The July 2005 US-India joint statement represents a fundamental transformation of US-India relations and at the same time a challenge to the disarmament and non-proliferation regimes. There is concern that the March 2006 separation plan proposed by India for demarcating its military and civilian nuclear facilities may allow a potentially rapid expansion of its capacity for fissile material production for weapons. In this talk, I will present an assessment of the fissile material production capabilities in India and how they might change as a result of the US-India deal.