the Lt. Governor of the National
Capital Territory of Delhi,

Sd/-

(AJAY KUMAR GARG)
JOINT SECRETARY (FINANCE/PLANNING)

F. No.10(16)/Fin(T&E)/2009-10/jsfin/63

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 7 (1) of the Delhi Entertainments and Betting Tax Act, 1996 (Delhi Act No.8 of 1997) as amended by the Delhi Entertainments and Betting Tax (Amendment) Act, 2009 (Delhi Act 2 of 2010), the Lieutenant Governor of the National Capital Territory of Delhi, hereby specifies, with immediate effect, the following rates of entertainment tax, namely:-

- (a) On all payments for admission to the entertainment of direct-to-home (DTH) services at the rate of Rs.20/- per connection per subscriber per month.
- (b) On all payments for admission to the entertainment of direct-to-home (DTH) services in hotels at the rate of Rs.50/- per room per month.

By order and in the name of
the Lt. Governor of the National
Capital Territory of Delhi,

Sd/-

(AJAY KUMAR GARG)

JOINT SECRETARY (FINANCE/PLANNING)

F. No.10(16)/Fin(T&E)/2009-10/jsfin/62

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 45 of the Delhi Entertainments and Betting Tax Act, 1996 (Delhi Act No.8 of 1997), the Lieutenant Governor of the National Capital Territory of Delhi is pleased to make the following rules to further amend the Delhi Entertainments and Betting Tax Rules, 1997, namely:-

1. **Short title and commencement.**— (1) These rules may be called the Delhi Entertainments and Betting Tax (Amendment) Rules, 2010.
(2) They shall come into force with effect from the date of their publication in the official Gazette.

Note: For full text the aforesaid notification may be referred to.

By order and in the name of
the Lt. Governor of the National
Capital Territory of Delhi,

Sd/-

(AJAY KUMAR GARG)

JOINT SECRETARY (FINANCE/PLANNING)

No.F. 12(2)/Fin(T&E)/2009-10

Date 27.01.2010

NOTIFICATION

In exercise of the powers conferred by subsection (3) of section 1 of the Delhi Entertainments and Betting Tax (Amendment) Act, 2009 (Delhi Act 02 of 2010), the Lieutenant Governor of the National Capital Territory of Delhi, hereby, appoints the 1st day of February 2010, as the date on which the said Act shall come into force.

By order and in the name of
the Lt. Governor of the National
Capital Territory of Delhi,

Sd/-

(AJAY KUMAR GARG)
JOINT SECRETARY (FINANCE/PLANNING)

HARYANA

POLICY TRACKER

Haryana keeps rates on liquor unchanged in excise policy (Source: Tribune News Service, Date: 06/02/2010)

The Haryana government has decided not to increase the rate of excise duty on country liquor and IMFLs (Indian Made Foreign Liquors). This decision was taken in view of the government's expectation to mop up Rs. 22 billion as excise revenue during fiscal year 2010-11 as against anticipated collection of Rs. 20 billion in the current financial year. As outlined in the current year's policy, the government has decided to renew the vends of both country liquor and India-made foreign liquor at a reasonable increase of 10% and 5% (except L-2 vends of Gurgaon, Faridabad, Palwal, Mewat, Rewari & Narnaul, which would be renewed at an increase of 8%), respectively. The move is expected to bring stability in retail trade.

Haryana cuts tax rates (Source: Financial Express, Date: 06/02/2010)

In order to give boost to woollen and shoddy yarn industry, the Haryana government has reduced the rate of tax on mutilated rags under Haryana Value Added Tax Act, 2003 from 12.5% to 4%. The industry was under pressure due to recession. The state government had also decided to exempt goods sold through Central Police Force Canteens to the serving Central Police Force Personnel from levy of VAT.

New plastic ban norms (Source: The Hindu, Date: 04/02/2010)

The Haryana government has imposed a complete ban on the use of polythene bags made of virgin or recycled plastic with a thickness of less than 40 microns and size less than 12 x 18 inches in the state. Earlier, thickness and size of banned plastic carry bags was less than 30 microns and less than 8 x 12 inches, respectively. A complete ban had also been imposed on use of all types of plastic articles within the areas that have special historical, religious and ecological significance.

Haryana policy for outdoor advertising (Source: The Hindu, Date: 09/02/2010)

The Haryana Government has framed the Haryana Municipalities Outdoor Advertising Policy for 2010. The policy would apply to all municipal areas in the State and cover all land/properties belonging to all State Government departments, boards and corporations unless specifically exempted. The policy for outdoor advertising is driven not by revenue imperatives but by the towns' and cities' development imperatives. It would also be ensured that outdoor advertising is not hazardous to traffic. The advertisement rights shall be given for a period not exceeding three years. \

VAT on some items to go up in Haryana (Source: The Hindu, Date: 05/02/2010)

The Budget Session of the Haryana Vidhan Sabha will be held from March 5. The Haryana state government has voiced plans to raise the Value Added Tax (VAT) rate on select commodities from 4% to 5%. This would result in additional revenue mobilisation of about Rs. 3 billion per year. However, this upward revision would not be applicable on declared goods listed in Section 14 of Central Sales Tax Act such as cereals, coal, cotton, cotton yarn, iron and steel and oil seeds. The government expects to collect excise revenue of Rs. 22 billion during the next financial year (2010-11) as against anticipated collection of Rs. 20 billion in the current year.

Haryana releases farmer lands under ongoing policy (Source: The Hindu, Date: 02/02/2010)

The Haryana Government has released 2,444 acres of land belonging to 1,952 farmers under its policy of releasing excess land mortgaged by the loanee farmers with cooperative banks. The scheme for release of excess land had been implemented in the state from December 2009.

Industrial units sealed (Source: Tribune News Service, Date: 05/02/2010)

In a step to check the increasing pollution levels in the industrial city of Panipat, the Haryana State Pollution Control Board has initiated a sealing drive to close down units which have failed to comply with the provisions of the Water Act of 1974. The board has earlier served notices on several industrial units of which several failed to reply. During the drive, the team of board officials placed seals on all machinery installed on the premises of these units in the presence of their owners or representatives.

Foreign liquor to be sold only in malls in Gurgaon (Source: Times of India, Date: 09/02/2010)

The excise department has decided to give licences to sell imported liquor to only shopping malls and not to other vendors. Till now, imported liquor could be sold in any outlet with an area of more than 500 square feet. However, sales may go up if high-end imported liquor brands are sold in shopping malls as buyers of imported liquor do not go to local vendors. In order to promote liquor with low alcoholic content, a new licence in the form of L-10B will be given to departmental stores having an annual turnover of more than Rs. 5 million per annum on a yearly fee of Rs. 25,000 for retail sale of wines on an experimental basis.

Haryana Regulation of Property Dealers and Consultants Act implemented in Panipat (Source: Tribune News Service, Date: 17/02/2010)

Implementing the Haryana Regulation of Property Dealers and Consultants Act of 2008, the district administration of Panipat has asked all property dealers in the district to get a proper licence to continue their practice. The licence would be issued by the District Collector. After the enforcement of this Act, no property dealer or his representative would be allowed to enter into transactions of sale, purchase, exchange of property without obtaining a licence.

News

MNRE nod to migrate Haryana solar power projects to national mission (Source: Financial Express, Date: 06/02/2010)

The Ministry of New and Renewable Energy (MNRE) has accepted proposals by Haryana for transferring four solar photovoltaic power projects to the national solar mission. The state had signed Memorandum of Understanding (MoUs) with four Independent Power Producers (IPPs) for setting up power projects amounting to 10 mw, under the generation-based incentive scheme. With this, IPPs will benefit on the tariff front, which will be fixed by the Central Electricity Regulatory Commission (CERC) on a yearly basis. The state utilities will also be able to buy power from NTPC Vidyut Vyapar Nigam (NVVN) at much cheaper rates.

Haryana urges Center to hike sops on solar pumps (Source: Financial Express, Date: 03/02/2010)

In order to make solar energy based pump sets affordable to farmers, Haryana government has requested MNRE to revive and increase the central subsidy on solar pumps from the current Rs. 50,000 to Rs. 200,000. The step has been taken keeping in mind the interests of the farmers and to popularise the use of renewable energy based devices in agriculture.

Online registration of shops (Source: The Hindu, Date: 12/02/2010)

Shops and commercial establishments in Haryana can now be registered online. The State-wide facility was simultaneously launched recently in Gurgaon by Haryana Labour and Employment Minister and at Panchkula by State Chief Secretary. The online facility would enable shopkeepers and owners to get their establishments registered from their homes rather than visiting the Labour Department office.

Wood-based units under scanner (Source: Tribune News Service, Date: 06/02/2010)

Over 1,000 wood-based industrial units, including the plywood industry, in Yamunanagar have come under scanner for the alleged trafficking of Bangladeshi labourers to compensate the shortage of labourers. These wood-based industries of the district together require as many as 150,000 labourers for smooth functioning of the industry.

Two thermal plants 'super critical' due to shortage of coal (Source: Tribune News Service, Date: 08/02/2010)

Two major thermal plants of the state—the Yamunanagar-based Deen Bandhu Chhotu Ram Thermal Power Project of 600 MW and the Super Thermal Plant, Panipat, of 1360 MW—have come under the category of super critical stage due to shortage of coal in the stock for these plants. The Yamunanagar thermal plant is left with coal stock for two days while Panipat thermal plant has stock for three days.

Haryana points out cotton MSP issue to Center (Source: Financial Express, Date: 13/02/2010)

The Agriculture Ministry of Haryana State Government has point out an issue regarding lower Minimum Support Price (MSP) for cotton fixed for the state in comparison to Punjab to the Union Textile Ministry. The MSP for F-414, H-777 and J-34 varieties of cotton was at Rs. 2,700 a quintal in Haryana, whereas it is higher at Rs. 2,800 a quintal in Punjab. As per the state government, there should be a uniform MSP as the agricultural conditions and practices are the same in both states.

Haryana approved several road projects in the past few months (Source: Financial Express, Date: 22/02/2010)

Road projects worth about Rs.11 billion have been approved in Haryana from October 2009 to till date. Tenders for upgrading of 59 roads having a total length of 519 kms at an estimated cost of Rs.2 billion had been approved under Pradhan Mantri Grameen Sadak Yojana Scheme and work on four road projects with a total length of 49.3 kms had been started at a cost of Rs.321.2 million under Nabard-funded scheme. Seven projects worth Rs.610.7 million and having a total length of 35.75 km had been started under National Highways.

Rs. 46.1bn plan to light up state (Source: Tribune News Service, Date: 23/02/2010)

With an intention to strengthen the power transmission system, the Haryana government is executing an ambitious plan involving an expenditure of Rs. 46.1 billion. According to the plan, the Haryana Power Utilities would construct 205 new substations and augment the capacity of 129 existing substations. In view of the rapid urbanisation and industrialisation in Gurgaon, the state government planned to establish 27 new substations having a total transformation capacity of 1,600 MVA in the district.

Gurgaon to get 27 new power substations (Source: Indian Express, Date: 24/02/2010)

The Haryana state government is executing a plan of Rs.10 billion to strengthen power transmission system in Gurgaon by 2011. To create strong infrastructure in Gurgaon, the government was planning to add 27 new substations out of which 10 have already been commissioned. The recently completed projects include a 66-KV GIS in Sector 43, a 220-KV substation in Sector 56 and a 66-KV substation in Sector 15. The rapid urbanisation and industrialisation of Gurgaon city has necessitated the creation of mammoth power transmission and distribution infrastructure.

HSIIDC scheme for industrial projects (Source: The Hindu, Date: 21/02/2010)

The Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) has floated a new scheme for setting up industrial projects in the strategic locations of Industrial Estate Kundli (Sonapat) and Industrial Estate Karnal. In all, 10 plots measuring 4,050 square metres, 25 plots of 1,800 square metres, 40 plots of 1,020.50 square metres and 60 plots of 450 square metres had been offered to the entrepreneurs to set up their projects in Kundli. Similarly, in Karnal one plot of 2,800 square metres and 10 plots of 1,000 square metres have been offered to the entrepreneurs. The

allotments would be made at rates applicable at the time of allotment as approved by the State Government. Those interested must apply by submitting the project report and supporting documents. The application forms can be downloaded from www.hsiidc.org and submitted by April 15, 2010.

Haryana PCB to facilitate online NOC processing (Source: Times of India, Date: 07/02/2010)

The Haryana State Pollution Control Board announced plans to set up its offices at district level and facilitate online processing of NOC (No Objection Certificate) applications from industries seeking environmental clearance. Four new laboratories would also be set at Panipat, Yamunanagar, Sonipat and Bahadurgarh. With a view to provide more facilities to the entrepreneurs, consent to operate grant of authorisation and cess collection would be included within the ambit of online services if process of the NOCs becomes a success.

HARYANA

INVESTMENT TRACKER

Foreign partner likely to pump USD1bn into Nano City project (Source: Financial Express, Date: 04/02/2010)

Sabeer Bhatia's most ambitious project, Nano City, proposed to be developed at Raipur Rani in Haryana, is likely to rope in a foreign partner soon. Touted as one of the biggest infrastructure projects of the country, with a projected investment of Rs. 500 billion, Nano City's new foreign investor will be finalised by March 2010. The foreign partner is expected to pump investment to the tune of US\$1 billion into the project. Talks with the foreign investor are on and the modalities are yet to be worked out regarding the equity stake and investment among others. Nano city which will be spread over 11,000 acres will cover about 23 villages under its purview.

Turmeric processing plant set up (Source: The Hindu, Date: 10/02/2010)

Hafed has set up a turmeric processing plant with a capacity of 14 metric tonnes per day at Radaur in Yamunanagar district of Haryana. This would enable farmers to sell raw turmeric to the plant and also get remunerative prices for their produce.

Despite downslide, MNCs eye Panchkula vicinity (Source: Tribune News Service, Date: 14/02/2010)

Putting aside recession, multinational companies in infrastructure development have started looking for new projects in the vicinity of cities and towns with air connectivity and IT parks. DLF, for example, is planning a Rs.22-billion mega township, on the Panchkula-Shimla national highway adjoining Chandimandir cantonment. The company has not only acquired over 200 acres for its ambitious project, but also claims to have got the necessary clearance from various departments to begin work immediately. The six-laning of the National Highway from Panchkula to Kalka is expected to give a big boost to the growth graph of the area.

Honda looks at Haryana for its second plant in India (Source: Economic Times, Date: 15/02/2010)

The 100% subsidiary of Japan's Honda Motor Company has its plant at Manesar in Haryana, with a capacity of 1.5 million units. The company is currently engaged in deep study on setting up a second plant in India. Honda Motorcycle & Scooter India said it is not averse to set up its second plant in Haryana, in the country. The company is planning to achieve 1.25 million sales this fiscal year (2009-10) and cross the 1.5 million mark in 2010-11.

News

Haryana looks at biogas plants to boost green energy use (Source: Financial Express, Date: 08/02/2010)

The Haryana government has formulated a Rs. 8.5 million project for setting up 50,000 family-size biogas plants to harness the potential of generating biogas for cooking and organic manure in the fields. These biogas plants would be set up by the financial institutions with their own investment through Clean Development Mechanism (CDM) within three years. The cost of the plants will be recovered from the farmers through one-time down payment. Haryana Renewable Energy Development Agency (Hareda) had invited Expression of Interest (EoI) from financial institutions and other companies that have the capabilities to undertake the project.

RIL yet to finalise new partner for Haryana SEZs (Source: Financial Express, Date: 03/02/2010)

Reliance Industries Ltd (RIL) is yet to take a final decision on roping in a new partner for the

Haryana SEZ coming up in Gurgaon and Jhajjar. Speculations are on that the company is in talks with Infrastructure Leasing & Financial Services (IL&FS) and the modalities are being worked out. RIL plans to engage a strategic business associate to maximise the potential of the investments made so far and make the SEZ a truly global investment destination. The company has about 10,000 acre of land in possession in two districts and is currently focusing on getting requisite permissions, statutory approvals and clearances, transfer of legal titles, contiguity and financial closure to start the operation. The company has so far invested over Rs. 30 billion in the project.

First unit of Hisar thermal power begins operation (Source: The Hindu, Date: 11/02/2010)

First unit of the Rajiv Gandhi Thermal Power Project at Khedar in Hisar district was fired on coal and synchronised with the grid in a record period of 36 months. The 600 MW unit was running at a load of around 75 MW. The successful coal firing of Unit-1 had paved the way for achievement of full load operation, which was expected by February 21, 2010.

HARYANA

NOTIFICATION TRACKER

EXCISE AND TAXATION DEPARTMENT

No. S. O. 421P.A. 16/1952/S.14/2010

Date 24.02.2010

NOTIFICATION

In exercise of the powers conferred by section 10 of the Punjab Passengers and Goods Taxation Act, 1952 (Punjab Act 16 of 1952), the Governor of Haryana hereby makes the following amendments in the Haryana Government, Excise and Taxation Department, Order No. S. O. 6/P. A. 16/1952/S. 14/2009, dated the 16th January, 2009, namely:-

Amendment

In the Haryana Government, Excise and Taxation Department, Order No. S. O. 6/P. A. 16/1952/S. 14/2009, dated the 16th January, 2009, for the words "additional interest" wherever existing, the words "interest and additional interest" shall be substituted.

RAMENDRA JAKHU

Financial Commissioner and Principal Secretary
to Government, Haryana, Excise and Taxation Department

No. S.O. /H.A.6/2003/S.7/2010

Date 15.02.2010

NOTIFICATION

In exercise of the powers conferred by subclause (iii) of clause (a) sub-section (1) of section 7 of the Haryana Value Added Tax Act, 2003 (Act 6 of 2003), the Governor of Haryana hereby directs that tax payable by a Value Added Tax dealer on sale of goods specified in Schedules 'C' from Serial No. 1 to 101 shall be calculated at the rate of five per cent with immediate effect.

RAMENDRA JAKHU

Financial Commissioner and Principal Secretary
to Government, Haryana, Excise and Taxation Department

As per foot note given in schedule C , declared goods are exception ,so in the above notification also the items which are covered Under declared goods ,the rate remains the same i.e 4 % .No state Govt can impose tax more than 4 % on Declared Goods ,defined under section 14 of the CST act 1956.

No. S.O. 39tH.A. 6/2003/S. 7/2010

Date 15.02.2010

NOTIFICATION

In exercise of the powers conferred by sub-clause (iii) of clause (a) of sub-section (1) of section 7 of the Haryana Value Added Tax Act, 2003 (Act 6 of 2003), the Governor of Haryana hereby directs that tax payable by a Value Added Tax dealer on sale of goods specified in Schedule 'C' from Serial No.1 to 101 shall be calculated at the rate of five per cent with immediate effect.

RAMENDRA JAKHU
Financial Commissioner and Principal Secretary
to Government, Haryana, Excise and Taxation Department

No. S. O. 96/H.A. 6/2003/S. 60/2009

Date 20.11.2009

NOTIFICATION

In exercise of the powers conferred by sub-section (1) read with sub-section (3) of section 60 of the Haryana Value Added Tax Act, 2003 (6 of 2003), and with reference to Haryana Government, Excise and Taxation Department, notification No. web. 41H.A. 6/2003/S. 6012009, dated the 18th August, 2009, the Governor of Haryana hereby makes the following rules further to amend the Haryana Value Added Tax Rules, 2003, namely :-

1. (1) These Rules may be called the Haryana Value Added Tax (Amendment) Rules, 2009.
- (2) They shall be deemed to have come into force with effect from the 1st day of October, 2006.
2. In the Haryana Value Added Tax Rules, 2003, in rule 47, in sub-rule (1), in the existing, 2006-

RAMENDRA JAKHU
Financial Commissioner and Principal Secretary
to Government, Haryana, Excise and Taxation Department

HARYANA ELECTRICITY REGULATORY COMMISSION, PANCHKULA

Draft Regulation No. HERC/5/2004/1st Amendment, 2010

Date_____

NOTIFICATION

In exercise of the power conferred on it by Section 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling in this behalf, and after previous publications, the Haryana Electricity Regulatory Commission hereby proposes to make the following regulation to amend the Haryana Electricity Regulatory (Electricity Supply Code) Regulations, 2004 hereinafter referred to as

“the principal regulations” namely:-

1. Short title, commencement and interpretation.

- 1.1 These Regulations may be called the Haryana Electricity Regulatory Commission (Electricity Supply Code) Regulations, 1st Amendment, 2010.
- 1.2 These regulations shall come into force on the date of their publication in the Haryana Govt. Gazette.
- 1.3 These regulations shall extend to whole of the State of Haryana.
- 1.4 These shall be applicable to all the Distribution and Retail Supply licensees in their respective areas of licenced jurisdiction.
- 1.5 The Punjab General Clauses Act, 1898 (1 of 1898), as applicable to the State of Haryana shall apply qua the interpretation of these Regulations.

2. The following provision is added to the above mentioned regulation as Sr. No. 14.1:-

14.1 Standards and Specifications of Meters

- (1) No supply shall hereafter be given by the licensees without installation of proper and correct meters.
- (2) Meters installed shall conform to the standards and specifications as laid down in Central Electricity Authority (Installation and Operation of Meters) Regulation, 2006 issued under Section 55 of the Electricity Act and are also in accordance with the Code on installation and testing as per the new BIS standards.

By order of the Commission
Secretary

Haryana Electricity Regulatory Commission, Panchkula.

HIMACHAL PRADESH

POLICY TRACKER

Khair, neem to be deregulated (Source: Tribune News Service, Date: 02/02/2010)

The government of Himachal Pradesh plans to deregulate some forest species to enable farmers to grow, harvest and sell the produce without any restrictions. State Forest Minister said the government had decided to take out bamboo, neem and drek species out from the purview of the land preservation so that farmers could grow this species on private land and get remunerative returns. A proposal to amend the forest produce transit rules was being finalised so that the farmers did not face any problem in transportation and marketing. The government also proposed to deregulate the khair species for the convenience of growers.

News

State gives priority to technical education (Source: Tribune News Service, Date: 01/02/2010)

Keeping in view the growing demand for technically qualified manpower, the state government is paying special attention to upgrade the infrastructure for technical education and reviewing the conventional core curriculum to help introduce new skills and trades. Technical education is being given priority with a hike of 78% in the budget allocation. The government is developing the "Atal Shiksha Kunj" at Kalu Jhanda in the Baddi area of Solan where educational institutions of repute will come up. A sum of Rs. 620 million is being spent on setting up five polytechnic institutions in Kinnaur, Sirmour, Bilaspur, Kullu, Lahaul and Spiti districts.

State to set up industrial security force (Source: Tribune News Service, Date: 07/02/2010)

The Himachal Pradesh government will set up a "State Industrial Security Force" on the pattern of the CRPF to exclusively look after the security needs of industrial establishments. State Forest Minister said the state had attracted massive investment in industry, hydel power and tourism sectors in the recent years and their rapid growth had made setting up of an exclusive force for maintaining industrial peace and law and order in industrial townships inevitable. The state government requested the Union Government to arrange training of three companies of security forces in commando operations through paramilitary forces.

HP discourages setting up polluting industrial units (Source: Punjab Newline, Date: 09/02/2010)

With a view to maintain and conserve the environment, polluting, low employment generating and high power consuming new industrial units of arc and induction furnaces are discouraged in Himachal Pradesh. The State Chief Minister said that high polluting industries had been responsible for causing immense carbon emissions disturbing the ecology in the area and adding to the global warming. Chief Minister said that it would be in the best interest of the state in particular and country in general that high polluting industrial units were discouraged.

Treatment plant to ease pollution woes (Source: Tribune News Service, Date: 15/02/2010)

The Ministry of Commerce, to ease the pollution woes of the industrial hub of Baddi-Barotiwala-Nalagarh (BBN), has recently approved a Rs.600 million Common Effluent Treatment Plant (CETP). The BBN Industrial Development Authority also received principle approval for widening of three roads, including Chakka road, Thana road and the road abutting on Annapurna hotel. The scheme has been approved under the Centre's Industrial Infrastructure (cluster) upgrade scheme (IIUS) and its primary objective is to enhance international competitiveness of the domestic industry by providing quality infrastructure through public-private partnership in select functional industrial clusters or locations which have great potential to become globally competitive.

Govt. urges Centre to upgrade roads (Source: Tribune News Service, Date: 05/02/2010)

The government of Himachal Pradesh has urged the Centre to upgrade seven more important state roads to national highways (NHs) to improve connectivity in the state as it hardly has any rail network. According to Minister for Public Works Gulab Singh, an additional 888.865 km of road length was needed to be upgrade into national highways. The roads proposed for upgrade included 106.4 km Tara Devi-Jubbarhatti-Ramshehar-Nalagarh Kasauli road, 133 km Bharmour-Chamba-Dalhousie-Pathankot road, 296.95 km Slapper-Pandoh-Chailchowk-Karsog-Tattapani-Dhalli road and 83.9 km Chandigarh-PGI (Baddi)-Punjab-Pokhran-Nalagarh-Ramshehar-Arki-Shalaghat road.

Centre agrees for four lane road between Kiratpur and Manali (Source: Punjab Newslite, Date: 05/02/2010)

The central government approved the proposal of Himachal Pradesh government to construct four lanes on Chandigarh-Manali national highway number 21 so as to ease the traffic rush on this highway. Three cement plants have been using this highway for transportation of the cement to rail head and to other parts of the state and daily thousand of truck ply to transport the cement from Himachal Pradesh to other parts of the country. Another two cement plants are in pipeline on this highway and the vehicular traffic will increase manifold on this route and the present road conditions are not sufficient to support the vehicular traffic.

WB loan for watershed project (Source: Tribune News Service, Date: 19/02/2010)

The World Bank (WB) Country Director will visit Himachal Pradesh from March 9 to 11 to discuss the second phase of the Mid-Himalayan Watershed Project. The CM during his recent visit to Costa Rica and Washington met the World Bank authorities and discussed various projects. The World Bank has in principle agreed to sanction Development Policy Loan (DPL) of USD450 million for sustainable environmental growth of the hill state. The assistance will enable the state to carry forward the initiative taken for protection for environment.

Himfed signs MoU with Indian Oil (Source: Tribune News Service, Date: 20/02/2010)

Fruit growers in the hill state will get tree spray oil at competitive rates with the state public sector undertaking Himfed entering an agreement with the Indian Oil for institutional sales. A memorandum of understanding (MoU) was signed between the two agencies. General manager of the Indian Oil and managing director of the Himfed signed the MoU. The Indian Oil will sell the Servo Orchard Spray Oil through the state agency. During the ensuing year the Himfed hopes to sell over 450 kilolitre of tree spray oil in the state. The bulk of the quantity will be supplied to the Horticulture Department, which caters to the need of growers. Besides, the Himfed will also supply it directly to various cooperative societies.

Himachal urges Centre to expedite work on rail projects (Source: Tribune News Service, Date: 22/02/2010)

The Himachal Pradesh state government has urged the Centre to expedite work on the Manali-Leh rail project in view of its strategic importance. Similarly, the state is still awaiting completion of work on the Nangal-Talwara track, which was scheduled to be completed by the end of 2008. The Chandigarh-Baddi rail line project is also getting delayed due to non-availability of land. The state government has urged the Center to take a prompt action in the matter so that the biggest industrial hub of the region gets the much-needed rail connectivity.

Increased focus on irrigation to increase production (Source: Tribune News Service, Date: 16/02/2010)

With the rain and snow becoming increasingly scarce and irregular, the Himachal Pradesh state government has decided to expand irrigation facilities to help protect farmers from the vagaries of weather. Out of the total geographical areas of 55,672 sq km only 5.4% area is under cultivation due to the hill topography. Further, almost 80% of land under cultivation is rain fed. The government is now focusing on bringing maximum area under cultivation so that farmers could get remunerative

returns from their small land holdings. It is estimated that the ultimate irrigation potential of the state is about 335,000 hectare, out of which 50,000 hectare can be brought under irrigation through major and medium irrigation and 285,000 hectare can be covered by minor irrigation. Irrigation facility will enable farmers to diversify from traditional crops to off-season vegetable cultivation and other high-value cash crops.

Govt. urges for 7 new national highways (Source: Punjab Newslite, Date: 05/02/2010)

The Himachal Pradesh state government has urged the Centre to sanction seven new national highways to the state. This would strengthen the road network in hilly and difficult terrain of the state. The government appealed to declare additional 888.865 kilometres road length as national highway. The government also requested the centre to sanction funds for construction of bypass roads at Sundernagar, Manali, Jogindernagar and Theog to ease the traffic congestion.

Power panel rejects board's tariff plea (Source: Tribune News Service, Date: 22/02/2010)

The Himachal Pradesh electricity regulatory commission has refused to admit tariff petition of the state electricity board for the year 2010. The commission has also directed the board to file an affidavit showing the latest status of compliance in respect of directions as well as the updated status on utilisation of capital expenditure. The board had been availing the benefits of the approved tariffs without bothering much about complying with the directions contained in the tariff order. The commission directed that after filing an affidavit the Whole Time Members (WTM) of the board should discuss it with the commission.

Himachal to take up tunnel on DBFOT basis (Source: Tribune News Service, Date: 17/02/2010)

The Himachal Pradesh state government has decided to implement the Rs.3.6 billion Swarghat-Bilaspur tunnel project, on Design Build Finance Operate and Transfer (DBFOT) basis in public-private partnership (PPP) mode. A consortium of consultants comprising Geo Consult, RITES, and Seccon, which prepared the project document for the State Infrastructure Development Corporation, found it feasible under the viability gap funding scheme. There was a heavy rush of commercial vehicles on the national highway, mainly trucks transporting cement, which made the project financially viable. The project is being pursued by State Infrastructure Development Corporation, which has been declared the nodal agency for projects to be executed in the public-private partnership mode.

HIMACHAL PRADESH

INVESTMENT TRACKER

Jaypee to invest Rs12.50bn in Himachal cement plant (Source: Himtimes, Date: 16/02/2010)

Cement and infrastructure firm Jaypee Group said it will invest Rs. 12.5 billion on raising the cement grinding capacity of the company's Solan plant in Himachal Pradesh, in line with its plans to become the third-largest cement producer in the country by 2012. The company will invest Rs. 12.5 billion on enhancing their cement grinding capacity at their Solan plant (HP) and the company hopes it will take another two years to complete the project, according to Jaiprakash Associates, flagship company of Jaypee Group, Chief Financial Officer Rahul Kumar. The company has proposed to add another 2.5 million tonnes (MT) per annum of cement grinding capacity with the projected investment.

Himachal govt cleared two Industrial projects worth 181.5mn (Source: Punjab Newline, Date: 09/02/2010)

The State-Level Single Window Clearance and Monitoring Authority (SLSWC&MA) in its 45th meeting granted approval to two new proposals for setting up of industrial projects and one expansion proposal with total investment of Rs.181.5 million and generating employment to 84 people. New units include M/S Him Fresh Produce which will be setting up Integrated Cold Chain in Kotkhai area of district Shimla and M/S Growell Agro-System in Paonta Sahib, in district Sirmour to manufacture pesticides formulation, insecticide, fungicide and herbicide etc.

Steel processing unit to come up in Mandi (Source: Tribune News Service, Date: 20/02/2010)

The Union Steel Ministry has sent a proposal to the DC, Mandi, to identify land for the steel processing unit proposed for the district that would involve an investment of Rs.1 billion. The ministry had proposed to set up steel processing units and explore other options to expand its base in the state. It is currently planning to rope in private players to set up the units in the state and would adopt villagers in the radius of 30 km of its unit for development.

Govt. urges Center to set up apple processing plant (Source: Tribune News Service, Date: 22/02/2010)

The Himachal Pradesh state government has urged the Centre to set up an apple processing plant at Pragatinagar in Kotkhai through the state nodal agency, HPMC. The proposed plant, with a capacity to process 20,000 tonnes of apple, would cost Rs.250 million. At present the state produced 600,000 to 700,000 tonnes of fruit annually. Besides apple, stone fruits and hill fruits like peach, plum, apricots are also produced.

News

Himachal's biotech park fails to lure realty majors (Source: Financial Express, Date: 01/02/2010)

Big real estate developers seem to be shying away from the bidding process of Himachal Pradesh's first biotechnology park, proposed to come up at village Aduwal, near Nalagarh in Solan district. The department of environment, science and technology had invited Expressions of Interest (EoI) from developers on January 18. However, the department has not received many letters so far from major real estate players.

Concor's Baddi depot to start operations by April (Source: Financial Express, Date: 01/02/2010)

The inland container depot (ICD) of Container Corporation of India (Concor) at Sheetalpur village in Baddi (Himachal Pradesh) is likely to start operations from April. A memorandum of

understanding (MoU) was signed between the Himachal Pradesh government and Concor in the end of 2008. The estimated cost of the project is around Rs.530 million. The platform, which can handle around 1,000 containers on an average in transit is almost ready.

Rs60mn to boost tourism (Source: Tribune News Service, Date: 13/02/2010)

With the intention to promote Manimahesh, including hill stations of Dalhousie and Chamba besides other scenic spots identified in Chamba district, as a religious tourism destination, the Union Ministry of Tourism has sanctioned a sum of approximately Rs.60 million for upgrading tourism infrastructure in the famous pilgrimage centre.

HIMACHAL PRADESH
NOTIFICATION TRACKER

DEPARTMENT OF LABOUR & EMPLOYMENT

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

**1. CONSTRUCTION OR MAINTENANCE OF ROADS OR BUILDING OPERATIONS,
STONE BREAKING & STONE CRUSHING**

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **“Construction or Maintenance of Stone Breaking and Stone Crushing”** may be revised in respect of un skilled and other categories of workers with effect from 01.02.2010.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section (1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of **“Construction or Maintenance of Stone Breaking and Stone Crushing”** as under:-

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

2. PUBLIC MOTOR TRANSPORT

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **Public Motor Transport** may be revised in respect of un skilled and other categories of workers with effect from **01.02.2010**.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of "Public Motor Transport " as under:-

General Staff Unskilled **Rs.110 /- per day, Rs.3300/- per month**

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

3. SHOPS & COMMERCIAL ESTABLISHMENT

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **Shops and Commercial Establishments** may be revised in respect of un skilled and other categories of workers with effect from **01.02.2010**.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of "**Shops and Commercial Establishments**" as under:-

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

4. FORESTRY INDUSTRIES

No.Shram (A)4-8/2006(M.W.) Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of Forestry Industries may be revised in respect of un skilled and other categories of workers with effect from 01.02.2010.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of "Forestry Industries" as under:-

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

5. CHEMICAL & CHEMICAL PRODUCTS

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **Chemical and Chemical Products** may be revised in respect of un skilled and other categories of workers with effect from **01.02.2010**.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of "**Chemical and Chemical Products**" as under:-

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

6. ENGINEERING INDUSTRIES

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **Engineering Industries** may be revised in respect of un skilled and other categories of workers with effect from **01.02.2010**.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of **“Engineering Industries” as under:-**

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

7. TEA PLANTATION

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **Tea Plantation** may be revised in respect of un skilled and other categories of workers with effect from **01.02.2010**.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of **“Tea Plantation” as under:-**

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

NOTIFICATION

**8. ESTABLISHMENTS WITH MANUFACTURING PROCESS AS DEFINED IN
CLAUSE (K) OF SECTION-2 OF FACTORIES ACT, 1948**

(INCLUDING: LEATHER, CASTING INDUSTRIES, FOOD & DRINKS, BREWERIES, DISTILLERIES AND INCIDENTAL OPERATION, SHAWL WEAVING AND CARPET MAKING, TEXTILE HOSIERY/INDUSTRY, WOOD BASED FURNITURE INDUSTRIES, SAW MILLS, BRICK-KILN, CEMENT FACTORY AND MANUFACTURING OF OTHER CEMENT PRODUCTS, PAPER & PAPER PRODUCTS, ELECTRONICS INDUSTRY)

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of Manufacturing Process as Defined in Clause (K) of Section 2 of Factories Act, 1948 may be revised in respect of un skilled and other categories of workers with effect from 01.02.2010.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of “Manufacturing Process as Defined in Clause (K) of Section 2 of Factories Act, 1948” as under:-

Un-skilled Workers	Rs.110.00 per day or Rs.3300.00 per month
Semi-skilled	Rs.116.00 P.D. or Rs.3480.00 per month
Skilled & clerical staff	Rs.124.00 P.D. or Rs. 3720.00 per month
Highly-Skilled	Rs.132.00 P.D. or Rs.33960.00 per month

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

9. HOTEL AND RESTAURANTS

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of **Hotel and Restaurants** may be revised in respect of un skilled and other categories of workers with effect from **01.02.2010**.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of **“Hotel and Restaurants”** as **under:-**

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

No. Shram(A)1-2/2009-MW

Date 01.02.2010

NOTIFICATION

10. PRIVATE EDUCATIONAL INSTITUTES

Whereas the Governor, Himachal Pradesh is of the opinion that the minimum rates of wages in the Scheduled employment of Private Educational Institutes may be revised in respect of un skilled and other categories of workers with effect from 01.02.2010.

Now, therefore, in exercise of the power vested in her under clause (b) of Sub-Section(1) of the Section 5 of the Minimum Wages Act, 1948 (Act No. 11 of 1948) the Governor of Himachal Pradesh is pleased to publish the proposal for the revision of the minimum wages in respect of the Un-Skilled and other workers in the employment of “Private Educational Institutes” as under:-

Un-skilled Workers	Rs.110.00 per day or Rs.3300.00 per month
Semi-skilled	Rs.116.00 P.D. or Rs.3480.00 per month
Skilled	Rs.124.00 P.D. or Rs.3720.00 per month

Note: For full text the aforesaid notification may be referred to.

By order,
Sd/
Secretary (Labour & Employment)
to the Government of Himachal Pradesh

JAMMU & KASHMIR

POLICY TRACKER

New

All J&K districts to have polytechnic colleges (Source: The Hindu, Date: 15/02/2010)

The J&K state government announced plans to setup Polytechnic colleges in all the districts of the state. To start with, the polytechnic college at village Begam Bagh would be constructed at an estimated cost of Rs. 130 million. The state ministry for Technical Education is currently in the process of finalising the site for establishment of a polytechnic college in Pahoo tehsil of Pulwama.

J&K CM favours Srinagar-Muzaffarabad rail link (Source: Tribune News Service, Date: 01/02/2010)

Chief Minister Omar Abdullah has favoured a rail link between Srinagar and Muzaffarabad to make the route between two parts of Kashmir more viable, popular and worth for all types of trade and commerce. The matter regarding rail link between Kupwara-Baramulla and Kupwara-Tangdhar besides Rajouri-Poonch and Doda was taken up in a meeting held recently at Jammu with the Railway authorities. The Baramulla-Kupwara rail link project report is ready and release of funds is needed for the purpose.

Schemes for budding entrepreneurs discussed (Source: Tribune News Service, Date: 09/02/2010)

The Model Institute of Engineering and Technology (MIET) organised an industrial motivation-cum-awareness workshop on "Entrepreneurship" on the college premises. According to a statement, S.S Dhillon, Director, Micro Small and Medium Enterprises (MSME) conducted different interactive sessions on "Entrepreneurship, Market Survey, Projects and Finance Management". He also shared information with the participants about various schemes for budding entrepreneurs launched by the state government to promote industrialisation in the state.

Testing lab to check misbranding to come up in valley (Source: Tribune News Service, Date: 19/02/2010)

A testing laboratory to check the misbranding of handmade Kashmiri products is expected to come up in the valley soon. Work on the laboratory is scheduled to start next month. The branding and testing laboratory was an urgent requirement and the state government had already provided funds for it. The government urged manufacturers, exporters and traders of Kashmiri products not to indulge in misbranding of machine-made products as original handmade Kashmiri products. To generate a mass awareness campaign about the adverse effects of such activities, a seven-member committee had been formed.

Rs. 310 million expended on Baran-Akhnoor-Siot Transmission Line (Source: The Northlines, Date: 13/02/2010)

The Minister of State for Power and CA&PD, Shabir Ahmed Khan has said that work on several new power projects and high transmission lines is being taken up to overcome power shortage in the state. For example, work on 50 MVA's Power Grid Stations at Siot, Katra and Pouni Chak have been taken up at a total estimated cost of Rs. 500 million on turnkey basis and the project is expected to be completed by the end of next fiscal. Construction work of 53 KMs long New High Transmission Double Phase Line from Akhnoor to Siot, Rajouri, is also currently underway. Apart from this, the 132 KVA double phase high transmission line lying from Baran Grid Station to Akhnoor Grid Station at a cost of Rs. 55 million is currently under execution. Other projects include upgrading capacity of the Grid Station at Baran, Jammu, from 320 MVA this Grid Station would be upgraded upto 480 MVA.

JAMMU & KASHMIR

INVESTMENT TRACKER

News

Plan to restart Sawalakote project (Source: Tribune News Service, Date: 16/02/2010)

The Sawalakote Consortium expressed desire to restart the execution of the Sawalakote hydroelectric project. The controversial project, which was envisaged eight years ago with a target of 1,200MW power generation, could not be executed because of various decisions taken from time to time and legal issues involved in the project. The consortium members gave a presentation of the project to the state government and discussed various issues involved in restarting the project. The Power Development Department (PDD) will assess all aspects of the project and shall make their recommendation appropriately for consideration by the government.

JAMMU & KASHMIR
NOTIFICATION TRACKER

FINANCE DEPARTMENT

No. ET/Estt/203/2009

Date 29.01.2010

NOTIFICATION

SRO 50:- In exercise of the powers conferred by sub-section (1) of Section 3-A of the Jammu & Kashmir Motor Spirit and Diesel Oil (Taxation on Sales) Act, 2005, the Government hereby direct that the figures "01.09.2009" appearing in para two of the notification SRO 273 dated 1st September, 2009 shall be and shall always be deemed to have been substituted by the figures "02.09.2009".

By order of the Government of Jammu and Kashmir.

Sd/
Commissioner/Secretary to Government
Finance Department

PUNJAB

POLICY TRACKER

Govt. of Punjab raises tax rates (Source: Tribune News Service, Date: 06/02/2010)

The Government of Punjab increased VAT rates from 4% to 5% from January 29 and entry tax levied on some goods coming into the state from 4% to 12% with effect from February 5. The third consecutive tax by the excise and taxation department, Punjab, applicable from February 5, is in the form of additional surcharge at the rate of 10% on all goods. The government plans to impose entry tax on items like diesel, cement, plywood. The move comes after the approval of Punjab Cabinet on report of Punjab Deputy Chief Minister and state Industry Minister suggesting sweeping reforms in taxation structure to mop up an additional revenue worth Rs40 billion. Entry tax has been imposed on various items in order to protect the interest of local industry and plug the leakage of revenue. According to the notification, the department has levied entry tax on marble, plywood, DG set, ceramic tiles, cement and lubricants at a rate of 12.5% each while, tax on diesel stands at 8.8%, 2% on furnace oil, 4% each on wheat flour, rice bran and vanaspati oil.

News

Licences to be issued to shopkeepers in Patiala (Source: Tribune News Service, Date: 09/02/2010)

The department of health and family welfare has decided to issue licences to all small and big shopkeepers dealing with the manufacturing and sale of food products in Patiala, Punjab. The department has carried out this step to ensure that every food product that reaches the market is properly tested by the department and is fit to be consumed.

Govt. urges to upgrade network of milk plants (Source: Tribune News Service, Date: 02/02/2010)

There is a need to prepare a long term state dairy plan to upgrade the entire network of milk and cattle feed plants run by Milkfed. This should be supplemented with a proper marketing network, said Punjab Chief Minister. The chief Minister announced that a World Bank team was visiting Punjab on February 12 for technical appraisal of Rs5-billion project proposal under Phase I for setting up of an ultra-modern milk plant, cattle feed plant and strengthening of the existing semen stations in the state. The CM also launched the area specific mineral mixture and bye-pass protein cattle feed introduced by Milkfed. A turnkey agreement was signed with the National Dairy Development Board for enhancing the existing handling capacity of the milk plant at Mohali from 100,000 litre per day to 500,000 litre milk per day at a cost of Rs320 million. Similar agreement was also signed for enhancing the manufacturing capacity of cattle feed plant at Khanna from 200 metric tonnes to 300 metric tonnes and that of Ghania-Ke-Banger from 100 metric tonnes to 200 metric tonnes per day at a cost of Rs80 million.

Work on four-laning of Zirakpur-Patiala highway from June (Source: Financial Express, Date: 06/02/2010)

Work on the four-laning of the Zirakpur-Patiala highway will begin by June this year. According to Punjab Public Works Department (PWD), the 55-km stretch is likely to be completed in two-and-a-half years. The road is being constructed on build-operate-transfer (BOT) basis. The outlay for the project is Rs4.60 billion. Tenders for the purpose will be invited, after approval is taken from the ministry of road transport and highways. The financial model for the BOT project is being finalised by Radicon, a Delhi-based group of consultants.

Punjab International University to come up in Ludhiana (Source: Financial Express, Date: 08/02/2010)

The Punjab government will set up 'Punjab International University' near Ludhiana over 35 acre in collaboration with Carnegie Mellon University, Pittsburgh, USA. The proposed university as a joint venture project would be promoted by the IREO Group.

HP, Punjab ministers discuss roads upgrade (Source: Financial Express, Date: 08/02/2010)

The matter of upgrading and development of inter-state roads was discussed in a meeting held between public works minister (B&R) Punjab and public works and revenue minister, Himachal Pradesh (HP). On Ghanoli—Nalagarh Road, Punjab's public works minister said it was decided to upgrade this road through inter-state connectivity scheme of the central government. The state government was keen to improve Anandpur Sahib Naina Devi Road in Punjab to facilitate the traffic of pilgrims to Naina Devi. Reiterating Punjab government's resolve to strengthen the road network in the state, the minister said widening and strengthening of Chakki Dalhousie Section Dunera to Katori stretch was also under consideration. Both states will urge the Centre to declare Chakki - Dalhousie Road as a national highway. PWD minister of Himachal Pradesh ensured better inter-state connectivity matter regarding improvement of Ghanouli-Nalagarh road, Daulatpur-Bhera road, Indora-Bhadukhar-Rialli-Hazipur road and construction of Nurpur-Sadwan-Makour-Jamman-Chakki-Bhagatput Dunera.

Govt. urges Center put Chandigarh-Ludhiana rail link work on fast track (Source: Financial Express, Date: 08/02/2010)

Punjab Chief Minister has urged the Union Minister of Railways to issue directions to the authorities to expedite the construction work of new Broad Gauge Railway line of 52 km stretch from Morinda to Sahnewal for the completion of Chandigarh-Ludhiana rail link at the earliest.

Extend DMIC up to Amritsar (Source: Financial Express, Date: 01/02/2010)

Punjab chief minister has urged Prime Minister to extend the Delhi-Mumbai Industrial Corridor (DMIC) up to Amritsar to boost industrial development in the state. The extension of DMIC up to Amritsar would give an impetus to an overall industrial growth in Punjab, CM told PM in a meeting.

Development projects in Punjab get CM nod (Source: Financial Express, Date: 02/02/2010)

State Chief Minister sanctioned nearly Rs300 million for various development projects including a railway over bridge, road network, sewerage treatment plant besides numerous schemes of drinking water, sanitation and up gradation of existing infrastructure.

Punjab to spend Rs32.25bn for strengthening power distribution network (Source: Financial Express, Date: 04/02/2010)

The Punjab government has chalked out an ambitious project to the tune of Rs32.25 billion to strengthen the existing the power transmission and distribution (T&D) system in the state keeping in view the expected increased generation after the commencement of new thermal plants.

Govt to sell land to mop up resources (Source: Tribune News Service, Date: 02/02/2010)

The Punjab government has decided to sell its landed assets to mop up resources to overcome financial constraints and fill its empty coffers. The Punjab Infrastructure Development Board (PIDB) has been entrusted with the task of identifying government properties that can be auctioned to bring in revenue. The exercise had been started two years ago, but it had to be abandoned in view of the economic recession. Now, the exercise has been revived and the PIDB has identified 322.49 acres of land which is proposed to be auctioned, which would net about Rs100 billion.

11 technical academies to be set up (Source: Tribune News Service, Date: 07/02/2010)

Eleven multi-disciplinary technical academies will be set up in Punjab. The state Technical Education Department has prepared a proposal in this regard. There will be certificate, diploma and degree courses at the academies.

MNCs plan infra uplift for Amritsar & Jalandhar (Source: Financial Express, Date: 15/02/2010)

Cityscapist and Dixon, two multinational town planning companies with headquartered in Malaysia and Australia have given a detailed presentation to the Punjab government to upgrade the civic infrastructure in Amritsar, Jalandhar and Mohali. These towns are all set to emerge as 'Cities of Future' with world-class infrastructure including six-lane roads connectivity, with separate ducts for underground power and telecom cables.

Rs.21bn from WB for state roads (Source: Tribune News Service, Date: 17/02/2010)

The World Bank (WB) has approved Rs.21 billion for the Punjab State Road Sector Project (PSRSP) as part of Phase 2 of the upgradation of about 950 km of roads in the state under a new concept of output and performance-based road contracting (OPRC). The OPRC is being introduced by Punjab for the first time in the country.

Punjab to set up skill development centres (Source: Business Standard, Date: 20/02/2010)

The Punjab state government announced plans to open state-of-the-art skill development centres at the block level to train unemployed and less educated people for gainful employment. The efforts of the state government through establishing skill development centres aimed at imparting short term technical training.

Punjab to prepare Master Plan to develop Water Resources & Irrigation management (Source: Punjab Newslines, Date: 22/02/2010)

The Punjab state government announced plans to prepare a Master Plan to develop Water Resources and Irrigation management for Agriculture in the state. This would be an initiative on part of the state government to overcome the alarming situation of declining water resources under severe drought like condition and excessive use of ground water for the crops like Paddy in Punjab.

SWICP & help line launched in Punjab (Source: Punjab Newslines, Date: 22/02/2010)

A Single Window Industrial Clearance Portal (SWICP) - Composite Application Form (CAF) and 24 hours helpline service was launched recently by the Industries & Commerce Minister of Punjab. The new initiative is in line with the state government's attempts to make the system/process of setting up a industry more transparent and simple. Entrepreneurs in Punjab can now apply and monitor their applications for industrial approvals online. The web uniform resource locator (url) of the portal is www.pbindustries.gov.in/swicp.

Punjab cabinet approves 70 acres of land for ISB at Mohali (Source: Punjab Newslines, Date: 23/02/2010)

The Punjab cabinet approved in principle to transfer 70 acres of land in the Knowledge City in Mohali town adjoining Chandigarh for setting up Indian School of Business (ISB) in the state. The land, located in Sector 81 of Mohali, 15 km from here, will be given to the ISB management on lease basis. The Cabinet members also decided to include two additional founder supporters' partners including Hero Honda and Bharti Airtel besides initial four partners namely Max India Ltd., Bharti Enterprises Ltd., Hero Corporate Services Ltd. and Punj Llyod Ltd.

PUNJAB

INVESTMENT TRACKER

Bathinda refinery scheduled to be commissioned by 2011 (Source: Financial Express, Date: 04/02/2010)

The mechanical completion and commissioning of the prestigious Guru Gobind Singh oil refinery with an annual capacity of nine million metric tonnes is scheduled for early 2011. Already 44% of the work for the 11 units of the Rs190-billion project has been completed. This was claimed by the Chairman and Managing Director of the public sector petroleum major HPCL. The Director claimed 50% completion of the laying of the 1,014-km Kundra-Bathinda pipeline, with nearly 20,000 million metric tonnes per annum (MMTPA) capacity and a projected cost of Rs40 billion.

Punjab clears DLF project (Source: Business Standard, Date: 24/02/2010)

The Punjab government has cleared the first phase of Super Mega Mixed Use Integrated Industrial Park being developed by DLF Home Developers Ltd. in Mullanpur Local Planning Area under Greater Mohali Area Development Authority (GMADA). The new project, which is being carried out with a total investment of Rs.27 billion, would take up an area of 1,250 acres. The empowered committee allowed the company to develop residential area in the first phase, which would be treated as a Housing Mega Project. All the conditions of the Housing Mega Projects would be applicable for this residential pocket.

Punjab to establish industrial hub at Rajpura (Source: Business Standard, Date: 18/02/2010)

To promote industrialisation in the state, the Punjab government would establish an industrial hub on the area of 1,200 acres at Rajpura. Efforts would be made to attract Foreign Direct Investment (FDI) in the proposed industrial hub, for which special industrial concessions would be extended. A breather (concessions) would also be provided to the local industry. Special Economic Zone (SEZ) has also been planned in the proposed industrial hub and clusters of different types of industries including of Information & Technology (IT) would be developed in the earmarked area. For the development of industrial focal points in the state, an amount of Rs.450 million was being spent.

Govt. to shell out Rs.4bn for biotech park (Source: Tribune News Service, Date: 21/02/2010)

The department of biotechnology within the ministry of science and technology would spend Rs.4 billion to set up a biotechnology park on 150 acres in Knowledge City, Sector 81. The facility would prepare value added products based on agriculture and undertake new researches related to agriculture.

Fortis to come up with 200-bed hospital in Ludhiana (Source: Indian Express, Date: 11/02/2010)

Fortis Healthcare Ltd. is setting up of a 200-bed hospital in Ludhiana, Punjab. The hospitals is being set up under the 'asset light model' (land and building will be taken on lease). The tertiary care hospital at will be Fortis's third hospital in Punjab following the ones in Mohali and Amritsar. The super-speciality hospital is in advanced stages of planning and designing and is expected to be commissioned in 18 to 24 months.

News

26 mini-power plants sanctioned (Source: Tribune News Service, Date: 19/02/2010)

Encouraged by Punjab's fast march in the area of renewable energy, the Union ministry of New and Renewable Energy has sanctioned 26 new mini-power plants besides sanctioning pilot projects in the area of solar, hydel and wind energy. Under the pilot project the ministry is planning to provide solar and wind run water pumps to the farmers of Punjab in which farmers would contribute minimal

amount. If successful, it could save Rs.35 billion power subsidy being provided by state to the farmers. The residents of the villages around such projects would also be benefited, as their agricultural waste would be procured for generating electricity. Punjab is committed to generate 10% of installed generating capacity from renewable energy sources.

PUNJAB

NOTIFICATION TRACKER

DEPARTMENT OF EXCISE AND TAXATION (EXCISE AND TAXATION II BRANCH)

No. G.S.R./P.A.8/2005/S.70/Amd.()/2010

Date 23.02.2010

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 70 of the Punjab Value Added Tax Act, 2005 (Punjab Act No. 8 of 2005), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules, further to amend the Punjab Value Added Tax Rules, 2005, namely :-

RULES

1. (1) These rules may be called the Punjab Value Added Tax (____Amendment) Rules, 2010.
(2) They shall come into force on and with effect from the date of their publication in the Official Gazette.
2. In the Punjab Value Added Tax Rules, 2005, in Rule 40, in sub-rule (2), in the proviso, at the end, for the sign “ . “, the sign “ : “ shall be substituted and thereafter the following proviso shall be added, namely :-

”Provided further that for the year 2008-09, the statutory declaration under the Central Sales Tax Act, 1956 shall be filed up-to 31st day of March, 2010.”

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

DEPARTMENT OF EXCISE AND TAXATION

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, the **Governor of Punjab is pleased to levy a tax on Cement, at the rate of twelve and a half percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, the **Governor of Punjab is pleased to levy a tax on Ceramic Tiles, at the rate of twelve and a half percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, the **Governor of Punjab is pleased to levy a tax on D.G. Set at the rate of twelve and a half percent in the hands of** all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on D-oiled Cake and Rice Bran at the rate of four percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Marble the rate of twelve and a half percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Diesel, at the rate of 8.8 percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Furnace oil at the rate of two percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Transformers at the rate of four percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Lubricants at the rate of twelve and a half percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3A/Amd (/)/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Plywood, at the rate of twelve and a half percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Wheat Flour (branded) at the rate of four percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

No.S.O._____/P.A.9/2000/S.3-A/2010

Date 01.02.2010

NOTIFICATION

In exercise of the powers conferred by section 3-A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 (Punjab Act No.9 of 2000), and all other powers enabling him in this behalf, **the Governor of Punjab is pleased to levy a tax on Vanaspati and Refined Oils at the rate of four percent** in the hands of all the persons including a taxable person registered under the Punjab Value Added Tax Act, 2005 with effect from 5th February, 2010.

S.S. BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

DEPARTMENT OF EXCISE AND TAXATION (EXCISE AND TAXATION II BRANCH)

No. S.O./P.A.8/2005/S.8/2010

Date 29.01.2010

NOTIFICATION

Whereas the State Government is satisfied that circumstances exist, which render it necessary to take immediate action in public interest;

Now, therefore, in exercise of the powers conferred by sub-section (3) of section 8 of the Punjab Value Added Tax Act, 2005 (Punjab Act No. 8 of 2005), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following amendments in Schedule 'B', appended to the said Act with immediate effect by dispensing with the condition of previous notice, namely:-

AMENDMENT

In the said Schedule,-

- (i) for the existing heading captioned as "LIST OF GOODS TAXABLE @ 4 PERCENT", the following shall be substituted, namely:-
"LIST OF GOODS TAXABLE @ 5 PERCENT",
- (ii) for serial No. 27 and entries relating thereto, the following shall be substituted, namely :-
"27. Cotton waste";
- (iii) serial No. 30 and entries relating thereto shall be omitted ;
- (iv) serial No. 79 and entries relating thereto shall be omitted ;
- (v) serial No. 80 and entries relating thereto shall be omitted ;
- (vi) for serial No. 82 and entries relating thereto, the following shall be substituted, namely :-
"82. Pipes and pipe fittings of ductile pipes and Poly Vinyl Chloride"; and
- (vii) for serial No. 134 and entries relating thereto, the following shall be substituted, namely :-
"134. Yarn of all types, including yarn waste and sewing thread except cotton yarn".

SHIVINDER SINGH BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

DEPARTMENT OF EXCISE AND TAXATION (EXCISE AND TAXATION BRANCH)

No. _____

Date 29.01.2010

NOTIFICATION

Whereas the State Government is satisfied that circumstances exist, which render it necessary to take immediate action in public interest;

Now, therefore, in exercise of the powers conferred by sub-section (3) of section 8 of the Punjab Value Added Tax Act, 2005 (Punjab Act No. 8 of 2005), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to insert the following Schedule after Schedule-C appended to the said Act with immediate effect by dispensing with the condition of previous notice, namely:-

**“SCHEDULE C-I
(See section 8)**

LIST OF GOODS TAXABLE @ 4 PERCENT

Declared goods as specified in section 14 of the Central Sales Tax Act, 1956, except those included in any other Schedule.”

SHIVINDER SINGH BRAR,
Financial Commissioner Taxation and
Secretary to Government of Punjab,
Department of Excise and Taxation.

RAJASTHAN

POLICY TRACKER

Rajasthan Cabinet approves State's first Forest Policy (Source: The Hindu, Date: 18/02/2010)

The government of Rajasthan has approved the state's first ever Forest Policy along with new policies on livestock development and water. The policies would form the basis for sustained and systematic action on these fronts under the Rajiv Gandhi Missions functioning in the state, according to state Chief Minister. The Forest Policy draft approved by the cabinet contains an ambitious target to increase the forest cover in the desert state to 20% from the existing 9.5% by carrying out massive afforestation programme under "Harit Rajasthan" scheme. The draft suggests making use of the funds from the National Rural Employment Guarantee Scheme to carry out tree plantation in the Indira Gandhi Canal areas and elsewhere where the forests can be re-generated. The Livestock Development Policy envisages integrated development of animal husbandry, dairy and fisheries along with education and research in this sector to generate more employment and income. The State Government is also planning to establish an animal husbandry and livestock sciences university at Bikaner.

New draft water policy for Rajasthan approved (Source: The Hindu, Date: 17/02/2010)

A sub-committee of the Rajasthan Cabinet has approved a new draft water policy for the desert State after detailed deliberations on its different aspects as well as methods to deal with large-scale paucity of water. The draft policy will be submitted shortly to the Cabinet for final approval. If approved, the new policy would resolve the problem of increasing shortage of water for both drinking and irrigation.

News

Major road projects to come up in Rajasthan (Source: The Hindu, Date: 19/02/2010)

The National Highways Authority of India (NHAI) is likely to take up four new projects this year for four-laning of highways of a total length of 412 km in Rajasthan at an investment of Rs.38.15 billion. The proposed segments are Beawar-Pali and Pali-Pindwara sections on National Highway No.14, Reengus-Sikar section on National Highway-11 and Deoli-Kota section on National Highway-12. The new projects would be besides the three ongoing projects -- six-laning of Kishengarh-Beawar section of National Highway-8, four-laning of Jaipur-Reengus section of National Highway-11 and four-laning of Jaipur-Tonk Deoli section of National Highway-12. Once complete, these highways, altogether measuring 295 km, will be of world-class quality. The total investment on these three projects would be Rs.18.55 billion.

Govt. to simplify tax collection (Source: The Hindu, Date: 09/02/2010)

The government was committed to simplifying the tax collection procedure and resolving the problems of industry and business sector besides ensuring collection of outstanding tax on time, according to state Chief Minister. The Chief Minister noted that introduction of e-collection of revenue had yielded positive results, with about 50% of taxes, including the value added tax (VAT), being collected through e-payment.

Experts to suggest initiatives for cooperative sector (Source: The Hindu, Date: 03/02/2010)

The Rajasthan state government has appointed 11 study groups of experts to recommend new initiatives in the cooperative movement, formulation of new schemes, and management of multi-dimensional activities and integrated development of cooperative sector in the state. The study groups have been appointed for short-term and long-term cooperative credit institutions, cooperative consumers, dairy, cooperative development projects, housing, audit system, processing units,

weavers, cooperative marketing and office management. The newly appointed groups would study the existing schemes, programmes and processes and suggest reforms in them, besides recommending new initiatives.

New steps to curb illegal mining (Source: Times of India, Date: 14/02/2010)

The Rajasthan Government has announced a series of steps to curb illegal mining in the Aravallis which passes through more than half the total number of districts in the state.

Rajasthan plans Rs.36bn crop loans (Source: The Hindu, Date: 25/02/2010)

The Rajasthan state government had set the target for disbursal of crop loans worth Rs. 36 billion to farmers during the financial year 2010-11. This year, the government has disbursed more than Rs.30 billion as loans to about 1.9 million farmers so far. The state government had reduced the rate of interest from 11% to 7% on the loans up to Rs.300,000 under the Krishak Mitra Yojana. The NABARD had also agreed to enhance its financing from 40% to 45% of crop loans on the state government's request.

RAJASTHAN

INVESTMENT TRACKER

Pre-BIDI meet clears investment proposals (Source: Times of India, Date: 17/02/2010)

Investment proposals of more than Rs.10 billion were given preliminary clearance during the Pre-Board meet of Infrastructure Development and Investment (BIDI) held under the chairmanship of chief secretary T Srinivasan recently. The proposals included three IT companies in Jaipur, one cement company and one power plant. The proposal of the cement company and power plant itself adds up to around Rs.8-10 billion. With a prior sanction for two IT companies, Jaipur will soon be developed as a major IT hub. It was also discussed in the meet that the power plant would be set up keeping in view availability of lignite and a cement plant would be set up in an area with sufficient availability of limestone.

Inland container depot to be set up (Source: Times of India, Date: 17/02/2010)

The Rajasthan State Industrial Development and Investment Corporation (RIICO) recently signed a memorandum of understanding (MoU) with Kribhco Infrastructure Ltd. (KRIL) to set up a Rs.1.5 billion rail-linked inland container depot with allied facilities at Beda Banki village near Hindaun City railway station in Karauli district. RIICO will acquire 147.53 acres for the project. The KRIL also plans to set up a Free Trade Warehousing Zone.

News

Silk Mark Expo-2010 begins (Source: The Hindu, Date: 01/02/2010)

The five-day Silk Mark Expo-2010 began recently in the state with a call to protect the fibre facing unfair competition from manmade substitutes. About 55 exhibitors from 14 States are taking part in the event. The exhibition has been organised by the Silk Mark Organisation of India, which manages "Silk Mark" introduced by the Central Silk Board under the Union Ministry of Textiles.

Tourist arrivals dip 70% (Source: Times of India, Date: 09/02/2010)

Recession has taken a heavy toll on Rajasthan's tourism sector. The annual statistics compiled by the department of tourism shows a steep decline in the arrival of tourists in Rajasthan. The sector was worst hit in the second quarter of 2009: domestic arrivals declined 65.8% and international arrivals declined 70%. However, a gradual recovery and extended weekend breaks helped tourism recover, albeit an overall drop.

India Soft 2010 to be held in Jaipur (Source: Economic Times, Date: 12/02/2010)

The 10th edition of India Soft 2010, the largest IT global networking event in India, will be held from March 10-12 in Jaipur. The event is organised by the Electronics and Computer Software Export Promotion Council (ESC). It is sponsored by the Department of Information Technology, Rajasthan. It is expected to bring together about 500 IT experts from all over the world.

OIL begins digging at Baghewala (Source: Times of India, Date: 07/02/2010)

Oil India Ltd (OIL) has started exploration of large deposits of heavy oil found at Baghewala area in Jaisalmer district. The oil PSU major has been digging four wells in the area under a pilot project, the first of its kind in the country. The new discoveries of petroleum products in the area comprising Jaisalmer and Barmer districts have the potential to emerge as a petroleum hub in the state. The state constituted the Tripathi committee to study the possibility of a refinery. The total petroleum deposit in area is estimated to be nearly 53 million tonnes of heavy oil. Some deposits of 'condensed oil' was also found in some pockets and government is studying the potential of this deposit for commercial exploration. The area is also making strides in industrial expansion. The government has received many proposals for cement manufacturing units the area.

RAJASTHAN
NOTIFICATION TRACKER

FINANCE (EXCISE) DEPARTMENT

No.F.11 (76)FD/Ex/2003

Date 03.02.2010

NOTIFICATION

In exercise of the powers conferred by section 41 of the Rajasthan Excise Act, 1950 (Act No. 11 of 1950), the State Government hereby makes the following rules further to amend the Rajasthan Excise Rules, 1956 and orders with reference to the proviso to sub-section (3) of the said section that previous publication of these amendment rules is dispensed with as the State Government considers that they should be brought into force at once, namely: -

- 1. Short title and commencement.-** (1) These rules may be called the Rajasthan Excise (Amendment) Rules, 2010.
- (2) They shall come into force at once.

Note: For full text the aforesaid notification may be referred to.

By Order of the Governor,

(S.S. Rajawat)
Dy. Secretary to the Government

FINANCE (TAX) DEPARTMENT

No.F.2(42)FD/Tax/09-77

Date 03.02.2010

NOTIFICATION


राजस्थान सरकार
वित्त (कर) विभाग

आधेसूचना

जयपुर, दिनांक: 03.02.2010

राजस्थान स्टाम्प अधिनियम, 1998 (1999 का अधिनियम संख्या 14) की धारा 9 की उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए राज्य सरकार, यह राय होने पर कि लोकहित में ऐसा किया जाना समीचीन है, इसके द्वारा आदेश देती है कि राजस्थान राज्य विद्युत प्रसारण निगम लिमिटेड द्वारा अपनी वार्षिक साधारण सभा में दिनांक 24.12.2008 को पारित प्रस्ताव के अनुसरण में ऑथोराइज्ड अंशपूजी एक हजार करोड़ रुपये से बढ़ाकर पन्द्रह सौ करोड़ रुपये करने बाबत रजिस्ट्रार ऑफ कम्पनीज, राजस्थान, जयपुर के कार्यालय में दिनांक 22.01.2009 को प्रस्तुत संशोधित आर्टिकल्स ऑफ एशोसियेशन के दस्तावेज पर देय मुद्रांक कर से छूट प्रदान की जाती है।

(प.2(42)वित्त/कर/09-77)
राज्यपाल के आदेश से


(वैभव गालरिया)
शासन उप सचिव

UTTAR PRADESH

POLICY TRACKER

Horticulture schemes for Bundelkhand (Source: Business Line, Date: 19/02/2010)

The Uttar Pradesh Government has forwarded for approval a package of Rs. 1.17 billion to the Centre for 18 horticulture schemes in Bundelkhand region, according to Principal Secretary Horticulture and Food Processing Shri Krishna.

UP exempts new industrial units from electricity duty (Source: Business Standard, Date: 20/02/2010)

The Uttar Pradesh government has exempted all the new and pioneer industrial units from Electricity Duty (ED) for a period of 10 years, in an investor friendly move and a major relief for the industry. However, the period for relief in ED for all pioneer units is 15 years.

UP lifts ban on entry of raw sugar (Source: Business Standard, Date: 25/02/2010)

The Uttar Pradesh government has lifted the ban on the entry of imported raw sugar in the state. Since the crushing season was on the wane, the government felt the entry of raw sugar in UP could now be allowed. The state sugar mills, including Bajaj Hindusthan, had contracted almost 900,000 tonnes of raw sugar from Brazil, but the consignment could not leave the ports following the earlier ban.

News

UP defers sale of cooperative sugar mills till March 8 (Source: Business Standard, Date: 16/02/2010)

Uttar Pradesh government has deferred the strategic sell-off and transfer of assets of seven loss-making co-operative sugar mills till March 8, due to court stipulations on the process, a state government official said. The strategic sell-off is aimed at improving profitability and output of these loss-making units. IFCI Ltd, an advisor to the Uttar Pradesh government for the sale of these sugar mills, had put out a notification recently saying that submission of request for proposal for the sale of these mills have been delayed till March 8.

UP confident tax revenue will double under GST (Source: Business Standard, Date: 24/02/2010)

Even as the deadline for the Goods and Service Tax (GST) is yet to be finalised, the Uttar Pradesh state government has expressed confidence that the commercial tax revenue would double under the new tax regime. At present, the commercial tax collections, including entertainment tax, stands around Rs. 200 billion annually, which forms almost 75% of the total tax revenue by the state. The UP principal secretary, Desh Deepak Verma said that the tax collection would be doubled to Rs. 400 billion per annum under GST.

Horticulture schemes for Bundelkhand (Source: Business Line, Date: 19/02/2010)

The Uttar Pradesh state government has approached the Center for approval of a Rs.1.17 billion package for horticulture schemes in Bundelkhand. The 18 schemes would boost horticulture activities in the region, which would in turn augment rural incomes and increase horticulture production in Bundelkhand. The soil of Bundelkhand is suitable for horticulture and the state government plans to increase production in the region.

HCL to provide online solutions to UPPCL (Source: Business Standard, Date: 09/02/2010)

IT major HCL has been awarded the contract to provide online customer service solutions to Uttar

Pradesh Power Corporation Ltd. (UPPCL). HCL will help UPPCL in implementation of full automation across gamut of services, such as online billing, checking metre reading and bills' generation. The project has been undertaken under Accelerated Power Development and Reform Programme (APDRP) and the project cost is estimated at Rs.7 billion.

UTTAR PRADESH

INVESTMENT TRACKER

Samsung opens new AC production line in Noida (Source: The Hindu, Date: 10/02/2010)

Samsung Electronics launched an entire new range of air-conditioners and announced opening of a new split AC manufacturing line at its Noida facility with a capacity of 600,000 units annually. The company is aiming sales of over 1 million ACs this year, thereby garnering a market share of over 30%.

UP to invest Rs. 2.48bn for village industries (Source: Business Standard, Date: 18/02/2010)

To speed up economic emancipation of rural folks in Uttar Pradesh, the state government will invest Rs. 2.48 billion during 2010-11 for setting up 9,500 village industries. These units are expected to provide employment to around 82,000 people, while most of them are likely to come under the khadi segment. Besides, the government intends to provide interest free loans to entrepreneurs for setting up industrial units in the state. The government is also targeting to provide employment to 25,000 weavers and produce 640 million metres of handloom cloth in the next fiscal year. UP has made provision of funds to this end in the 2010-11 Budget, which was recently passed by the state assembly. The Budget has provision for Rs. 900 million for development of tourist sports and development of related infrastructure facilities, especially in the Buddhist Circuit in the eastern region.

Logix Group to develop housing project in Noida (Source: Business Standard, Date: 17/02/2010)

Realty firm Logix Group proposes to invest Rs. 10 billion to develop a 25-acre residential project—Blossom County—at Noida in Uttar Pradesh. Blossom County project comprises 2,500 apartments and is expected to generate revenue to the tune of Rs. 12 billion. The project will be developed in three phases over the next four years and 800 flats in the first phase have already been sold out. The company also plans to launch another housing project at Gurgaon in the next six months. Logix is investing Rs. 2500 million in developing an IT/ITeS Special Economic Zone (SEZ) at Noida. The company has received all necessary approvals for the SEZ and is expected to commence the construction in three months. Besides, the company is also planning to construct a 5-Star hotel in Noida consisting of 350 rooms and the project is expected to be finalised in the next six months.

News

GMR, GVK, L&T & Gammon short-listed for Kushinagar airport project (Source: Financial Express, Date: 04/02/2010)

With the Uttar Pradesh government releasing Rs. 1.56 billion loan for acquiring 550 acre land needed for the ambitious Kushinagar International airport, work on it has suddenly gathered pace. While the UP tourism development department has started the work of land acquisition on behalf of the private developer, four reputed companies have been short-listed after the RFQ. The four companies are GMR Infrastructure, GVK Infra, L&T and Gammon India and all four have been sent the request for proposal (RFP).

UP sugar output falls marginally (Source: Business Line, Date: 11/02/2010)

Sugar production in Uttar Pradesh (UP) is marginally down by about 3.3% during the ongoing 2009-10 crushing season (October-September). Mills in the State had, as on February 7, produced 3.2 million tonnes this season, against 3.3 million tonnes in the corresponding period of 2008-09, according to official data. Bajaj Hindusthan Ltd (BHL), India's No. 1 sugar company, has till now crushed 51.1 million quintals of cane this season, which is 18% more than the 43.2 million quintals

that it did during the corresponding period of 2008-09.

Govt. woos builders with land rights for expressway (Source: Financial Express, Date: 13/02/2010)

Drawing lessons from its repeated failures to attract private investment in big-ticket projects, the Uttar Pradesh government has drawn up a plan for a Rs. 62 billion expressway which envisages assured land rights. Land rights are property rights that pertain to real estate land. The project with a concession period of 35 years eyes attractive traffic figures, which are expected to rise as it will provide the shortest possible route for travelling from the national capital to Uttarakhand. Also, the project envisages seven hydropower plants, which the developer can build or lease out. Assured about the viability of the project, the UP government has decided to ask builders to pay back the state from its revenue stream. According to an official, the state government will give first preference to bids offering negative grant; the government hopes to hand over the letter of authority (LOA) for the project to the developer.

UTTAR PRADESH
NOTIFICATION TRACKER

TAXES DEPARTMENT

No.-KA.NI.-2- 247/XI-9(341)/09-U.P.Act-5-08-Order-(58)-2010

Date: 24.02.2010

NOTIFICATION

In exercise of the powers under clause (c) of section 7 of the Uttar Pradesh Value Added Tax Act, 2008 (U.P. Act no. 5 of 2008), the Governor is pleased to direct that no tax shall be payable under the said Act, with effect from April 01, 2010 on the turnover of direct sale to or direct purchase by manufacturer-exporter of any raw materials, processing material, consumable stores, spare parts, accessories, components, lubricants, fuel other than petrol and diesel and packing materials for use in the manufacture of goods by him or in the packing of goods manufactured by him subject to the following conditions:

CONDITIONS

- (i) the above facilities will be available only when, the manufactured goods is exported out of India;
- (ii) the benefit of this facility shall be available to the selling dealer on the submission of declaration, in the Form prescribed by the Commissioner, obtained from the manufacturer exporter;
- (iii) if the manufactured goods are not exported out of India, the manufacturer-exporter claiming the benefit of this notification, shall be liable to pay tax, according to the provisions of the aforesaid Act, on the purchase of such goods and also interest from the date of purchase of such goods and if such manufactured goods are exported out of India and also sold otherwise or disposed off otherwise than by way of sale, then the purchase of such goods liable to tax shall be determined in accordance with the ratio of quantity of exported goods and goods otherwise sold or disposed off otherwise than by way of sale;
- (iv) the manufacturer-exporter, for the export made during a tax period, shall submit the proof of export e.g.- Form-H, Bill of lading, Airway bill etc. within three months of the end of the tax period ;
- (v) if the manufacturer-exporter is found having misused the facility under this notification, he shall be liable for penal proceedings under section 54 of the. Act;
- (vi) in case of misuse of the facility under this notification prosecution proceedings may be undertaken under the relevant sections of the Indian Penal Code.

By Order,

(Desh Deepak Verma)
Pramukh Sachiv.

NOTIFICATION

In exercise of the powers under sub-section (1) of section 3~A of the Uttar Pradesh Value Added Tax Act, 2008 (U.P. Act no. 5 of 2008), read with section 21 of the Uttar Pradesh General Clauses Act, 1904 {U.P. Act no. 1 of 1904} and in suppression of notification no.-KA.NI.-2-1169/XI-9(10)/08-U.P.Act-5-2008-Order-(45)-2009 dated May 29, 2009, the Governor is pleased to direct that every dealer liable to pay tax under the said Act shall with effect from February 19 , 2010, pay in addition to the tax payable under any other provision of the said Act, an additional tax on the taxable turnover of sale or purchase or both as the case may be, of goods specified in column 2 of the table below at the rates specified against each in column 3 of the said table:

Table

Serial Number	Description of goods	Rate
1	2	3
1-	Goods described in Schedule-II to the said Act other than declared goods	1 percent
2-	Natural gas	5 percent
3-	Cement	3 percent
4-	Motor vehicles of all kind including chassis thereof but excluding Tractors	2 percent
5-	Tyres and Tubes excluding tyres and tubes of cycles, cycle-rickshaw mid animal driven vehicle	3 percent
6-	Goods described in Schedule-V to the said Act other than the goods described at serial number 3, 4 and 5 above.	1 percent

By Order,

(Desh Deepak Verma)
Pramukh Sachiv.

No.KA.NI.-2- 246/XI-9(10)/08-U.P.Act-30-07-Order-(56)-2010

Date: 19.02.2010

NOTIFICATION

In exercise of the powers under sub-section (1) of section 4 of the Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2009 (U.P. Act no. 30 of 2007), read with section 21 of the Uttar Pradesh General Clauses Act, 1904 (U.P. Act no.1 of 1904), the Governor is pleased to make with effect from February 19, 2010, the following amendment in Government notification no. KA.NI.-2- 2757/XI-9(1)08-U.P.Act-30-2007-Order-(31)-2008 dated September 29, 2008 as amended from time to time:

AMENDMENT

In the aforesaid notification, in the Schedule, the entries at serial numbers 3, 8, 13 and 18 shall be omitted.

By Order,

(Desh Deepak Verma)

Pramukh Sachiv.

NOTIFICATION

In exercise of the powers under section 79 of the Uttar Pradesh Value Added Tax Act, 2008 (U.P. Act no. 5 of 2008) read with section 21 of the Uttar Pradesh General Clauses Act, 1904 (U.P. Act no.1 of 1904), the Governor is pleased to make the following rules with a view to amending the Uttar Pradesh Value Added Tax Rules, 2008.

The Governor, being satisfied that circumstances exist which render it necessary for him to take immediate action, is further pleased under the proviso to sub-section (3) of section 79 of the said Act to make the aforesaid rules without previous publication:-

The Uttar Pradesh Value Added Tax (Second Amendment) Rules, 2010

**Short title and 1.
commencement**

- (1)- These rules may be called the Uttar Pradesh Value Added Tax (Second Amendment) Rules, 2010
- (2)- They shall come into force with effect from the date of their publication in the Gazette.

**Amendment of 2.
rule 4**

In the Uttar Pradesh Value Added Tax Rules, 2008, hereinafter referred to as the said rules, in rule 4 after the existing sub-rule (11) the following sub-rule shall be inserted, namely:-

(12) The State Government or the Commissioner with prior approval of the State Government shall have power to modify or amend the format of any Form and extend the time limit to file any Form under these rules.

Note: For full text the aforesaid notification may be referred to.

By Order,

(Desh Deepak Verma)
Pramukh Sachiv.

ENERGY DEPARTMENT

No. 1765/24-3-2009-2000 (124)/09

Date: 21.01.2010

NOTIFICATION

Whereas the Industrial and Service Sector Investment Policy, 2004 has been approved by the Cabinet in its meeting dated February 19, 2004;

And Whereas in para 3-4-2-9 of the said Policy it has been provided that all new units shall be admissible for exemption from the Electricity Duty for a period of ten years and all such units as are declared pioneer units shall be admissible for exemption from the Electricity duty for a period of fifteen years;

Now, therefore, with view to implementing the said policy, the Governor, in exercise of the powers under sub-section (4) of section 3 of the Uttar Pradesh Electricity Duty Act 1952 (U.P. Act no. 33 of 1952) is pleased to direct that all new industrial units and all such new units as are declared as Pioneer Units shall be exempted from Electricity Duty for a period of ten years and fifteen years respectively.

By Order,

(Navneet Sehgal)
Secretary.

UTTARAKHAND

POLICY TRACKER

News

Decision on reviving U'khand hydel projects after Kumbh fair (Source: Financial Express, Date: 15/02/2010)

The Centre is unlikely to take a decision on restarting work on the suspended hydel power projects in Uttarakhand until the culmination of the Mahakumbh in April. Three projects—NTPC's 600MW Lohari Nagpala, Uttarakhand Jal Vidyut Nigam Limited's 480MW Pala Maneri and 380MW Bhaironghati on Bhagirathi river in Uttarkashi district were suspended on religious and environmental grounds. Currently, the State Govt is not expecting any decision on these suspended hydel projects before the culmination of the Kumbh fair where sufficient water in Ganga would be required.

Uttarakhand to privatise power distribution in 2 cities (Source: Business Standard, Date: 10/02/2010)

Uttarakhand announced plans to privatise power distribution system in two cities of the state. The government-run Uttarakhand Power Corporation Ltd. (UPCL), the sole power distribution licensee in the state, had proposed privatisation of power distribution at Roorkee in Haridwar district and Rudrapur in Udham Singh Nagar district where transmission and distribution (T&D) losses and power thefts are very heavy. The UPCL is already under the process of inviting bids from the private players. The move is being seen as part of the power reforms programme in the state.

UTTARAKHAND

INVESTMENT TRACKER

Uttarakhand plans industrial estate next to IIM (Source: Business Standard, Date: 19/02/2010)

With the Uttarakhand government announcing its plans to set up a new IIM at the industrial town of Kashipur in Kumaon region, a move is afoot to set up an industrial estate side by side. The new IIM would be coming up at Escorts Farms in Kashipur where the government has in its kitty nearly 530 acres of land. According to an estimate, since IIM requires not more than 200 acres, a new industrial estate can be developed on the rest of the land available at Kashipur. For this purpose, the State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd. (Sidcul) would shortly approach the government for its proposal to develop industrial estate for SME units there. The government estimate suggests that the new industrial estate can attract investment of Rs. 30-50 billion. Since Escorts Farms falls in non-notified area, the government is expecting only thrust industries to set up their new units there.

News

Uttarakhand — A State with potential in Horticulture (Source: Business Line, Date: 01/02/2010)

Primarily an agrarian State, a predominant part of the population (almost 90%) in Uttarakhand depends on agriculture and allied activities for livelihood. Farming takes place is about 780,000 hectares, of which 590,000 hectares are under irrigation. Given the undulating topography, scope for large-scale cultivation of field crops (grains, oilseeds) is limited. There are a number of forest-based industries with an investment of about Rs. 200 billion and employing about 50000 people. The hilly terrain limits scope for widespread industrialisation and growth of service industry in the state. However, the agro-climatic conditions offer environment conducive for cultivation of a variety of spices as well as horticulture products. The crops – chillies, ginger and garlic as also apples, oranges, grapes, pears, peach, plum, apricot, litchi, and guava are widely grown. This suggests the State has potential for Horticulture development and setting up of processing facilities to cater to the growing markets nearby.

U'khand wildlife tourism grows (Source: Business Standard, Date: 16/02/2010)

After the recession, Uttarakhand may be hoping for a wildlife tourism boom. However, during the recession period also, wildlife had remained a major tourist attraction in the hill state, and it is a home to some of the world's famous tiger reserves like Jim Corbett National Park. During the year 2008-09, nearly 292,000 wildlife lovers visited important national parks and sanctuaries in the state as against 247,000 in 2007-08. The Corbett National Park, which alone attracted 202,000 tourists during the period, continues to remain the first choice for visitors from home and abroad. While a total of 15,503 wildlife enthusiasts from foreign countries visited Uttarakhand, nearly half (8,757) of them had gone to Corbett Park alone last year. Beating all other wildlife parks and sanctuaries in the state, the Corbett National Park also earned revenue of Rs. 30.64 million for the department when the total revenue through wildlife tourism in the state stood at Rs. 37.83 million as against Rs. 34.20 million during the previous year.

Madhucon to set up 3 hydel plants in Uttarakhand (Source: Business Line, Date: 09/02/2010)

Madhucon Projects Ltd., a Hyderabad-based infrastructure company, received three hydel power projects of 25 MW each, expandable to 100 MW, in build, operate and transfer (BOT) mode from the Uttarakhand Jal Vidyuth Nigam Ltd. The contract involves development, implementation and

operation of Agastyamuni Hydel project of 25 MW in Rudraprayag district, and two other projects of 25 MW each at Tilwara, all of them located on the Mandakini, a tributary of river Alakananda. The terms of agreement entails Madhucon Projects to operate the project for 35 years in BOT mode.

Titan to set up new plant at Pantnagar (Source: Business Line, Date: 03/02/2010)

Titan Industries is setting up a watch manufacturing plant at Pantnagar in Uttarakhand. The plant's annual production capacity will be around 5 million watches. The investment in the plant is around Rs.120 million. Production at the plant is expected to start by March 2010

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